ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

OUR ESG STRATEGY

ENVIRONMENTAL SUSTAINABILILTY

SOCIAL SUSTAINABILITY

CORPORATE GOVERNANCE

OUR ESG STRATEGY

Stor-Age is committed to upholding the principles of responsible and sustainable business practices. We understand that environmental sustainability, social responsibility, and good corporate governance not only makes a positive impact, but creates a more sustainable business and increases shareholder value.

With a strong focus on environmental sustainability, we continuously strive to minimise our environmental footprint through the implementation of energy-efficient technologies, renewable energy, water and waste management initiatives. We also actively engage with the communities in which we operate, assisting local organisations in need. Our commitment to good corporate governance ensures transparency, integrity and ethical behaviour in all aspects of our operations.

Our ESG strategy encompasses all of our properties, which now includes 57 properties in South Africa and a further 36 in the UK.

Highlights

R21.5 million+
Investment in renewable energy to date

4.3 million kWh
Solar power generated to date

1 094 tCO_2e
Avoided greenhouse gas emissions across SA portfolio due to renewable energy use (FY22 936 tCO_2e)

15%
Reduction in the total Scope 1, 2 and 3 carbon footprint in SA due to renewable energy use (FY22 13%)

12
Provided 12-month learnership programme to 12 previously disadvantaged learners in January 2023

R400 000+ (of rental value)
24 complimentary self storage units representing 260 m² GLA for the period of 'community investment'

Driven by our Core Value of Sustainability, we believe that every decision or action we take today directly impacts the decisions or actions which can be taken tomorrow. As such, we place great importance on not only continually ensuring the sustainability of our business and our people, but also the sustainability of the natural and social environment around us.

The board oversees the execution of the Group's sustainability strategy to ensure that our policies and practices support the five pillars of our sustainability approach, being our employees, customers, shareholders, the communities and the environment in which we operate.

This strategy is focused on three key areas: environmental sustainability, social sustainability and corporate governance, and is informed by our Vision and Core Values, six relevant UN Sustainable Development Goals (SDGs) and takes guidance from the Task Force on Climate-related Financial Disclosures (TCFD).

ESG STRATEGY

Our ESG strategy aligns our Vision and Core Values with relevant UN SDGs and takes guidance from the TCFD.

Long-term ESG reporting framework adoption

ENVIRONMENT | SOCIAL | GOVERNANCE

SUSTAINABLE DEVELOPMENT GOALS

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

GOVERNANCE
Disclosure of governance around climate-related risks and opportunities.

STRATEGY
Disclosure of the actual and potential impacts of climate-related risks and opportunities, strategy and financial planning, where such information is material.

RISK MANAGEMENT
Disclosure of how Stor-Age identifies, assesses and manages climate-related risks.

METRICS AND TARGETS
Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.

ESG FRAMEWORK

Through our ESG framework we continue to monitor our impact on the economy, the workplace, the social environment and the natural environment

Decent work and economic growth
- Job creation
- Learning and development
- SMME support
- Employee wellness

Industry, innovation and infrastructure
- Developing environmentally-friendly buildings
- Energy consumption
- Water consumption
- Cybercrime prevention

PEOPLE

PROPERTY

Reduced inequalities
- Gender equality
- Supporting the previously disadvantaged
- Supply chain management
- Charitable commitments

Responsible consumption and production
- Energy consumption
- Water consumption
- Greenhouse gas emissions
- Waste management
- Fuel consumption

Underpinned by: Our Vision and Core Values, UN SDGs and TCFD

Supported by overarching corporate governance principles

A LONG-TERM STRATEGY

As South Africa's leading and largest self storage property fund and brand, we do not believe in taking the shortest route or being focused on a short-term time horizon. We remain resolute in the execution of a long-term ESG strategy built around:

- Developing environmentally-friendly buildings with low environmental impact
- Creating a culture of high integrity across the business
- An unwavering approach to good corporate governance
- Ensuring the ongoing sustainability of the business
- Preserving our resilience by maintaining balance sheet strength
- Ensuring effective management of financial and environmental risks, with significant value creation for our stakeholders
- Supporting the local communities in which we operate
- Driving employee wellness across the business

We know that to remain a market leader we have to nurture, encourage and sustain a culture of innovation from within and find more efficient ways of performing what we do every day, across all areas of our business.

We aim to build an organisation that is resilient, and which can endure and adapt through many generations of leadership and multiple product life cycles. The resilience of our business has been tested and proven on numerous occasions over recent years, including throughout and post the COVID-19 pandemic, civil unrest and various economic cycles.

We continue to adapt to new environments, remaining focused on driving move-ins, and managing occupancy levels and rental rates across the business in both markets.

ENVIRONMENTAL SUSTAINABILITY

"The sustainability of the environment has always been and remains a priority for the Group."

Our four Core Values guide and inspire our thoughts, actions and decisions. Aligned to our Core Value of Sustainability, caring for the environment is a priority.

Through our alignment with the SDGs and taking guidance from the TCFD, we place significant emphasis on ensuring that we take care of the environment in which we operate.

A SUSTAINABLE BUSINESS STRATEGY

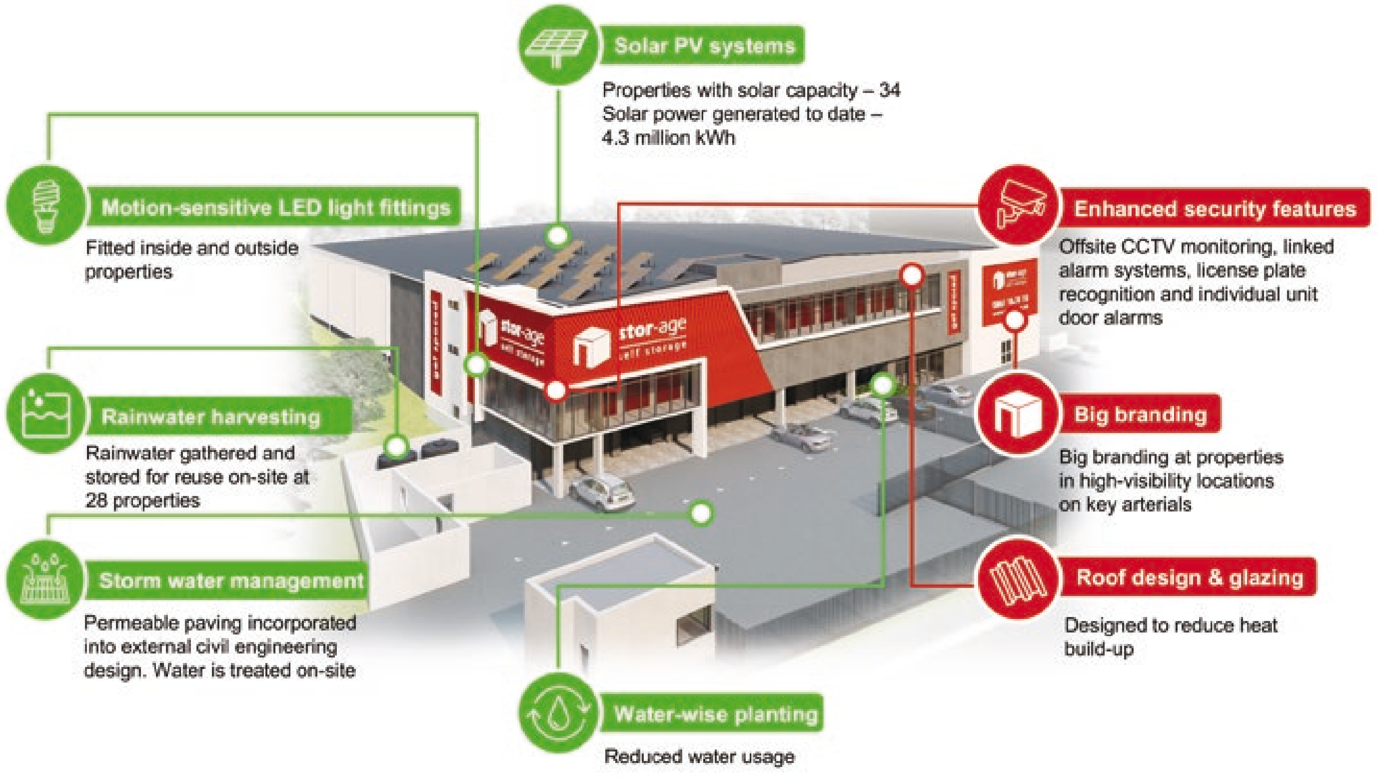
We recognise the importance of managing our various impacts responsibly, particularly in the environment around our properties and in the broader communities in which we operate. We implement sustainable practices across the business in terms of energy efficiency, renewable energy generation, reducing CO_2 emissions, rainwater harvesting, storm water management, wastewater management, fuel consumption and through various other practices. The Group monitors electricity and water usage across the portfolio, and focuses on continually reducing its carbon footprint.

We strive to improve every aspect of our properties, ensuring that we develop environmentally-friendly buildings with a low environmental impact. We place great emphasis on improving our construction standards and store operations, and deploying initiatives to further reduce the environmental impact of our properties.

OUR PROPERTIES

Stor-Age develops environmentally-friendly buildings with low environmental impact.

ESG and sustainability remain a key focus across each of our properties.



Our properties are relatively low-density and typically do not use significant quantities of water and electricity compared to other real estate types. We have rolled out various initiatives to reduce CO_2 emissions, aligned to our commitment to further reducing the already low environmental impact of our properties.

SUSTAINABILITY TARGETS

In assessing property acquisitions and new developments, we seek to improve our environmental performance.

Following acquisitions, we look for opportunities to install solar PV panels and LED lighting, and implement waste management initiatives.

In the UK, we install electric vehicle charging stations (depending on the site and demand) and will do so in South Africa once this is justified by demand.

At new developments, we:

- Install solar PV panels and ensure CO_2 emissions are minimised wherever possible
- Install hybrid solar systems with battery storage to complement our existing solar infrastructure (SA to date)
- Install motion sensors and LED light fittings
- Use building materials that assist with insulation
- Harvest rainwater for internal use where possible
- Implement effective surface water design and management
- Target designs which allow for the maximisation of daylight to reduce demand for artificial lighting
- Maintain/enhance each site's ecological value by retaining vegetation and new plantings
- Source major building materials from responsible local suppliers where practical
- Minimise construction waste and implement a site waste management plan

In addition, in the UK, we also seek to:

- Achieve a 'Very good' or 'Excellent' BREEAM (Building Research Establishment Environmental Assessment Method) rating
- Make a commitment to the Considerate Constructors Scheme
- Install bat and bird boxes to mitigate for the loss of suitable habitat

OPERATIONAL STORE ENERGY CONSUMPTION

Energy is predominantly consumed at our properties in the form of grid electricity for lighting, elevators, general power, heating, cooling and ventilation. These cause indirect off-site power station carbon emissions.

Despite activity at our properties increasing to pre-pandemic levels, the Group's trend of reducing electricity consumption across the portfolio in South Africa continued. This can be attributed to the contribution of solar PV installations, improved staff behaviour and other energy reduction initiatives.

These include:

- Motion-sensitive lighting at all properties. These are installed at optimum distances to reduce the number of fittings and energy consumed
- LED light fittings inside and outside all new properties and retrofitted onto existing ones. LED light fittings save up to 60% of consumption compared to standard fittings
- Solar hot water cylinders heat water in the retail stores and security offices at many properties
- Each month, we prepare and review a detailed analysis of energy consumption across the portfolio, with exceptions timeously dealt with through active management

PHOTOVOLTAIC (SOLAR) SYSTEMS

We were the first self storage property owner in South Africa to install solar technology for three-phase power generation.

- To date we have invested more than R21.5 million in renewable energy (SA: R16.5 million; UK: R5 million), installing Solar PV systems at nine additional properties during the year (SA: 2; UK: 7)
- 34 properties are now fitted with these systems, 25 in South Africa[1] and nine in the UK
- In South Africa, the 25 properties have to date generated over 2.9 million kWh in solar energy and rendered electricity consumption savings in line with forecasts, while in the UK over 1.3 million kWh has been generated
- We have identified an additional 12 properties to be fitted with such systems in South Africa and the UK in FY24, including existing properties and new developments
- We plan to invest a further estimated R45.0 to R50.0 million in renewable energy infrastructure over the next three years

> “During the year more than 1 090 tonnes of carbon was saved as a result of our solar PV installations. This represents an improvement of approximately 16% year on year.”

BATTERY ENERGY STORAGE SYSTEMS

In an effort to reduce our reliance on generators that provide power in the event of power outages, and to reduce increasing spend on diesel to power these generators, Stor-Age has been exploring battery energy storage systems (BESS) to complement the existing solar infrastructure.

BESS are devices that enable energy from renewables, such as solar and wind, to be stored and then released when power is needed. Where solar is already installed, excess power that is generated is used to recharge the batteries for use during energy supply outages.

We successfully installed these systems at four properties during the year. We plan to install BESS alongside any new solar PV installation and to retrofit all existing solar PV stores with these systems over the next three years.

In South Africa, BESS will help reduce our reliance on Eskom, mitigate downtime from electricity supply outages and significantly reduce the need to run backup diesel generators. We anticipate that this will result in a significant diesel cost saving over the medium term.

BI-DIRECTIONAL CHECK METERS

In Cape Town, our solar PV installations generate power in excess of the respective properties requirements. These properties have bi-directional meters installed on their incoming electrical supply and receive an offsetting credit against our municipal account for power fed back into the grid. In June 2023, the City of Cape Town (CoCT) increased this figure from R0.98 to R1.04 per kWh. In addition, the CoCT has removed the requirement that power sellers be net consumers of electricity, and will pay them in cash rather than through credits on their municipal accounts.

Year on year, the total generation off-set remained steady at 125 MWh.

WATER CONSUMPTION AT STORES

Water consumption remains a focus area for the Group.

All South African properties are connected to water meter logging equipment and linked to an online system that provides water management data in real time. Abnormally high water usage relative to targeted levels is highlighted and we are able to detect leaks immediately via automated alarms.

RAINWATER HARVESTING

Rainwater harvesting gathers and stores rainwater for reuse on-site, rather than allowing it to run off into the storm water system. It provides an independent water supply in the South African summer and can be used for irrigation and to supplement municipal supply when necessary. Our properties have significant roof space and we have installed these systems at 28 properties in South Africa.

Our head office in Claremont, Cape Town, uses water from rainwater harvested from the roof and from a borehole. These natural sources provide sufficient water for washing and ablution facilities, making a significant contribution to water-saving efforts in the region. Other initiatives to supplement and conserve the municipal water supply include ground water usage for irrigation at five properties.

STORM WATER MANAGEMENT AND CONSERVATION

We have incorporated permeable paving into our external civil engineering design at a number of our properties. Permeable paving differs from traditional paving in that water is treated on-site before being discharged into both the natural groundwater table and storm water system.

[1] *Excludes an additional installation at our head office property.*

COMMITTED TO DEVELOPING A NET ZERO CARBON PATHWAY

The Group is committed to developing a net zero carbon pathway by setting science-based targets using the Science-Based Targets initiative (SBTi) methodology to reduce greenhouse gas (GHG) emissions.

The SBTi, a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets. It defines and promotes best practice in emissions reductions and net zero targets in accordance with climate science.

SUSTAINABILITY-LINKED LOAN FINANCING

During FY22 the Company entered into a 7-year Sustainability-Linked Loan (SLL) with Aviva plc to re-finance five existing UK properties in Bedford, Crewe, Dartford, Derby and Gloucester. The sustainability-linked loan is aligned with Aviva's Real Estate Debt Sustainable Transition Loan Framework, which sets key sustainability targets such as energy efficiency and green initiatives, including on-site renewables.

[1] *Building Research Establishment Environmental Assessment Method.*
[2] *Energy Performance Certificates.*

The Aviva loan is structured such that achievement of certain environmental KPIs will trigger reduced loan margins. These KPIs include installing solar and reducing scope 1 and 2 carbon emissions. Two independent bodies were appointed to ensure that our KPIs align with the requirements of Aviva's Real Estate Debt Sustainable Transition Loan framework and to ensure that they are structured in accordance with the Loan Market Association's Sustainability Linked Loan Principles.

Since finalising the SLL with Aviva Plc, Stor-Age has made good progress in achieving the environmental KPIs. This includes the installation of solar PV at selected properties to achieve our reduction targets.

In addition, the Moorfield JV, in which Stor-Age holds a significant equity interest, recently entered into a 'green-linked' development funding facility with HSBC Bank.

The JV will achieve the targeted green requirements by ensuring that the Heathrow and Canterbury developments meet the requirements of the BREEAM[1] initiative, while at Bath, we are targeting an active EPC[2] rating.

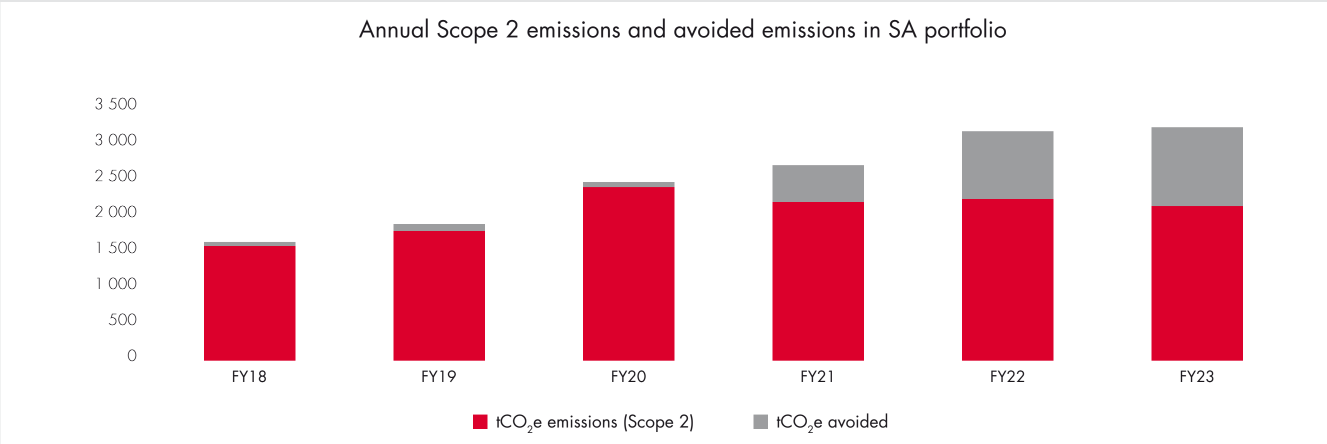
SOUTH AFRICAN CARBON FOOTPRINT

During the period we concluded a Carbon Footprint Report, completed by an independent third-party sustainability consultant.

The report summarises the outcomes of the Greenhouse Gas (GHG) emission inventory for our portfolio for the FY23 period. Since the start of FY18 a total of 2 771 tonnes of CO_2 equivalent emissions have been avoided through the consumption of on-site solar PV renewable electricity at our South African properties. We generated and consumed more than 1 million kWh of renewable electricity at our properties during FY23.

Across the portfolio, renewable electricity use in FY23 resulted in 1 094 tCO_2e[1] (FY22: 936 tCO_2e) of avoided greenhouse gas emissions, which would otherwise have been reported as part of our Scope 2 carbon footprint for the reporting period. Through the use of renewable electricity, the Company achieved a 15% reduction (FY22:13%) in its Scope 1, 2 and 3 carbon footprint.

Although total power demand across the portfolio is increasing, emissions generated through municipal electricity consumption are lower as compared to FY20 (peak), as a result of the continued investment into renewable energy capacity.



[1] tCO_2e – tonnes (t) of carbon dioxide (CO_2) equivalent (e).

SOCIAL SUSTAINABILITY

Stor-Age strives to make a sustainable difference. Recognising our role as a responsible member of the broader community, and in support of our Core Value of Relevance, we aim to improve the lives of our customers, employees and the people in the broader communities in which we operate.

In line with our ESG framework, our medium-term objective is to continue focusing our resources on fewer but larger projects. We recognise the importance of being an active member of our local communities, and we encourage employees at the property level to develop close links with charities, schools, sports clubs and local interest groups.

Our support typically includes providing complimentary storage space, with additional support provided to certain projects in the form of:

- Leveraging our digital marketing platform to promote local businesses and NPOs
- Generating exposure via branding on Company vans and billboards
- Vehicles and the use of our properties as drop-off/collection points
- Financial contributions

Over the past year we have contributed an estimated R1.8 million worth of support to various initiatives, some of which include:

JAG FOUNDATION

The Jag Foundation is now in its 16th year of creating sustainable change in high-risk communities in South Africa.

Stor-Age provides complimentary Out of Home advertising billboards at ten properties across South Africa. This media space has an estimated market value of R300 000 per month. During the year, a social media campaign featuring a series of videos on the foundation's work was rolled out across the Company's social media platforms to raise awareness of the organisation.

We also provide the organisation with complimentary space at selected properties to support their operations and ongoing community upliftment efforts.

KOLISI FOUNDATION

The Kolisi Foundation, founded by Springbok rugby captain Siya Kolisi and his wife Rachel, aims to combat inequality in South Africa by providing food security, addressing gender-based violence and creating equitable access in sports and education.

The Group assists the foundation with its operational requirements by providing complimentary space.

CHARITIES AND NPOS

We also provide complimentary space to a number of other charities and NPOs. This year, these included the Gary Kirsten Foundation, JOG Trust, Helping Hands SA, The Toy Run, The Rotary Club Cresta and The Ed Bham Foundation.

In addition to providing complimentary space, our properties also acted as drop-off points for various charitable organisations. Through our social media platforms and positive brand association/endorsement, we also assisted further by creating heightened awareness about these organisations, encouraging additional support from the public and local business sector.

KWAZULU-NATAL FLOODING CRISIS

Following the tragic flooding in KwaZulu-Natal in April 2022, all of our Durban properties served as drop off points for donations. These donations, primarily non-perishable foods, clothing and blankets, were then distributed to communities in need.

A fundraising campaign was also set up for Stor-Age employees who lost their homes and their belongings during the flooding crisis. The Company matched all donations received.

LEARNERSHIPS

Since 2021, we have partnered with the Skills Development Corporation (SDC), an accredited learning institution based in Johannesburg, to provide a 12-month Business Administration Services learnership programme to 12 unemployed learners from previously disadvantaged backgrounds. In 2022, 10 candidates successfully completed the SDC Business Administration Services learnership programme. In 2023, we are supporting a further cohort of 12 learners.

As the SDC is based in Randburg, it made logistical and administrative sense to recruit learner candidates in the surrounding areas of Gauteng. Six Stor-Age properties are situated close to the SDC offices, which promotes the sustainability of this association by supporting learners from the local community in the future.

This partnership provides Stor-Age with a sustainable means of supporting economic transformation in South Africa at a local level.

With a view to preparing staff for junior and middle management and leadership roles in the future, seven employees in South Africa started a management learnership programme with the SpecCon Group in 2023.

SUPPORTING SMALL BUSINESSES

As a geographically decentralised business with 93 properties throughout South Africa and the UK, we support a host of small businesses. In South Africa, more than 55%[1] of our business customers classify themselves as SMMEs and approximately 15%[1] classify themselves as entrepreneurs. For many we play an important support role in their daily operations and their growth strategies.

Our properties act as business incubators for many of these SMMEs, often assisting local businesses to transition from family home-based operations to larger scale entities, employing more staff and thereby further contributing to the local economy.

Self storage provides a convenient, safe and flexible solution to businesses such as online retailers, service providers and tradesmen, as well as importers and exporters looking for short- or long-term storage solutions.

[1] Customer data for FY23.

SHINING THE LIGHT ON LOCAL BUSINESSES

The Stor-Age Business Hub initiative, launched in 2021, promotes business customers on the Company's Instagram, Facebook and LinkedIn profiles. It provides an additional free platform where they can promote their products or services to other tenants at the property at which they are storing and to the broader community.

We facilitated participation in the Business Hub by hosting a photoshoot and assisting customers with preparing suitable communications material. The customer is profiled on a dedicated section on the Stor-Age website. Their business is also featured on Stor-Age's social media platforms, with a paid media campaign implemented for each profile, that targets the local communities of the business or organisation being showcased. Through this initiative, Stor-Age actively promotes the sustainability of its commercial customers.

> "We continue to actively support local communities, businesses and charitable organisations within the areas in which we operate."

BRINGING OUR CORE VALUES TO LIFE

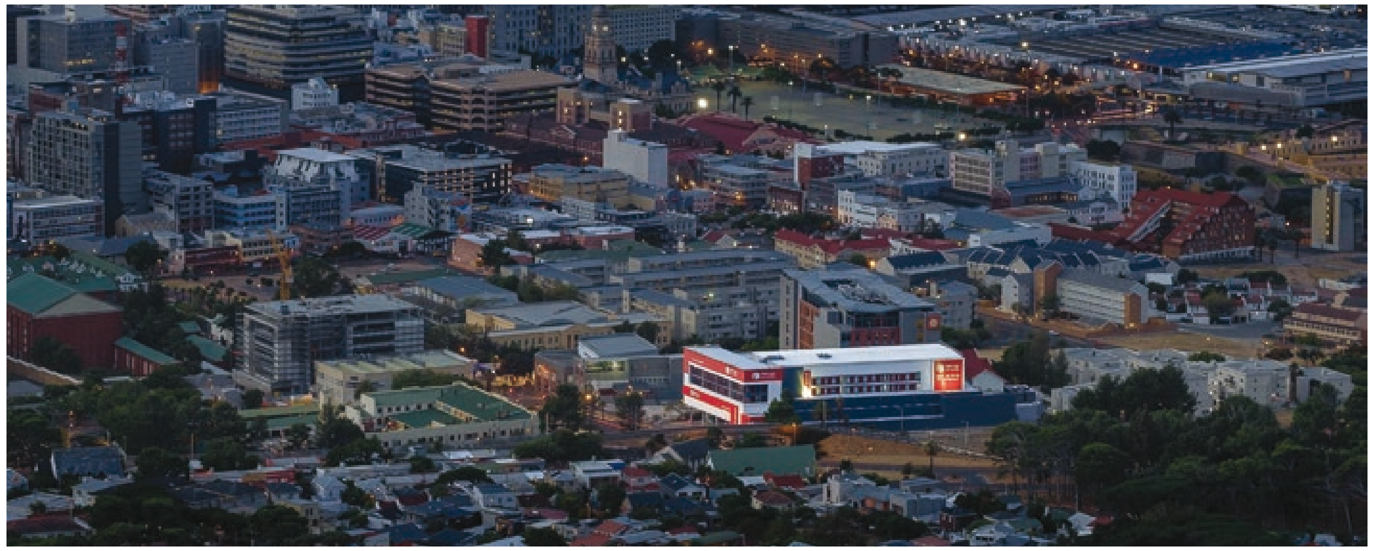
We believe in striving for excellence in everything we do – in our thoughts, our decision-making and our actions. By promoting our customers' businesses and charitable organisations to the local communities in which they operate, we make a positive contribution to many organisations across South Africa, most of which are SMMEs.

We believe that every action taken today will have a direct impact on the actions we can take tomorrow. The Stor-Age Business Hub is focused on the sustainability of local businesses and charitable organisations. By supporting these entities, we are in turn supporting the sustainability of the local communities around us.

Excellence | Sustainability | OUR MISSION: To rent space | Relevance | Integrity

We aim to be relevant in everything that we do. The Stor-Age Business Hub provides the opportunity to support businesses and NPOs in the communities in which we operate, offering them exposure to a relevant audience.

We feel strongly about doing the right thing the first time, all the time. We believe that the Stor-Age Business Hub provides a platform to offer support and encouragement for many of our business customers, while also providing community upliftment. We are proud to have made a positive contribution to many of our business customers and in many local communities across South Africa.



HUMAN SUSTAINABILITY

480[1]+
Total number of employees at year end

38 years[1]
Average employee age

> "We remain focused on enabling our employees to build a sustainable career at Stor-Age."

At recruitment, we interview for alignment between personal and Company Core Values as we believe these are markers of identity and act as guiding principles to form a lasting and successful employer-employee relationship.

This alignment also allows for a seamless integration into the Company culture. Building a successful and sustainable team requires integrating diverse behaviours and personalities. To build successful teams, we use tools that identify the behaviours and habits critical to success in particular roles. These critical behaviours and habits are tested for during recruitment and are used to assemble teams with the optimal team dynamic.

During the year we continued to expand our teams as more properties were added to our portfolio. We also recruited for qualified candidates in the digital field, in line with our ongoing focus on digitalisation.

EMPLOYEE LEARNING AND DEVELOPMENT

Stor-Age is committed to employee development through effective learning and training opportunities. Our learning and development framework identifies ten areas for intervention for head office and store-based employees. We have developed a range of training courses, which are delivered in various modes.

- Our e-learning platform, Edu-Space, enables our employees to receive training and assessment simultaneously across all our locations.
- We offer in person workshops, refresher courses and facilitated senior management planning sessions. These include targeted groups of executives, senior, middle and junior managers with a focus on staff development, retention and future roles within the business.
- Primary areas of ongoing training include frontline store-based staff, staff in our recoveries team (debt collection) and Contact Centre staff.
- Where appropriate, specific and individual training is offered to employees. Our core training programme is complemented by management and leadership development programmes delivered in-house by external service providers.

In addition to contributing to the social and ethical aspects of better business practice, customer surveys are a key driver of the learning and development programmes delivered to employees. Engaging customers through this medium enables this crucial stakeholder group to influence Stor-Age's employee practices and processes directly and meaningfully.

[1] *South Africa and the UK.*

STUDY SUPPORT PROGRAMME

Our employee study support programme assists employees with career development at accredited institutions. The programme financially supported seven staff members during 2022 and not only sustainably supports their development but also contributes towards retaining their expertise and services into the future. A further nine study bursaries were awarded for the 2023 academic year.

Recipients of the employee study support programme include staff from across the business. We look forward to the contributions that these individuals will continue to make to the organisation.

Performance management and support

Comprehensive job descriptions set out every employee's role in the business and the competencies required to deliver value in their roles. Our annual performance and personal development reviews facilitate formal assessment and feedback to all employees by their immediate line managers. A key outcome of this process is the identification of an individual's primary training, learning and development needs to ensure effective performance.

Edu-Space highlights

150+
Number of new courses delivered

2 000+
Successfully completed modules

94%+
Pass rate achieved

1 000+
Hours of online training during the year

Face-to-face training highlights[1]

50+
Number of courses delivered

140+
Number of employees who received face-to-face training

EMPLOYEE FEEDBACK

"The management workshop was highly beneficial and professionally delivered. It also gave the group a chance to engage across departments and to get to know each other better. I will definitely continue to use the practical examples and team exercises within my own teams going forward. Thank you for the effort and time put into this workshop."

4.7 Average employee rating out of 5 for our face-to-face learning courses

LEARNING AND DEVELOPMENT FRAMEWORK

STRATEGIC DEVELOPMENT WORKSHOPS
Invited senior executives and managers. Strategic alignment and planning for South Africa and the UK

MANAGEMENT COMMITTEE (MANCO)
Annual and quarterly meetings for senior managers. Strategic planning and implementation sessions

MIDDLE MANAGEMENT DEVELOPMENT
By invitation. An introduction to leadership and management in business

EXTERNAL STUDY
As identified through annual performance and personal development review processes

AD HOC WORKSHOPS
Covering a diverse range of functional areas – including Operations, Contact Centre, Recoveries (debt collection), and health and safety

E-LEARNING SESSIONS ON EDU-SPACE
Driven by business needs

OPERATIONS TRAINING WORKSHOPS AT REGIONAL TRAINING CENTRES
Hosted by area managers

OPERATIONS ORIENTATION PROGRAMME
Seven-week in-store welcome and basic training (level 1) by trainer at a designated training store

WELCOME AND INDUCTION PROGRAMME
Meet with a member of the learning and development team and complete the introduction module on Edu-Space

> "Our learning and development framework continues to offer our staff the opportunity to develop their skills and to progress in their careers."

TRANSFORMATION

In line with our Core Value of Sustainability, Stor-Age aims to make a real contribution to the economy of South Africa and, in the process, achieve sustainable transformation objectives aligned with broad-based black economic empowerment (B-BBEE) legislation.

As the leading self storage company in South Africa, Stor-Age commits to implementing sustainable business transformation and employment diversification plans to achieve key milestones and to comply with the Property Sector Transformation Charter.

Stor-Age, a level 5 contributor, remains a B-BBEE compliant business, with 44.65% verified black ownership reflected on our share register at the time of conducting our 2023 empowerment scorecard review.

EMPLOYEE-FOCUSED INITIATIVES

We have several additional employee-focused initiatives in place to boost employee engagement.

Our Year-end Review in South Africa is an ideal opportunity to learn from peers in the business, and develop and enhance our business culture.

Following virtual events held in 2021 and 2022 as a result of the COVID-19 pandemic, in 2023 we returned to an in-person event.

The event was a great success, where we brought together all employees from across the country in two engaging, informative and interactive sessions. Coupled with fostering new relationships and sharing best practices, the Year-end Review is a key contributor to the ethos and personality of the business. The highlight of these events are the national staff awards, where we recognise those staff who have outperformed, achieved excellent results, shown the most promise or demonstrated significant improvement. Special awards are also made to those staff who have demonstrated through their actions, that they are worthy of receiving a prestigious Core Values Award, representing one of the four Core Values, being – Excellence, Sustainability, Relevance and Integrity.

EMPLOYEE FEEDBACK:

"Our Year-End Review was a day well organised where we could celebrate the success of the business and our team members. It is a highlight on the annual calendar."

"The highlight was the awards ceremony and the atmosphere the team brought. Every award was celebrated by everyone, and you can really see the passion we all have for what we do and the company we work for."

"Getting to connect with our teams in person is always a fantastic occasion, where we get to celebrate our own success and the success of the company as a whole."

EMPLOYEE WELLNESS

Aligned with our Core Value of Sustainability, our wellness initiatives in South Africa focus on encouraging our employees to practice and improve their habits to attain better physical and mental health. As part of this initiative, we facilitate an annual wellness day that includes a Company funded health assessment that enables staff to check their key health indicators. We also facilitate Company activities that contribute towards building an interactive team environment.

In South Africa we provide fully funded life, disability and funeral assistance cover through an insurance policy to all our store-based employees and select skilled technical staff. Our internally facilitated Medical Aid Scheme (Momentum Health) and our Group Retirement Annuity (Allan Gray) continue to grow in participation.

A healthcare and retirement annuity subsidy is provided to support staff contributions to medical aid, gap cover and retirement funding.

Stor-Age also provides, subject to SARS requirements, interest free loans to staff for emergencies and unforeseen events to assist them through any difficult personal circumstances.

> "We believe that employee wellness creates a supportive environment and is an integral part of driving productivity and retaining skilled talent within the business."

Other employee engagement channels include an annual anonymous employee survey. This provides a platform for our staff to voice their opinions by responding to key questions on how their job aligns with the Stor-Age Vision and Mission, remuneration and work life balance. Feedback assists us to create a positive workplace environment and ensure our employees' days are more productive and rewarding. Highlights from our most recent survey indicate:

- 96% of our staff are proud to be a part of the Stor-Age team.
- Our FY23 Net Promoter Score, a measure of employee satisfaction and loyalty, was 15, an increase on the prior year.
- 40% of our workforce has worked for Stor-Age for five years or more, demonstrating healthy retention and a wealth of self storage experience.

We recently launched a new interactive Company intranet in South Africa and the UK. The new intranet, Connect, has been well-received with high levels of participation by our in-store employees and head office staff. Connect provides a transparent platform where staff can make suggestions to enhance our internal operating standards and business practices. Once logged, management provides timeous feedback on all suggestions, including actions implemented where relevant. While often simple, these suggestions can and have had a sizeable impact on improving efficiency in our business. The platform also contributes towards improved employee productivity and ensures that our employees feel heard and taken care of – a testament to our non-hierarchical structure and commitment to our Core Values.

The Company also operates an employee gift programme to acknowledge important milestones in our employees' lives, such as when they get married, engaged or have a child.

HEALTH, SAFETY AND COMPLIANCE

Stor-Age is committed to compliance in the following areas:

- Occupational Health and Safety Act
- Basic Conditions of Employment Act
- Labour Relations Act
- Compensation for Occupational Injuries and Diseases Act
- Skills Development Act
- Employment Equity Act
- Preferential Procurement Policy Framework Act
- Property Sector Transformation Charter
- Amended Property Sector Codes

"Health and safety remains a key focus at each of our properties in South Africa and the UK."

The relevant charts are displayed in common areas accessible to all employees at the head offices and in all stores. Health and safety representative/s are appointed as required by the relevant legislation. The representatives meet regularly and make relevant recommendations to management.

Stor-Age endeavours to ensure safe conditions and premises for customers and employees, including:

- Housekeeping and general cleanliness
- Lighting
- Ventilation
- Emergency evacuations
- Working electrical systems
- Safe and working machinery
- Hazardous chemicals
- Roadworthy, timeously serviced Company vehicles

Stor-Age endeavours to ensure that the following items are not stored by tenants:

- Toxic pollutants or contaminated goods
- Firearms, ammunitions or explosives
- Radioactive materials
- Hazardous goods
- Living plants or animals
- Food or perishable goods
- Cash and securities
- Illegal goods
- Waste

Stor-Age holds regular risk assessments to take steps to eliminate risks, take and manage or enforce precautionary measures where necessary and train or educate all employees accordingly. Systems of evidence are maintained at head office and in all stores.

An example of our commitment to workplace health and safety is our nationwide, same-day, same-time fire drills in South Africa (across all properties and including head office).

These fire drills are led by dedicated project leaders who oversee this practice. Results are documented, submitted to head office and reviewed. Improvement recommendations are then implemented as required, enabling us to benchmark our performance and strive for continuous improvement.

We continue to identify new risks and opportunities, and improve our operating standards and training modules on Edu-Space, so that we can achieve excellence in workplace health and safety.

Particular and specific policies and procedures are distributed and followed, covering the following topics and issues:

- Health and safety representatives
- High-risk equipment/machinery/facilities – lifts and hoists
- Removal van service
- Diesel generators
- Contractor entry and exit logs
- Medical emergencies and first-aid training
- Fire safety and related training
- Evacuation procedures
- Hazardous chemicals
- Incident/accident reporting

We continue to implement and manage stringent guidelines so as to control our risk and ensure high levels of health and safety are maintained.

CORPORATE GOVERNANCE

Stor-Age is committed to sound ethical standards and the principles of good corporate governance.

The board is ultimately responsible for guiding our strategy and for approving policies and practices that ensure we conduct business according to the Group's Core Values of Excellence, Sustainability, Relevance and Integrity. It does this within an appropriate framework of governance and oversight to ensure stakeholder interests are safeguarded.

BOARD FOCUS AREAS FOR THE PAST FINANCIAL YEAR

Board focus areas	Actions undertaken by the board and its subcommittees
Transformation	Guiding its transformation objectives, the board continued with the implementation of the transformation plan, developed in line with the Property Sector Code.
Disciplined execution of the five-year property growth strategy to 2025	Oversaw the execution of the Group's five-year property growth strategy. This included the completion of the Morningside development, as well as the ongoing developments of Bryanston, Paarden Eiland, Kramerville, Pinelands and Century City, as well as the acquisition of Think Secure Self Storage in South Africa. In the UK it included the completion of the Bath and Heathrow developments, as well as the ongoing development of the West Bromwich and Canterbury properties, the integration of the multi-store portfolios of McCarthy's and Storagebase, and the acquisition of the four-store Easistore portfolio within the Nuveen JV.
Execution of the ESG strategy	Oversaw the execution of the Group's ESG strategy, covering the areas of environmental sustainability, social sustainability and corporate governance. The strategy is guided by the social and ethics committee, which monitors the Group's compliance with legal requirements and global best practice in terms of its impact on the economy, the workplace, the social environment and the natural environment. Read more about our strategy and approach to ESG from page 54.
Adoption of UK REIT status for the Storage King business	The Company intends electing to classify the Storage King group of companies as a UK REIT. The board oversaw the completion of a feasibility study, the submission of a clearance request to HMRC and the implementation of various functions to align with the regulatory requirements and optimise the benefits of the REIT structure. The Company intends to make the election into the UK REIT regime as soon as clearance is received from HMRC.
Nedbank JV developments	Oversaw the development and completion of the Morningside property, as well as the ongoing development of the Bryanston, Paarden Eiland, Kramerville and Pinelands properties. Find out more about the Nedbank JV on page 31.
Finalisation of the Rabie JV	Oversaw the formation and entering into of the Rabie JV, as well as the finalisation of commercial terms to develop a property in Century City at a total estimated cost of R96.0 million. Construction began in February 2023. Find out more about the Rabie JV on page 31.
Finalisation of the Nuveen JV	Oversaw the formation and entering into of the Nuveen JV, as well as the finalisation of commercial terms to acquire a four-store property portfolio in the UK at a total cost of £82.0 million in April 2023 (Stor-Age's equity contribution was £4.4 million). Find out more about the Nuveen JV on page 31.
Managing changes to the composition of the board	During the period Alan Menigo was appointed to the board. The board continues to consider appropriate candidates who could add value to the Group as independent non-executive board members and Alan was identified as a capable and appropriately skilled candidate.
Ongoing roll-out of solar technology for three-phase power generation	In an effort to mitigate against the risk of an unstable electricity supply in South Africa and aligned to our ESG strategy, the board is committed to investing in sustainable power solutions through solar technology for three-phase power generation. A total of 34 properties are fitted with solar PV systems, 25 in South Africa and 9 in the UK. Collectively these properties have generated more than an estimated 4.3 million kWh. An additional 12 properties have been identified to be fitted with solar technology in South Africa and the UK during FY24. These include existing properties and new developments.
Ongoing enhancement of security infrastructure	Stor-Age aims to ensure the safety of our customers, their goods and our staff. The board oversaw the ongoing implementation of enhanced security features across the portfolio. In South Africa, this included a further roll-out of offsite CCTV monitoring and linked alarm systems, license plate recognition technology and installing individual unit door alarms as a standard design feature at all newly developed properties.
Execution of the COVID-19 response plan	Oversaw the continued execution of the COVID-19 response plan in the first half of FY23 to ensure a seamless continuation of operations.
Internal audit	The board oversaw the appointment of an external assurance provider, GRIPP Advisory, to provide and perform internal audit work. The board also approved the internal audit charter, defining the functions, purpose, authorities and responsibilities.

GOVERNANCE STRUCTURE

The board is ultimately responsible for the strategic direction, control and management of the Group and is satisfied that it has fulfilled its responsibilities according to its charter for the year. To assist it in fulfilling these responsibilities, the board has four subcommittees.

BOARD

Gavin Lucas*** (CEO)
Stephen Lucas*** (FD)
Steven Horton*** (Executive director)
Graham Blackshaw** (Chairman)
John Chapman*^
Kelly de Kock*
Phakama Mbikwana*
Alan Menigo*[1]
Mntungwa Morojele*
Abu Varachhia*

AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL AND ETHICS COMMITTEE	INVESTMENT COMMITTEE
See full report on pages 74 to 78	See full report on pages 79 to 101	See full report on pages 102 to 103	See full report on page 104
MEMBERS	MEMBERS	MEMBERS	MEMBERS
Kelly de Kock (Chair)* Phakama Mbikwana* Mntungwa Morojele*	Mntungwa Morojele (Chair)* Graham Blackshaw** Kelly de Kock*	Phakama Mbikwana (Chair)* Graham Blackshaw** Abu Varachhia*	Graham Blackshaw** (Chair) John Chapman*^ Alan Menigo* Abu Varachhia* Steven Horton*** Gavin Lucas***
By invitation	By invitation	By invitation	By invitation
Gavin Lucas*** Stephen Lucas*** Representatives of the external auditor	Gavin Lucas*** Stephen Lucas*** Steven Horton***	Gavin Lucas***	Stephen Lucas***

Roles and responsibilities

Ensures the integrity of the integrated annual report, annual financial statements and other financial reports.	Ensures adoption of a fair and transparent remuneration policy.	Monitors compliance with the Group's social and ethical responsibilities.	Assists with decision-making regarding the acquisition, development or disposal of property assets.

Oversight areas during the year

Implementing and monitoring compliance with King IV. Update and enhancement of the Company's risk management strategies and control environment, and the adequacy of all insurance covers. Reviewed and recommended the committee's terms of reference to the board, which were approved. Appointed an external assurance provider to perform internal audit work. Executed all other statutory duties for this committee as prescribed by the Companies Act.	Ensured the transparent, competitive and fair implementation of the remuneration policy. Continued with benchmarking reviews of executive and non-executive directors remuneration. Put forward proposed market-related NED adjustments based on benchmarking exercise at the 2022 AGM.	Implementation of the Transformation Plan. Implementation of the ESG strategy and reporting framework.	South African and UK acquisitions and developments. Finalising terms and entering into JVs with the Rabie Property Group and Nuveen Real Estate.

Non-executive directors

3/3	3/3	3/3	4/6

*^ *Lead independent director.*
* *Independent non-executive director.*
** *Non-executive director.*
*** *Executive director.*
[1] *Appointed to the board in January 2023.*

For more information on the qualifications and experience of subcommittee members, refer to pages 71 to 72.

The board exercises control through a governance framework. This includes reviewing detailed reports presented to it and its subcommittees, and oversight of the continuously updated risk management programme to ensure effective management and control of the risks facing the business. The board and subcommittee structure is supported by appropriate internal governance practices and procedures. These promote an efficient, objective and independent decision-making culture that considers the interests of all stakeholders.

The terms of reference of the board and its subcommittees deal with such matters as corporate governance, compliance, directors' dealings in securities, declarations of conflicts of interest, board meeting documentation, and procedures for nominating, appointing, inducting, training and evaluating directors.

At board level there is a clear division of responsibilities and an appropriate balance of power and authority. No individual has unfettered powers of decision-making or dominates the board's deliberations and decisions. The board regularly reviews the decision-making authority given to management and those matters reserved for decision-making by the board.

The roles and responsibilities of the Chairman and the CEO are clearly defined and distinct:

- The CEO is responsible and accountable for the overall operations of the Group and for implementing the strategy and objectives adopted by the board. The CEO's notice period is two months and there are no contractual conditions related to the CEO's termination.
- The Chairman is responsible for ensuring proper governance of the board and its subcommittees, ensuring that the interests of all stakeholders are protected, and facilitating constructive engagement between the executives and the board. The Chairman does not chair any other listed company.

KING IV

In 2019, the King IV code was implemented after thorough consideration of the recommended practices. As a relatively young business, we continue to evolve our corporate governance practices, policies and procedures in tandem with the growth in the business, taking guidance from the recommended practices outlined in King IV.

Our application of King IV is set out in a separate document available on our website – www.investor-relations.stor-age.co.za.

This document provides high-level references to our disclosures per principle (including non-compliance, where relevant).

> "Overall, the board is satisfied with the application of the principles of King IV and believes that it effectively discharges its responsibilities to achieve the good governance outcomes of an ethical culture, good performance, effective control and legitimacy with stakeholders."

BOARD AND SUBCOMMITTEE MEETINGS

The table below sets out the board and subcommittee meetings held during the reporting period and the attendance at each:

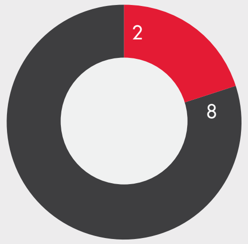
Director	Sub-committees	Meetings attended	Meetings eligible	% Attendance	Board	Audit and risk committee	Social and ethics committee	Investment committee	Remuneration committee
Graham Blackshaw (Chair)**	IC; SEC; RC	14	14	100%	4		2	5	3
John Chapman*^	IC	8	9	89%	4			4	
Kelly de Kock*	ARC; RC	10	10	100%	4	3			3
Phakama Mbikwana*	ARC; SEC	9	9	100%	4	3	2		
Alan Menigo*[1]	IC	1	1	100%	1				
Mntungwa Morojele*	ARC; RC	10	10	100%	4	3			3
Abu Varachhia*	SEC; IC	11	1	100%	4		2	5	
Gavin Lucas***	IC	9	9	100%	4			5	
Stephen Lucas***		4	4	100%	4				
Steven Horton***	IC	9	9	100%	4			5	
Actual attendance		85			37	9	6	24	9
Eligible attendance			86		37	9	6	25	9
% attendance				99%	100%	100%	100%	96%	100%

*^ *Lead independent director.*
* *Independent non-executive director.*
** *Non-executive director.*
*** *Executive director.*
[1] *Appointed to the board in January 2023.*

COMPOSITION OF THE BOARD

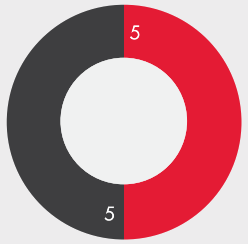
The board is satisfied that it consists of an appropriate mix of individuals to ensure an adequate level of knowledge, skills and expertise – enabling it to contribute meaningfully to the management of the Group.

GENDER DIVERSITY



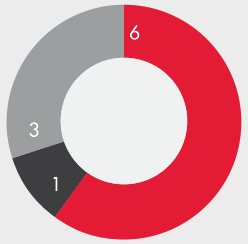
- Female
- Male

RACIAL DIVERSITY



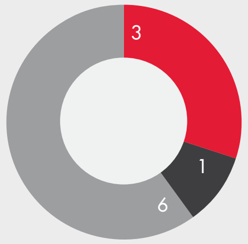
- Black
- White

DIRECTORS



- Independent
- Non-executive
- Executive

AGE



- 61 – 65 years
- 51 – 60 years
- 41 – 50 years

BOARD SKILL SET AND EXPERTISE (NUMBER OF DIRECTORS)

7 Finance	7 Corporate governance
4 Mergers and acquisitions	4 Strategy
7 Property (management and development)	3 Stakeholder engagement
6 Construction	5 Environmental laws and legislation

In terms of tenure, one of the non-executive board members as at 31 March 2023 was appointed to the board in November 2015 following the Company's listing on the JSE. Two non-executive directors were appointed in May 2018, two in January and September 2020, and one in January 2023. Only the three executive directors were involved in the operations of Stor-Age prior to the listing.

> "We continue to execute our transformation plan, which is key to assisting us in implementing our broad-based strategy to achieve sustainable business transformation."

DIRECTORS

EXECUTIVE DIRECTORS

Gavin Lucas Chief executive officer (CEO) – CA(SA)

Joined the board prior to listing in 2015.

An entrepreneurial property developer backed by an experienced management team of professionals with a range of skills including investment banking, finance, property and construction, Gavin founded the Stor-Age Group in 2005.

Leading the organisation by providing a common vision and mission, Gavin is responsible for the strategic direction of the Group, coordinating plans to meet strategic goals, overseeing the overall operations and stakeholder engagement.

Stephen Lucas Financial director – CA(SA), CFA

Joined the board prior to listing in 2015.

Stephen is one of the founding shareholders of Stor-Age and has worked alongside Gavin and Steven in developing the business since its inception. Stephen focuses on the Group's financial and operational management, human resources and developing and executing the operations strategy.

He also has previous advisory experience in corporate finance and transaction support.

Steven Horton Executive director – CA(SA)

Joined the board prior to listing in 2015.

Steven is head of property and directs the Group's property growth strategy. He oversees the procurement of all opportunities and the planning, development and property management of the portfolio across South Africa an the UK.

Steven drives Stor-Age's acquisition and expansion efforts in both markets.

NON-EXECUTIVE DIRECTOR

Graham Blackshaw Chairman – BA LLB

Joined the board prior to listing in 2015.

A former lead development partner in the Faircape Group of companies, Graham is a qualified attorney, having practiced law at Herold Gie and Broadhead before joining the Cape of Good Hope Bank, where he went on to head up the property lending division.

Appointed to the position of chairman in January 2020.

INDEPENDENT NON-EXECUTIVE DIRECTORS

John Chapman BSc

Joined the board as lead independent director in January 2020.

John is an executive director of Rabie Property Group, a position he has held for more than 30 years. He is responsible for strategic planning within the Rabie Group, initiates the planning of all new developments and oversees the marketing of all aspects.

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Phakama Mbikwana BCom, IEDP (Duke)

Joined the board in May 2018.

Phakama has over 20 years' experience in the financial services sector, of which 15 were spent in the commercial and investment banking industry. Prior to her role at Dandelion Capital (Pty) Ltd, a 100% women-owned investment holding company, she was the CEO of Africa Rising Capital (Pty) Ltd. Phakama has also previously held roles at Barclays Africa (sector head: construction and construction related sectors in the corporate and investment banking division), Standard Bank Group, Investment Solutions (Alex Forbes Multi-Asset Manager) and Nedbank Corporate. She is also an independent non-executive director of BKB Limited.

Kelly de Kock CA(SA), CFA, MBA (UCT)

Joined the board in May 2018.

Kelly specialises in the areas of corporate finance, investor relations, business development and operations. She has more than 17 years' commercial experience in the financial services sector and is currently Chief Operating Officer and director of Private Clients at Old Mutual Wealth. She previously held the positions of Head of Institutional Business Development at Kagiso Asset Management and Investor Relations Manager: South Africa at Old Mutual plc. Kelly was also previously the Secretary-General of the Association of Black Securities and Investment Professionals (ABSIP) and Western Cape Provincial Chairperson.

Mntungwa Morojele MBA (UCT), CA (Lesotho), MSA (Georgetown), BSc (Charlestown)

Joined the board in September 2020.

Mntungwa has more than 35 years of business experience, having established and managed various companies including Briske Performance Solutions and Motebong Tourism Investment Holdings. He is currently the CEO of iKapa Connect Investments, which is pursuing opportunities in the Renewable Energy sector. Mntungwa previously held the position of lead independent director of Spur Corporation Limited, a position he held for 8 years during his 10-year term on the board. Mntungwa started his career with KPMG Lesotho before joining Gray Security Services, where he served on the board as Group Marketing Director. He previously worked at the Tourism Investment Corporation (Tourvest) and served on the boards of Verifone Africa (Pty) Ltd, Capital Eye Investments Limited (previously the UCS Group Limited) and the boards of some of its subsidiaries.

Abu Varachhia BSc (SA)

Joined the board in January 2021.

Abu has more than 32 years of business experience, having previously served on the boards of JSE listed companies Spearhead Property Holdings Limited, Ingenuity Property Investments Limited and Mazor Group Limited as a non-executive director at each. Abu holds a Bachelor of Science degree (Quantity Surveying) and is currently the non-executive chairman of Spear REIT Limited. Abu has held numerous other leadership positions including chairman of LDM Quantity Surveyors, vice-president of the South African Council for the Quantity Surveying Profession, chairman of the Black Technical and Allied Careers Organisation and chairperson of the Build Environment Advisory Committee for the 2004 Olympic Bid.

Alan Menigo CA(SA)

Joined the board in January 2023.

With over 15 years of commercial and listed property experience in the financial and operational spheres, Alan's skillsets include the full spectrum of development expertise, property and financial management, as well as mergers and acquisitions. Alan currently serves as the Chief Operating Officer of Rapfund Investments (Pty) Limited and was previously the Chief Financial Officer of JSE listed property unit trust Fountainhead Property Trust, prior to its acquisition by Redefine. A chartered accountant by profession, Alan also worked in the New York office of KPMG in their Transaction Services Division.

BOARD RECRUITMENT AND TRAINING

In line with the board's appointment process, new appointees are required to possess the necessary skills to contribute meaningfully to the board's deliberations and to enhance the board's composition in accordance with recommendations, legislation, regulations and best practice. An induction programme is provided for new directors by the Company's sponsor, and ongoing training and updates are provided by the Company's sponsor and auditors.

Directors are encouraged to take independent advice at the cost of the Company for the proper execution of their duties and responsibilities. The board has unrestricted access to the external auditor, professional advisors and the services of the Company secretary, the executives and the employees of the Company.

Directors and committee members receive comprehensive information that allows them to properly discharge their responsibilities. The board is satisfied that the arrangements for training and accessing professional corporate governance services are effective.

The board continues to consider the establishment of a nominations committee. As and when board vacancies occur or additional skills are needed, all board members are invited to put forward candidates with appropriate skills and experience that will complement and strengthen the existing board. The Company's sponsor has previously also assisted with recommending suitable candidates, participating in the interview process and performing background checks.

All board members have an opportunity to meet with potential new candidates and to voice their opinions in the selection and decision making process. Succession planning of the executive management team is also considered by the full board.

BOARD ROTATION

A third of the non-executive directors must resign and stand for re-election at each annual general meeting. Details of directors making themselves available for re-election at the forthcoming annual general meeting are set out on page 208.

BOARD ETHICS AND EFFICIENCY

Every two years BDO South Africa Inc. oversees a detailed board self-evaluation and peer review process. The board intends conducting a new self-evaluation at the end of 2023.

COMPANY SECRETARY

The board is assisted by a suitably qualified company secretary, Henry Steyn CA(SA), who has adequate experience, is not a director of the Company and who is empowered to fulfil his duties. The company secretary advises the board on appropriate procedures for managing meetings and ensures the corporate governance framework is maintained. The directors have unlimited professional access to the company secretary. Nothing has come to the attention of the board that indicates non-compliance by the Company with applicable laws and regulations.

Given that the company secretary is not a director or an associate of a director of Stor-Age, the board is satisfied that an arm's length relationship is maintained between the board and company secretary.

During the year, the board considered the arrangements of the company secretary and confirms that it is satisfied that the arrangements are effective. The board is further satisfied that Henry Steyn is suitably qualified and experienced.

IT GOVERNANCE

The business potential of digital technologies and enhanced connectivity is in tension with the greater vulnerability of being connected to a global network such as the internet. We continue to note the global increase of ransomware and other cyber security attacks.

We continue to enhance our layered network security systems to strengthen defences. We choose reputable, specialist service providers as business partners to ensure cyber security measures are maintained at the highest level.

We periodically restore daily backups to confirm the validity of the backup and that there has been no data corruption. Each location joined to the network has a primary and secondary last mile connection to ensure maximum uptime. Internal and external users are continuously monitored to ensure the most effective use of resources and to limit the opportunity to breach the Group's cyber defences. Our strategy, suppliers and network design are reviewed on a regular basis to stay abreast of leading best practice and remain relevant in the use of technology. External specialists are appointed by the board when considered necessary.

For improved efficiency and security, the Group has migrated its server to a cloud-based solution.

While the board considers the IT policy to be satisfactory, it continues to focus on strengthening the policy to further enhance the effectiveness of the Group's information technology infrastructure and governance.

EXTERNAL AUDIT

The audit and risk committee has confirmed that it is satisfied that BDO South Africa Inc. has the necessary skills and requirements to be re-appointed as the auditor of the Company with the designated partner being Mr Bradley Jackson in terms of the JSE Listings Requirements paragraph 3.84(g)(iii).

APPROACH TO COMPLIANCE

The board recognises its responsibility to ensure compliance with and adherence to all applicable laws and industry charters, codes and standards, as outlined in its charter. When necessary, the board appoints corporate advisors with sector-specific knowledge and insight to assist with managing the Group's compliance requirements. The board is supported by the executive management team, who it considers to be adequately qualified and experienced to provide direction on possible compliance contraventions.

The social and ethics committee monitors compliance with the Company's social and ethical responsibilities, including social and economic development, labour and employment, the environment, stakeholder engagement and good corporate citizenship.

At an operational level, Stor-Age ensures stringent guidelines are implemented and managed to control our risk and ensure that high levels of health and safety, as well as Stor-Age's own standards, are maintained.

Key areas of focus for the board during the year included the continued focus on the transformation plan and the ongoing execution of the ESG strategy. The board also oversaw the appointment of an independent external assurance provider, GRIPP Advisory, to perform internal audit work.

AUDIT AND RISK MANAGEMENT REPORT

Risk management is integral to the effective implementation of our strategy. We proactively manage risk to remain a competitive and sustainable business. This enhances our operational effectiveness and enables us to create continual value for the benefit of our employees, shareholders and other stakeholders in line with our growth strategy.

The Group's risk management framework is overseen by the audit and risk committee, which has an ongoing responsibility to monitor risk management processes by:

1. Identifying risk factors that may have a material impact on the business
2. Assessing risks based on their potential impact on the business, including the likelihood of the risk occurring
3. Agreeing the scope of the internal audit plan and setting the focus areas for each financial year
4. Reviewing internal audit reports and ensuring all risks covered under the report are adequately mitigated
5. Assess management's proposed mitigation strategy
6. Monitoring progress
7. Reviewing identified risks on an ongoing basis and revising responses accordingly

Executive management is responsible for monitoring risk management processes and reporting to the audit and risk committee and board accordingly.

Day-to-day risk management is the responsibility of operational, senior and executive management, and is underpinned by risk reviews conducted across all functional areas of the business.

KEY RISKS AND EFFECTIVE MITIGATORS

Key risks	Mitigators	Risk trend (impact and likelihood)
1. Treasury risk Adverse interest rate movements could result in the cost of debt increasing.	• LTV of 30.8% with net debt effectively hedged at 83.5%. In our target range of 25 – 35% • Executive management reviews current and forecast projections of cash flow, borrowings, interest cover and covenants monthly • Stor-Age is highly cash generative and debt is serviced by strong operational cash flows • Details of hedging positions are set out in the Financial Review section from page 44	Increasing
2. Weak/negative economic growth and risk of accelerating inflation Macroeconomic weakness could inhibit the self storage sector's growth, resulting in reduced demand and lower income. The ongoing war in Ukraine could lead to higher levels of inflation and supply chain constraints, which will negatively impact consumers in both markets.	• A needs-driven product for life-changing events which prevail in all economic cycles • A prime portfolio of well-located properties with high average occupancy levels • Focused on locations where growth drivers are strongest and barriers to competition are high • Strong operational management and platform • Continuing innovation to deliver high levels of customer service • Strong cash flow generation, high operating margins, low gearing and conservative hedging policies • 47 100 tenants spread across a geographically diversified South African footprint (developing market) and the UK (first-world market) • A proven acquisition and new development process that draws on internal analyses, more than a decade of experience, independent research, global trends and best practice • Short-term leasing model allows for the adjustment of higher input costs	Increasing
3. Acquisition risk An inability to successfully integrate new acquisitions could result in lost income.	• Established internal work streams which discuss, consider, plan for and address challenges, as well as detailed growth strategies for our South African and UK operations • Managing leadership changes and inherited employees to ensure minimal disruption to the existing businesses is a critical area of focus when integrating acquisitions • Significant track record and experience of successfully integrating newly acquired properties	Decreasing
4. Operating in an offshore jurisdiction Storage King in the UK exposes the Group to currency, interest rate and tax risk that may impact or result in the variability of earnings.	• Hedging policies with respect to the repatriation of foreign earnings are in place • On a net debt basis, 83.5% of borrowings was hedged • Consult with professional advisors to ensure ongoing tax compliance in the UK • UK management team remained in place post the acquisition and are still co-invested in Storage King • More than five years of successfully trading in the UK, demonstrating a successful track record	Stable
5. Property investment and development An inability to acquire or develop new self storage properties which meet management's criteria may impact the growth of the portfolio.	• 12 additional development opportunities have been secured in the pipeline in South Africa and the UK • UK-focused development JVs in place with Moorfield and Nuveen • South African-focused development JVs with Nedbank and Rabie Property Group • Fragmented South African and UK self storage markets provide further acquisition opportunities • Concluded the acquisition of Think Secure Storage in Parklands, Cape Town in November 2022, and the four-store Easistore portfolio in the UK in April 2023	Decreasing
6. Valuation risk External market factors may lower our properties' values.	• Independent valuations are conducted by experienced independent, professionally qualified valuers • A diversified portfolio is let to a large number of tenants in South Africa and the UK • Low levels of gearing provide increased flexibility and significantly reduce the risk of a covenant breach • Self storage has traditionally been highly resilient in constrained economic environments • Occupied space in our South African and UK portfolios increased during the period • Conservative assumptions are used in valuations	Stable

Key risks	Mitigators	Risk trend (impact and likelihood)
7. Human resource risk Our people are critical to our success. Failure to recruit and retain employees with appropriate skills may lead to high employee turnover and loss of key personnel and, consequently, lower performance.	• Competitive remuneration packages and financial rewards • Learning and development programme with performance reviews to develop employees to their optimal potential • A culture where management is accessible at all levels and employees are encouraged to improve and challenge the status quo • Ongoing communication to ensure an engaged workforce • A succession planning strategy, including talent retention • A Conditional Share Plan for high performing employees was introduced in 2019, and includes more than 50 participants	Stable
8. Utility costs Significant increases in utility costs, particularly property taxes, electricity and energy costs, may put pressure on operating margins.	• Electricity and water usage is monitored monthly • We use external professionals to assist with monitoring and objecting to valuation revisions where necessary (property taxes) • We make use of energy-efficient lighting and collect and reuse rainwater for irrigation • Solar technology has been installed at 34 properties in South Africa and the UK, with over 4.3 million kWh in solar power generated to date • UK electricity prices fixed on a 12 month basis	Increasing
9. Compliance risk Failure to comply with laws and regulations may result in penalties and sanctions and reputational damage.	• Experienced, independent board in place • Executive management considered to be adequately qualified and experienced • Experienced corporate advisers and auditors in place • Employees attend training on a regular basis • Significant rental agreement revisions reviewed by attorneys	Stable
10. REIT status Failure to comply with the REIT legislation could expose the Group to potential tax penalties or loss of its REIT status.	• Calculation for the 75% rental income test performed quarterly and included in Tax Compliance Report presented to the board • Consult with advisers on a regular basis to assess any potential or unforeseen impact on REIT status	Stable
11. Credit risk The Group is exposed to tenants' credit risk, which may result in a loss of income. This risk may be increased due to cost of living pressures for consumers.	• The majority of customers are required to pay a deposit on move-in in South Africa • Our diversified tenant base reduces material credit exposure risk • Collected over 99% of rental due in South Africa and the UK in FY23 • Clearly defined policies and procedures are in place to collect arrear rentals • A central team of collection specialists in South Africa assists each property with arrears	Increasing
12. Cyber security and information privacy An increase in cyber breach incidents as a result of the increased adoption of a hybrid remote working environment, which may result in the breach of customer data, reputational damage and financial loss.	• Daily backups are periodically restored to confirm the validity of the backup and that there was no data corruption • Through a formal and regular communication plan, a culture of awareness and best practice is promoted and reinforced across all employee levels in the organisation • Internal and external users are continuously monitored to ensure the most effective use of resources and to limit the opportunity to breach the Group's cyber defences • Our suppliers and our network design are reviewed on a regular basis to stay abreast of leading best practice and to remain relevant in the use of technology • External specialists are appointed by the board when considered necessary • Migration to a cloud-based server completed during FY23	Increasing

Key risks	Mitigators	Risk trend (impact and likelihood)
13. Climate-related risks Climate-related risks such as increasing occurrences of flooding and fire, tighter regulations in the property sector and rising public and institutional pressure to place a greater focus on environmental sustainability, could negatively impact our ability to trade, and/or result in significant additional capital investment.	• Continue to successfully implement our ESG strategy and reporting framework that was adopted in FY21 • ESG strategy and reporting framework aligns our Vision and Core Values with relevant UN SDGs and takes guidance from the TCFD • Self storage is the lowest intensity user of electricity and water, and the lowest generator of greenhouse gas emissions of all commercial property sub sectors • Buildings designed to minimise carbon footprint and an emphasis on energy efficiency, renewable energy generation, rainwater harvesting, storm water management and through various other practices • To mitigate the risk of flooding, our construction and planning teams assess a wide range of climate-related risks before and during the planning of each of our developments, as well as during the due diligence process when reviewing acquisition opportunities • Emphasis on fire safety and prevention, with fire safety training for all operations staff • In South Africa, we run nationwide, same-day, same-time fire drills across all properties, including at the head office	Increasing
14. Unstable electricity supply An unstable electricity supply in South Africa will negatively impact our ability to trade, which may result in a loss of income. Added to this, an unreliable national electricity supply may create a security risk at our properties.	• All trading properties in South Africa are fitted with generators except for the three smallest properties measured by GLA which have battery storage backup solutions • In the event of an outage, power is seamlessly generated to support key systems at our properties • Each generator is serviced timeously to ensure limited mechanical faults • Roll-out of hybrid solar systems with battery storage began in FY23 to all South African properties to complement existing solar infrastructure	Increasing
15. Civil unrest A risk of civil unrest in South Africa due to the lack of service delivery at a municipal level, increasing unemployment and the degradation of public infrastructure. This may result in damage to our properties, as well as reduced confidence in the prospects for the South African economy. This may ultimately lead to reduced income, profitability and property investment values.	• The business is diversified across South Africa and the UK, with a greater weighting of assets by value to the UK • The South African portfolio is concentrated in the four largest cities • Insurance cover is in place for our buildings, loss of revenue, and customer goods (subject to certain limitations) • Significant security infrastructure is in place across our portfolio • 53 of 57 properties in South Africa are third-party monitored	Increasing
16. Global pandemic – COVID-19 A global pandemic such as COVID-19 may result in increased risk of financial loss as a result of legislated risk mitigation measures and practices undertaken, the direct and indirect negative impact on the economy, as well as the risk of staff contracting the virus.	• Strong balance sheet position and mature occupancies across South African and UK portfolios. This position of strength remained throughout the period • No tenant concentration risk – 47 100 tenants • Strong liquidity position throughout FY23 – R411.50 million in cash and R752.4 million of undrawn credit facilities at year end • Our properties are not crowded environments and are typically low-intensity in their use relative to other real estate types • All head office employees have the means to work from home as required • Stable and continued operations under strict safety protocols ensure that all properties in South Africa and the UK are accessible in the event of nationwide lockdowns	Decreasing

Key risks	Mitigators	Risk trend (impact and likelihood)
17. Complete electricity grid failure A complete electricity grid failure in South Africa would have a significant impact on all areas across the business. This includes our ability to trade as well as the onset of increased security and fire prevention risks.	• Crisis management team in place to manage such risks • Worst case scenario plans have been put in place for key functional areas and for the business as a whole • Head office and all properties (except for the three smallest properties measured by GLA which have battery storage backup solutions) are supported with diesel generators • A full portfolio solar and inverter systems roll-out/upgrade plan began in FY23	Increasing
18. SASRIA coverage for claims stemming from a potential electricity grid failure in South Africa Stor-Age would potentially not be able to claim from SASRIA for any loss, damage, cost or expense, directly or indirectly caused by electricity grid failure in South Africa.	• In April 2023 SASRIA issued a circular indicating that electricity grid failure coverage would be excluded from its policy • In May 2023 SASRIA issued a formal retraction of their previous circular (April 2023) • A crisis management team has been put in place to manage the risk of a complete electricity grid failure in South Africa • Worst case scenario plans have been put in place for key functional areas and for the business as a whole • Head office and all properties (except for the three smallest properties measured by GLA which have battery storage backup solutions) are supported with diesel generators • A full portfolio solar and inverter systems roll-out/upgrade plan began in FY23	Increasing

INTERNAL AUDIT

In recent years the business has grown significantly, entering multiple strategic partnerships in the form of joint ventures in order to capitalise on growth opportunities. Given the natural increase in risk as the business has expanded, to strengthen internal controls and reduce overall levels of risk, during the year the committee oversaw the finalisation of an internal audit charter, and the appointment of an independent external assurance provider, Gripp Advisory.

LOOKING AHEAD

As an outcome of the Group's risk management process, we identified material changes in the risks affecting the business. These include the risk of weak economic growth or a recession, along with continued high levels of inflation, an increase in climate-related risk, as well as the possible risk of a major power grid failure in South Africa.

Ultimately, the directors consider whether Stor-Age and its subsidiaries have adequate resources to continue operating for the foreseeable future.

The Company has reasonably satisfied the liquidity and solvency test as required by the Companies Act, 71 of 2008, as amended. The directors have further satisfied themselves that the Group and its subsidiaries are in a sound financial position and have access to sufficient facilities to meet their foreseeable cash requirements.

The board, via the audit and risk committee, has considered the effectiveness of the risk assessment and management process and is satisfied as to the effectiveness thereof.

Kelly de Kock
Audit and risk committee Chair
31 July 2023

REMUNERATION COMMITTEE REPORT

1 PART ONE BACKGROUND STATEMENT

INTRODUCTION

The remuneration committee (the "committee") is pleased to present the Stor-Age remuneration report for the year ended 31 March 2023. This report aligns with best practice, considering King IV and the JSE Listings Requirements.

The committee is responsible for setting the Group's remuneration policy and principles and ensuring fair, responsible and transparent remuneration practices while achieving strategic objectives.

We have presented the remuneration report in three parts. This background statement (Part 1) contains the chair's statement, providing context on the decisions and considerations taken during the year which influenced the remuneration outcomes. Part 2 sets out our remuneration philosophy and policy and, in Part 3, we provide a description of how the policy has been implemented and disclose payments made to executive and non-executive directors during the year.

THE YEAR IN REVIEW

In FY23, the business once again demonstrated its resilience in a challenging environment. The global economy remained in a precarious state with the scale of fiscal policy tightening and rising inflation catching many by surprise. With hindsight, trading conditions in FY23 were as challenging as the past two years.

Despite these headwinds, Stor-Age continued its track record of consistent earnings growth delivering a 5.6% increase in dividend per share for FY23, with strong growth in occupancy and rental rates. We made significant progress in expanding our third-party management income streams and developing our JV portfolio through partnerships with leading institutional and private equity partners, both crucial components of our growth strategy. These results were achieved in another challenging year and were made possible by a relentless focus on achieving our strategic objectives and the dedication, commitment and contribution of our people.

In assessing the performance outcomes of the FY21 long-term incentive ("LTI") awards (due to vest on 15 September 2023), Stor-Age was one of the few REITS in the SAPY index to deliver positive growth in dividend per share over the three-year performance period ending 31 March 2023. Growth in tangible net asset value (excluding deferred tax assets and liabilities) over the same period was 40%.

Much of Stor-Age's success can be attributed to its sector specialisation and its ability to attract, retain and motivate the entrepreneurial talent required to achieve positive strategic and operational outcomes. Critical to this is the development of talent and skills within the organisation which has been cultivated over many years and, for certain individuals, over more than a decade.

Our approach to remuneration, focusing on competitive, fair and market-related remuneration policies plays an important role in incentivising employees who are critical to achieving our long-term goals and aspirations. A motivated and well-rewarded workforce is the foundation of our sustained success and we remain committed to fostering an environment that nurtures talent, encourages innovation, and promotes inclusivity.

The Group employs over 480 staff across South Africa and the UK. We strive to build a culture of performance, collaboration, creativity, and resourcefulness across our South African and Storage King teams underpinned by our Core Values.

In a South African context, we recognise our duty and commitment to socioeconomic upliftment in the communities in which we operate. We are proud of the crucial role the business has played in job creation, skills development, education, and supporting local entrepreneurs.

FOCUS AREAS DURING THE YEAR

During the year, the committee:

- Reviewed the current remuneration policy, structures and mix of the executive directors;
- Carefully considered shareholder feedback after the 2022 AGM and responded as necessary;
- Reviewed the FY23 remuneration outcomes in the context of the overall performance of the business;
- Reviewed and approved the short-term incentive ("STI") payments to the executive directors for FY23;
- Approved the vesting of the FY21 LTI awards to the executive directors in respect of the three-year performance period ending 31 March 2023 (subject to satisfying the employment condition);
- Approved the allocation of LTI awards to participants;
- Approved the STI performance measures for FY24 and made amendments where deemed necessary considering feedback from shareholders and best practice;
- Reviewed executive directors' total remuneration and approved salary increases after considering Group and individual performance;
- Reviewed non-executive director remuneration (to be approved by shareholders) with the assistance of the executive directors; and
- Reviewed and approved the FY23 remuneration report.

FEEDBACK FROM 2022 ENGAGEMENT

At the AGM held in 2022 our remuneration policy achieved a non-binding advisory vote of 85.4% in its favour while the remuneration implementation report received a vote of 85.8% in its favour.

Below is a summary of the feedback received following our engagement with shareholders:

Feedback	Response
The STI performance measures included a 25% weighting towards the loan-to-value ("LTV") metric. This should be set as a long-term threshold and the weighting is considered too high. A measure of 10 – 15% would be more appropriate.	The weighting of the LTV performance measure was set at 10% for the FY24 STI.
The on-target same-store NOI growth target could be more stretching considering performance over the last two years.	This feedback was taken into consideration and adjustments were made to the performance measures.
The on-target performance condition of 11.5% total return (internal benchmark) appears low.	The committee noted the comment and, considering the level of offshore exposure, believed that the target was appropriate.

FOCUS AREAS FOR THE YEAR AHEAD

The committee does not anticipate any significant changes for FY24 but will continue to focus on the following areas:

Focus area	Action required
Competitive levels of remuneration	• Ongoing benchmarking of executive and non-executive remuneration against peers in the REIT sector
ESG principles	• Integrating ESG principles and sustainability throughout the business as part of strategic objectives • Linking ESG targets to STI and LTI performance measures • Including specific and measurable ESG performance metrics
Fair and responsible remuneration	• Addressing remuneration gaps in pay and gender
Individual job roles at levels below executive directors	Executive directors mandated to: • Update job descriptions • Perform benchmarking exercises to ensure total remuneration is fair and market related • Adjust remuneration where deemed necessary

CONCLUSION

The committee is satisfied that the remuneration outcomes for the year are appropriate in the context of the overall performance of the business.

In line with King IV, Stor-Age will table the remuneration policy and implementation report for two separate non-binding advisory votes at the 2023 AGM. If shareholders do not approve both by more than 75%, the board will institute a formal engagement process with interested shareholders to assess their views and determine the actions needed to resolve concerns.

The committee is satisfied that it fulfilled all its objectives in line with its terms of reference for the year under review. We are committed to maintaining a strong relationship with our shareholders, built on trust and transparency, whilst ensuring that our approach to remuneration is fair in all respects and that reward and performance are appropriately aligned. We welcome any comments or concerns shareholders may have regarding the remuneration policy and implementation report. Please direct any comments or queries prior to the AGM in writing to the company secretary, Henry Steyn, at henry.steyn@stor-age.co.za.

We look forward to receiving your support on the resolutions for both the remuneration policy and implementation report at the AGM on 31 August 2023.

Mntungwa Morojele
Remuneration committee chair

2 PART TWO THE REMUNERATION POLICY

This remuneration policy is subject to an advisory vote by shareholders at the AGM to be held on 31 August 2023.

REMUNERATION GOVERNANCE

The committee was appointed by the board and has delegated authority to review and make decisions in respect of Stor-Age's remuneration policy and the implementation thereof. The committee is governed by its terms of reference as formally adopted by the board. Its responsibilities are to:

- Oversee the formulation, review and approval of the remuneration policy for employees and executive directors in line with Stor-Age's strategic objectives;
- Assist the board to ensure that executive directors are remunerated fairly and responsibly and in line with remuneration for employees throughout Stor-Age;
- Ensure that the mix of fixed and variable pay in cash, shares and other elements meets the Company's needs and strategic objectives;
- Consider and approve the STI and LTI awards for the executive directors and other staff;
- Approve the executive directors' basic salary and increases thereto, as well as approving the increases for employees throughout Stor-Age;
- Reviewing the accuracy of the performance measure calculations in respect of the vesting of STI and LTI awards;
- Evaluate the performance of the executive directors in determining remuneration;
- Approve remuneration payable to non-executive directors in their respective roles as members of the board and its subcommittees;
- Oversee the preparation of the remuneration report to ensure that it is clear, concise and transparent; and
- Ensure that the remuneration policy and implementation report be put to two non-binding advisory votes by shareholders and engage with shareholders and other stakeholders on the Company's remuneration philosophy.

The committee members are listed on page 68 and their meeting attendance on page 69. The executive directors, other board members, external consultants and key individuals may attend committee meetings by invitation and contribute to remuneration-related matters. However, they may not vote on any matters. The committee chair reports to the board following each meeting of the committee.

REMUNERATION PHILOSOPHY

Stor-Age's remuneration policy seeks to attract and retain high-calibre and appropriately skilled employees and executive directors. Stor-Age's philosophy is that employees should be fairly remunerated and rewarded for their contribution. An integral part of this philosophy is to align the interests of employees with those of Stor-Age's shareholders by providing meaningful equity participation. The Company believes that its remuneration policy plays a critical role in achieving its strategic objectives and that it should be competitive in the market in which it operates.

EXECUTIVES' REMUNERATION STRUCTURE

The committee and the board regularly review the appropriate remuneration mix to ensure it supports Stor-Age's strategic objectives taking into account market trends and competitiveness. The committee is satisfied that the remuneration structure for the executive directors is appropriate.

Stor-Age typically benchmarks its executive directors' remuneration to peer companies every three years to ensure that the Company's remuneration policy, compensation packages and pay mix are market-related, competitive and appropriate. The last benchmarking exercise was performed in FY22.

BASIC SALARY (GUARANTEED PAY)

Purpose and link to strategy: To attract and retain the best talent and compensate the executive directors at a market-related salary taking account of individual performance and contribution. It aligns with business strategy as it ensures that salaries are competitive and that individuals are fairly rewarded for achieving the Group's strategic objectives based on their experience and roles in the business.

The basic salary is a pre-determined cash amount without any further benefits. The amounts paid to the executive directors are set out in note 29.4 of the annual financial statements. The basic salary is reviewed annually based on the Company's performance in the previous financial year, individual performance, inflation, affordability, benchmarking exercises and market surveys (if deemed necessary). Increases in the basic salary for the executive directors are effective from the commencement of the financial year once approved by the committee.

SHORT-TERM INCENTIVE ("STI")

Purpose and link to strategy: To motivate and incentivise performance consistent with the Group's strategy over a 12-month operating cycle.

It encourages sustainable growth in earnings and return on capital for shareholders whilst maintaining a strong financial position, combined with strategic and sustainability metrics, to ensure well-balanced KPIs. It rewards executive directors for their measurable contribution.

Short-term incentive calculation

Guaranteed remuneration x [Financial and non-financial measures achievement x 70% + Strategic objectives achievement x 30%] = Annual incentive

The STI is set and measured annually, coinciding with the financial year end, and is conditional upon meeting set performance targets and strategic objectives as approved by the committee. This methodology aligns behaviour with stakeholders' interests. The on-target allocation is based on 100% of guaranteed pay.

The performance conditions are realistically set with an appropriate element of stretch performance and are weighted between financial and non-financial KPIs (70%) and strategic objectives (30%).

The financial and non-financial KPIs have an accompanying threshold, on-target and stretch measure. The strategic objectives are not measured on a threshold, target and stretch basis. Instead an overall assessment is completed with a maximum allocation of 100%.

The maximum STI that can be paid is capped at 125% of guaranteed pay and is payable annually in cash after being approved by the committee post the release of the audited financial statements. The recipient must be in service on the date of payment. Malus and clawback provisions, as set out on page 88, are applicable to the award.

Financial and non-financial performance conditions (70% weighting)

		Hurdle level		
Financial Measures	**Weighting**	**Threshold (75% payout)**	**Target (100% payout)**	**Stretch (150% payout)**
1. Distribution growth per share[1]	25.0%	95.0% of target	118 cents	105% of target
2. Same-store net operating income growth	25.0%	6.0%	7.5%	9.0%
3. Total return to equal or exceed internal benchmark[2]	20.0%	10.0%	11.5%	13.0%
4. Loan to value ratio	10.0%	35 – 40%	30 – 35%	< 30.0%
5. Group bad debt ratio	7.5%	1.00%	0.75%	0.50%
Non-Financial Measures				
6. Number of portfolio management and expansion opportunities[4]	7.5%	2 properties	4 properties	6 properties
7. Renewable energy increase in installed capacity (South Africa)	5.0%	15%	20%	25%
Total	**100.0%**			

Notes:
1. *Assuming a 100% payout ratio.*
2. *Calculated as DPS for the year plus increase in tangible net asset value (TNAV) per share as a percentage of TNAV at start of the year. TNAV to exclude the impact of deferred tax assets/liabilities.*
3. *Linear vesting will apply in the measurement of the actual outcomes.*
4. *New development sites/acquisition of trading properties/new Management 1st contracts in line with the Group's property strategy.*

Strategic objectives (30% weighting)

	Strategic objective	KPIs	Weighting
1.	Implementing the Group's operations strategy including the development and execution of the digital and technology strategy	Improve the performance of staff through learning and development, engagement and upskilling to drive increased profitability Implement the digital strategy to increase enquiries, enhance the customer experience, and achieve economies of scale in our marketing spend Integrate technology solutions in operations processes and further the digitalisation of the business Occupancy and rental rate growth; management of arrears; improving expense ratios/cost control	25.0%
2.	Display leadership behaviour in accordance with the Company's Core Values	Ensure fully committed and motivated team Maintain minimal staff turnover Adherence to Company's Core Values Adherence to risk management framework Promote core principles of fairness, accountability, responsibility and transparency	25.0%
3.	Implementing international expansion strategy in accordance with the five-year strategic plan	Growth in UK property portfolio Implementation of Management 1st and Digital First strategy Develop existing and new JV relationships	25.0%
4.	Improve the Group's ESG initiatives in order to deliver real value to all stakeholders	Deliver on the Group's transformation strategy Invest in renewable energy and pursue initiatives to reduce carbon intensity Support charities and NPOs and be active in less fortunate and underprivileged communities Align sustainability reporting with appropriate frameworks	25.0%
	Total		100.0%

LONG-TERM INCENTIVE ("LTI")

Purpose and link to strategy: To attract, retain, motivate and incentivise the delivery of long-term and sustainable performance through the award of conditional shares, the vesting of which is subject to continued employment over the vesting period.

The Condition Share Plan ("CSP") is an equity-settled LTI plan which provides employees with the opportunity to be awarded shares in the form of a conditional right to acquire shares in Stor-Age. Participants can share in the success of the Company and will be incentivised to deliver on the business strategy of Stor-Age over the long term and create long-term shareholder value. This will provide direct alignment between the participants – executive directors and key employees – and shareholders.

The salient features of the CSP are set out below:	
Participants	All permanent employees are eligible to participate, subject to the discretion of the committee. Although principally intended for senior management and executives, participants also include operations managers at a property level and staff at a mid-management level who are considered integral to the Company's growth. To be considered for participation, an employee must have been employed by the Company for a minimum of 12 months (unless exceptional circumstances apply) and have achieved an above-average performance rating as part of the annual performance appraisal process.
Award components	Performance shares only – vesting subject to the satisfaction of performance conditions and continued employment for the vesting period.
Plan limits	The original limit at inception of the CSP was 8 668 544 million shares and was increased by a further 8.0 million shares at the 2022 AGM. The total CSP awards made to date equates to 1.92% of shares in issue and a total of 7 579 054 plan shares remain. The maximum number of shares which may be settled to any single participant is 3 467 417 (approximately 1.0% of shares in issue at the date of approval of the CSP by shareholders). An annual limit of 0.5% of shares in issue will apply to the awards made in any one period. This limit will be reviewed, and adjusted if necessary, by the committee on an annual basis.
Allocation policy	The committee will approve annual awards for participants based on each participant's total guaranteed pay ("TGP") using the following guidelines: Executive directors: Up to 2 x TGP Executive management: 100 – 150% Senior management: 60 – 70% Mid-level management: 40 – 60% Other staff: 20 – 40%
Performance conditions	Performance conditions include financial (75%), ESG (10%) and strategic measures (15%).
Vesting	Awards will vest after three years subject to performance conditions being achieved and the participant remaining employed by Stor-Age for the duration of the employment period. The performance period will run concurrently with the Company's financial year end. The portion of the performance shares that will vest at each vesting date will be as follows: • Threshold achievement of performance (the minimum level of performance for vesting of any incentive) – 50% vesting • Target achievement of performance (the level of performance for payment of an on-target incentive) – 100% vesting • Stretch (a level of performance representing exceptional performance in the context of the current business environment) – 150% vesting

Continued	
Malus and clawback	Awards are subject to the Company's malus and clawback policy. Malus provisions apply before awards or remuneration have vested or have been paid to an employee, while clawback provisions apply to awards or remuneration that have already vested or been paid to an employee. Further details of the Company's malus and clawback policy are set out on page 88.
Termination of employment	Awards are subject to continued employment which means participants must remain employed until the vesting date of the award. If participants leave before the expiry of the employment period, they may lose all or part of the award depending on the circumstances in which they leave. They will either forfeit the award in full ("bad leavers", e.g. dismissal or resignation), or their awards will be pro-rated ("good leavers", e.g. retrenchment, retirement, or termination due to ill-health, disability or death). In the case of good leavers, a pro-rata portion of the participant's unvested award shall vest early on date of termination of employment based on the committee's determination of whether the performance conditions (if any) have been met.

FY23 LTI AWARDS

The LTI awards granted to the executive directors in FY23 are subject to the performance conditions set out below which are to be measured over the three-year period 1 April 2022 to 31 March 2025. The only amendment made to the awards (in comparison to the prior year) was more stretching same-store net operating income growth targets in light of actual performance in FY21 and FY22.

Financial measures – 75% weighting

Performance Condition	Weighting	Threshold (50% vesting)	Hurdle level Target (100% vesting)	Stretch (150% vesting)
Total return to exceed WACC	20.0%	Total return to be equal to WACC over a three-year period	Total return to exceed WACC by 10% over a three-year period	Total return to exceed WACC by 15% over a three-year period
Total return to be equal to, or exceed, a specified internal benchmark	20.0%	Total return to be equal to, or exceed, 10% over a three-year period	Total return to be equal to, or exceed, 11.5% over a three-year period	Total return to be equal to, or exceed, 13.0% over a three-year period
Same-store net operating income growth over three years (annualised average growth)	20.0%	6.0%	7.5%	9.0%
Loan to value ratio	15.0%	35% – 40%	30% – 35%	Less than 30%
Total	**75.0%**			

ESG measures – 10% weighting

Performance Conditions	Weighting	Threshold (50% vesting)	Rating Target (100% vesting)	Stretch (150% vesting)
B-BBEE rating improvement	5.0%	Maintain compliant status	Improve rating by one level	Attain B-BBEE level 4 status
New solar projects completed	5.0%	Complete 9 new solar PV projects over a three-year period	Complete 12 new solar PV projects over a three-year period	Complete 15 new solar PV projects over a three-year period
Total	**10.0%**			

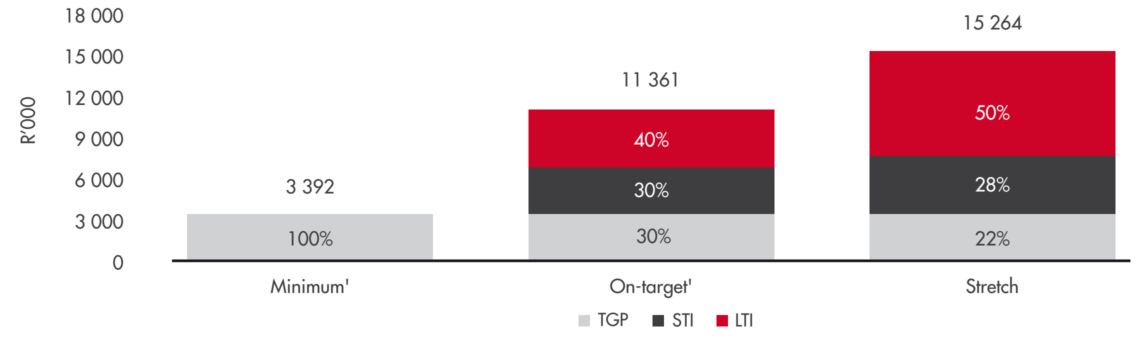
Strategic measures – 15% weighting

Performance conditions	KPIs	Weighting
1. Determining strategy and providing strategic guidance throughout the Group in accordance with the Company's five-year strategic plan	Achievement of pre-defined strategic objectives Grow property portfolio in accordance with strict investment criteria	25.0%
2. Implementing international expansion strategy in accordance with the five-year strategic plan	Growth in UK property portfolio Implementation of Management 1st and Digital First strategy Develop existing and new JV relationships	25.0%
3. Identifying suitable investment and development opportunities and executing in accordance with the property strategy	Identify, negotiate and close acquisition opportunities in accordance with strict investment criteria Leading due diligence on transactions Implementing acquisitions seamlessly Managing development projects on time and within budget	25.0%
4. Improve the performance of our staff through learning and development, engagement and upskilling to drive increased profitability	Implement the digital strategy to increase enquiries, enhance the customer experience, and achieve economies of scale in our marketing spend Integrate technology solutions in operations processes and further the digitalisation of the business Occupancy and rental rate growth; management of arrears; improving expense ratios/cost control	25.0%
5. Managing the Group's capital structure and resources in a responsible and effective manner to enhance shareholder return by deploying capital prudently and optimising the cost of debt	Maintain conservative LTV within target Extend debt profile, refinance maturing facilities, ongoing negotiation with lenders Minimise funding costs Implement currency hedging strategy	25.0%
6. Displaying leadership behaviour in accordance with the Company's Core Values	Ensuring fully committed and motivated team Maintain minimal staff turnover Adherence to Company's Core Values Adherence to risk management framework Promote core principles of fairness, accountability, responsibility and transparency	25.0%
Maximum score x 15% weighting		150%

EXECUTIVE REMUNERATION PAY MIX AND REWARD SCENARIOS

The remuneration mix of the executive directors is balanced between TGP (comprising a basic salary only), STI and LTI. To encourage retention and align the executives' interests with shareholders, variable pay is weighted more heavily with respect to STI and LTI.

The illustration below sets out the potential remuneration which can be earned at minimum, on-target and stretch reward scenarios in FY24.



Minimum reward scenario	On-target reward scenario	Stretch reward scenario
None of the financial performance conditions and strategic objectives for the STI are achieved Performance conditions for the CSP awards are not achieved	Achieve 100% of the financial performance conditions and full achievement of the strategic objectives for the STI Performance conditions for the CSP awards are achieved at the on-target level	Achieve performance up to 150% of the financial performance conditions and 100% of the strategic objectives for the STI Maximum achievement at 150% of performance conditions for the CSP awards is attained

The STI is formula-driven and based on achieving financial performance conditions and delivering on strategic objectives. The LTI (CSP awards) is granted at the committee's discretion with vesting subject to achieving financial, ESG and strategic performance conditions. The above scenarios assume the CSP awards are made at the same level as FY23.

The on-target LTI forms 40% of the remuneration mix. On-target variable pay (STI and LTI) comprises 70% of the total remuneration. At a stretch, the variable pay comprises 78% of the total remuneration.

As the original founders of the business, the executive directors operate on a "flat-structure" basis with many overlapping responsibilities. Consequently, there is no differentiation between the various executives and therefore only a single scenario analysis is set out above.

ALL EMPLOYEE REMUNERATION

All employees receive a basic salary at a level appropriate for their role and responsibilities. Stor-Age regularly reviews the basic salary of all employees to ensure it remains market-related.

Employee salaries are reviewed annually taking account of individual and overall Company performance, as well as an employee's experience, qualifications, responsibilities and a consideration of market-related salaries.

Store-based and operations employees are rewarded with incentives in addition to their basic salaries. This is based on performance relative to achieving pre-defined targets such as move-ins, occupancy growth and cash collections. Other permanent employees may receive a component of variable remuneration dependent on their respective employment grade and individual performance and may participate in the CSP at the committee's discretion.

Employees are provided with other benefits including a medical aid subsidy for those joining the Company's group scheme and matching Company contributions (subject to an annual limit) to retirement funding. The Company also contributes to a life cover policy for our lower income earners and, on a discretionary basis, provides financial assistance in the form of bursaries or interest free loans to deserving employees seeking to further their studies or obtain additional qualifications. In FY23 bursaries amounting to R310 000 (FY22: R191 000) were paid.

FAIR AND RESPONSIBLE REMUNERATION

Stor-Age is committed to fair and responsible pay practices in line with its duty to remain a responsible corporate citizen. Various factors are taken into account when considering fair and responsible pay practices, such as sustainability and Stor-Age's strategic objectives. Our lower salaried employees are typically granted a higher annual salary increase relative to higher income earners in the Company. The Company contributes to a life and funeral cover policy for our lower income earners and provides financial assistance in the form of interest free loans in emergency and unforeseen circumstances.

Internal pay levels are reviewed on an ongoing basis to ensure alignment with the principle of equal pay for work of equal value to identify and correct anomalies or income differentials. The committee is also mandated to ensure that executive director remuneration is justifiable against remuneration levels of employees throughout the Company.

The executive directors and committee support broad based equity participation by employees in the Company. In addition to the executive directors, a further 43 employees received CSP awards in FY23.

SERVICE AGREEMENTS, RETENTION STRATEGY AND TERMINATION ARRANGEMENTS

The executive directors are permanent employees and their employment contracts include a two-month notice period, with no restraints of trade. There are no contractual obligations to the executive directors in respect of separation or termination payments.

MINIMUM SHAREHOLDING REQUIREMENTS ("MSR")

The MSR for executive directors' is equivalent to 200% of their TGP. This demonstrates their commitment to long-term growth and encourages alignment with shareholders. All executives met the MSR during the year. Details of the directors' shareholdings are set out in note 27.3 of the annual financial statements.

Executive	Value of Shareholding as a % of TGP
Gavin Lucas	3 436%
Stephen Lucas	3 365%
Steven Horton	1 956%

Based on shareholding at 31 March 2023 and FY24 TGP. Assumes share price of R12.

As the original founding shareholders of Stor-Age, the executive directors have a significant equity interest in the Company which ensures alignment with other shareholders.

MALUS AND CLAWBACK POLICY

The committee has adopted a remuneration malus and clawback policy, approved by the board, with a view to aligning shareholder interests and remuneration outcomes. It allows the Company to reduce or recoup remuneration or awards in defined circumstances such as financial misstatement, gross negligence, misconduct or fraud.

Malus provisions apply before awards or remuneration have vested or have been paid to an employee, while clawback provisions apply to awards or remuneration that have already vested or been paid to an employee. The clawback period will run for three years from the vesting date of the awards.

The policy sets out the circumstances where the board, following the advice of the committee, may:

- apply its discretion to adjust the value of an unvested award downwards (to zero if required) or cancel unvested awards; or
- pursue remedies to clawback any awards or remuneration that have already vested or been paid

to ensure remuneration outcomes are fair, appropriate and reflect business performance.

All participants who have accepted CSP awards agree to be bound by the malus and clawback policy and further agree that all remuneration received from the Company will be subject to this policy.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors do not hold contracts of employment with Stor-Age and do not participate in any short-term or long-term incentives. Remuneration for non-executive directors comprises an annual retainer paid monthly, with an expectation of a certain number of meetings per annum. Disbursements for reasonable travel and subsistence expenses are reimbursed to non-executive directors in line with the reimbursement policy for employees.

Remuneration for non-executive directors is reviewed on an annual basis considering the responsibilities borne by non-executive directors, as well as relevant external market data. The committee recommends the non-executive directors' remuneration structure to the board for approval. This remuneration structure is further recommended to shareholders for approval at the AGM.

In FY22 the committee engaged PwC to perform a benchmarking exercise of Stor-Age's non-executive directors' remuneration. With the expansion into the UK in 2017, the significant growth in the investment property portfolio, and the establishment of various joint ventures in South Africa and the UK, the business is significantly more complex in respect of capital allocation to new acquisition and development opportunities and compliance. Since listing in 2015, non-executive director remuneration was significantly below market compared to peer companies, confirmed by the results of the benchmarking exercise. In light of this, market related increases to non-executive directors were approved at the 2022 AGM. Details of all non-executive remuneration paid in FY23 is set out in the implementation report.

The table below summarises the proposed fees for FY24, to be approved by shareholders at the AGM to be held on 31 August 2023. The proposed FY24 fees equate to a 5.0% increase compared to FY23.

Role	Approved remuneration 31 March 2023[1] R	Proposed remuneration 31 March 2024[2] R
Board chair (all-inclusive fee)	800 000	840 000
Board member	300 000	315 000
Audit and risk committee chair	195 000	204 750
Audit and risk committee member	130 000	136 500
Social and ethics committee chair	90 000	94 500
Social and ethics committee member	60 000	63 000
Remuneration committee chair	90 000	94 500
Remuneration committee member	60 000	63 000
Investment committee chair	na[3]	na[3]
Investment committee member	120 000	126 000

No distinction is made between the committee chair and members for the social and ethics committee and the remuneration committee. The higher fee for the investment committee takes into consideration the additional meetings compared to the other two committees.

In line with best practice, the board chair receives a fixed annual fee that is inclusive of all attendances at board and subcommittee meetings as well as other tasks performed on behalf of the Group. In other words, to the extent that the board chair participates in other subcommittees, he is not separately remunerated for this role.

Notes:

1. *Approved at the 2022 AGM.*
2. *Proposed adjustment to remuneration to be approved by shareholders at the forthcoming AGM.*
3. *The investment committee chair is Graham Blackshaw who is also the board chair. The board chair receives a fixed annual fee that is inclusive of all attendances at subcommittee meetings. Consequently there is no fee for the investment committee chair.*

3 **PART THREE**
THE IMPLEMENTATION REPORT

This implementation report is subject to an advisory vote by shareholders at the AGM to be held on 31 August 2023.

BASIC SALARY

The committee recognises the importance of ensuring that executive remuneration is fair, competitive and market-related and remains committed to ensuring that executive remuneration is reflective of the roles and responsibilities performed.

An increase of 6.0% was approved by the committee for FY24.

Employee salaries are reviewed annually in March taking account of individual and overall Company performance, as well as an employee's experience, qualifications and responsibilities.

Employees in South Africa (excluding lower-income earners) received an average salary increase of 6.9% (effective 1 April 2023) with lower-income earners receiving an average increase of 7.5%. In the UK, the average salary increase (effective 1 April 2023) was 4.2%.

In line with Stor-Age's commitment to fair and responsible remuneration, the committee carefully considered the increase for other levels throughout the Company and they are satisfied that it is in line with Stor-Age's policy.

EXECUTIVE DIRECTOR REMUNERATION

In line with the requirements of King IV and the JSE Listings Requirements, the table below sets out the total remuneration on a single-figure basis received by executive directors:

31 March 2023	Basic salary R'000	STI R'000	Value of FY21 LTI R'000	Total R'000
Gavin Lucas	3 200	3 529	6 865	13 594
Steven Horton	3 200	3 529	6 865	13 594
Stephen Lucas	3 200	3 529	6 865	13 594
Total	9 600	10 587	20 595	40 782

The FY21 LTI award will vest on or after 15 September 2023 (subject to the employment condition) and relates to the three-year performance period ending 31 March 2023. For the purpose of the single-figure disclosure, the estimated value of the award is included in the table above. Further detail is set out on page 81.

31 March 2022	Basic salary R'000	STI R'000	Value of FY19 and FY20 LTI vested R'000	Total R'000
Gavin Lucas	3 000	1 500	6 940	11 440
Steven Horton	3 000	1 500	6 940	11 440
Stephen Lucas	3 000	1 500	6 940	11 440
Total	9 000	4 500	20 820	34 320

The performance period for the FY19 and FY20 LTI awards ended on 31 March 2022 and vested on 1 September 2022. For the purpose of the single-figure disclosure, the value of the vested awards are included in the table above.

SHORT-TERM INCENTIVE

STI awards are conditional upon meeting set performance objectives and targets (financial and strategic) as approved by the board. The performance conditions for FY23 and the outcomes are set out below:

FINANCIAL PERFORMANCE CONDITIONS AND OUTCOMES (70% WEIGHTING)

Measure	Weighting	Threshold (75% payout)	Target (100% payout)	Stretch (150% payout)	Actual performance	Result
1. Distribution growth per share (based on 100% payout)	25.0%	3.0%	4.0%	5.0%	3.6%	22.3%
2. Same-store net operating income growth	25.0%	5.0%	6.5%	8.0%	7.3%	32.0%
3. Total return to equal or exceed internal benchmark	25.0%	10.0%	11.5%	13.0%	18.0%	37.5%
4. Loan to value ratio	25.0%	35 - 40%	30 - 35%	< 30.0%	30.8%	25.0%
Total	100.0%					116.8%
Final outcome (Result x 70% weighting)						81.8%

STRATEGIC OBJECTIVES AND OUTCOMES (30% WEIGHTING)

Strategic objective	KPIs	Weighting	Result
1. Portfolio management and expansion opportunities	Acquire at least two new development sites or acquisition opportunities in line with the Group's property strategy and long-term plans which meet the investment committee's approved criteria	20.0%	20.0%
Assessment UK: Acquired adjoining property in Crewe for expansion and secured Acton in the Moorfield JV. South Africa: Acquired Parklands.			
2. Strong and flexible capital structure	Ensure the financial flexibility exists to pursue acquisition and development opportunities Maintain a conservative gearing ratio in line with the board's policy	20.0%	20.0%
Assessment LTV ratio = 30.8% at year end within target of 25-35%. Agreed terms for the refinancing of ZAR debt facilities of R700 million expiring in November 2023. Maintained an effective interest rate hedging policy with over 83.0% of borrowings hedged on a net debt basis.			

Strategic objective	KPIs	Weighting	Result
3. Operational excellence	Improve the performance of our staff through learning and development, engagement and upskilling to drive increased profitability Implement the digital strategy to increase enquiries, enhance the customer experience, and achieve economies of scale in our marketing spend Execute on the digitalisation of the business to enable, improve and transform business operations, functions and processes by leveraging technology	20.0%	20.0%

Assessment

Designed and delivered 49 new online courses on Edu-Space (online training platform) in FY23 (1 000+ hours of online training being completed by staff).

Edu-Space highlights: 150+ courses delivered; 2 000+ successfully completed modules; 94%+ pass rate achieved.

Face-to-face training highlights: 50+ courses delivered; 140+ employees received face-to-face training; 4.7 average employee rating out of 5 for face-to-face learning courses.

Study support programme – assists employees with career development at accredited institutions. Financially supported nine staff members in FY23.

Broadly in line with FY22, we generated and managed approximately 150 000 enquiries on a same-store basis across both markets in FY23.

Ongoing management and optimisation of our online platforms maintained our leading rankings for the most popular search terms related to self storage in South Africa and the UK in FY23. We continued to hyper-segment our potential customer userbase to deliver customised and relevant messages across various digital channels in both markets. This relevancy-based and targeted strategy enabled us to create bespoke advertising media (both static and rich media) that directs users to customised landing pages. The messaging in each of these adverts is curated to be relevant to targeted audiences (in different life stages) that typically drive demand for self storage.

Improvements to our web platforms in FY23 included a full rebuild of the back-end supporting Storage King, ongoing refinements to the user experience in both markets, as well as additional security enhancements and continued deeper integration of our South African and UK platforms. Our websites are designed to be simple and uncluttered so that they are easy to navigate, especially for the significant proportion of visitors that originate from mobile devices.

The significant majority of new customers in South Africa and a large portion in the UK continue to be onboarded digitally (e-leasing and e-signing), resulting in improved productivity across the business, as well as an enhanced customer experience.

Social media is a key advertising, consumer engagement and CRM medium for the Group. We are mainly active on Facebook, Instagram, TikTok, LinkedIn and YouTube. The Stor-Age Facebook page ranks as one of the most followed self storage businesses in the world. Through specific call-to-action buttons, we engage with our customers in real time. Constant testing and access to resources via our Meta accredited partnership status, allows for enhanced performance on Facebook and Instagram, resulting in improved enquiry generation. We also use LinkedIn to increase enquiry generation from our commercial customer segment, and to attract talent for the business.

We continued to digitalise existing processes throughout the business, using the built-in tools and capability of the Microsoft Azure Cloud platform, thus ensuring that we continue to operate in an increasingly low-code environment. An example of this was the in-house development and launch in FY23 of our new intranet (Connect) across both markets on the Sharepoint platform.

Strategic objective	KPIs	Weighting	Result
4. Display leadership behaviour in accordance with the Company's Core Values	Ensure fully committed and motivated team Maintain minimal staff turnover Adherence to Company's Core Values	20.0%	20.0%
Assessment Refer to point 11 of the LTI outcomes for further detail.			
5. Improve the Group's ESG initiatives in order to deliver real value to all our stakeholders	Deliver on the Group's transformation strategy Invest in renewable energy and pursue initiatives to reduce carbon intensity Support charities and NPOs and be active in less fortunate and underprivileged communities Align sustainability reporting with appropriate frameworks	20.0%	15.0%
Assessment Refer to points 9 and 10 of the LTI outcomes for further detail.			
Total		100.0%	95.0%
Final outcome (Result x 30% weighting)			28.5%

STI OUTCOME

The performance outcome under the STI scheme for FY23 is set out below:

	TGP R'000	Financial outcome	Strategic outcome	Total outcome	Total STI R'000
Executive					
Gavin Lucas	3 200	81.8%	28.5%	110.3%	3 529
Stephen Lucas	3 200	81.8%	28.5%	110.3%	3 529
Steven Horton	3 200	81.8%	28.5%	110.3%	3 529

LONG-TERM INCENTIVE

The three-year performance period for the awards granted in FY21 ended on 31 March 2023. The awards will vest on or after 15 September 2023 subject to the employment condition. The outcomes are set out in the table below. The stretch hurdles were achieved for all the financial performance measures driven by a very strong operating performance, particularly in the second half of FY21 and for the full year in FY22, which was ahead of expectation.

FINANCIAL PERFORMANCE CONDITIONS AND OUTCOMES (75% WEIGHTING)

Performance condition	Weight	Hurdle level Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)	Actual performance	Vesting of performance shares
Dividend per share growth measured relative to the SAPY or comparable index	20.0%	SAPY benchmark	10% out-performance	20% out-performance	5.4% (SAPY benchmark was negative)	30.0%
Same store net operating income growth over three years (CAGR)	20.0%	3.5%	5.0%	6.5%	12.0%	30.0%
Tangible net asset value per share growth over three years (CAGR)	15.0%	2.0%	3.5%	5.0%	11.9%	22.5%
Loan to value ratio	20.0%	35% – 40%	30% - 35%	Less than 30%	27.4%	30.0%
	75.0%					112.5%

NON-FINANCIAL PERFORMANCE CONDITIONS AND OUTCOMES (25% WEIGHTING)

Performance condition	Weight	Hurdle level Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)	Actual performance	Vesting of performance shares
See table below	25.0%	70% score	80% score	90% score	See table below	37.5%
Total performance factor (financial outcomes + non-financial outcomes)						150.0%

The table below sets out the non-financial performance measures and the remuneration committee's assessment of the performance of the executive directors.

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
1. *Determining strategy and providing strategic guidance throughout the Group in accordance with the Company's five-year strategic plan* The committee is satisfied that the executive directors successfully executed the Group's strategy over the performance period: • The Group achieved its core objective to deliver real and sustainable growth to shareholders driven by occupancy and revenue growth, acquisitions and new developments, and leveraging the economies of scale that its market-leading operating platform provides. • The Group's strategy was implemented in a disciplined manner in line with a clearly defined vision. • The executive directors continuously provide strategic guidance in all key functional areas and take full responsibility for challenges and opportunities that may arise. This was evident in the critically important role they played to proactively address the challenges brought about by the COVID-19 pandemic and the KZN unrest. • Ranked 30th out of the top 100 in the inaugural FT annual ranking of Africa's Fastest Growing Companies in June 2022. • Further detail of the execution of Stor-Age's strategy is set out on pages 21 to 23.	10%	100%	10%	100%	10%	100%
2. *Implementing international expansion strategy in accordance with the five-year strategic plan* UK investment property increased by 79% from £132.9 million at 31 March 2020 to £237.7 million at 31 March 2023. Total value of UK investment properties (including those held in joint ventures) of £334.7 million at 31 March 2023. Completed 12 acquisitions of trading properties and three developments over the performance period. Continued growth in the Moorfield joint venture – four trading properties and four properties under construction at 31 March 2023. Launched Management 1st and Digital First initiatives to grow the Group's third-party management platform. Significant growth in Digital First – 23 independent operators comprising 95 properties have contracted for this service.	5%	100%	5%	100%	15%	100%

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
3. *Identifying suitable investment and development opportunities and executing in accordance with the property strategy* Successfully identified, negotiated and executed 12 acquisitions, completed three new developments, four properties under construction in South Africa and the UK. Conducted extensive due diligence on all acquisition and development transactions. Achieved pre-defined acquisition and development targets in accordance with property strategy.	10%	100%	10%	100%	20%	100%
4. *Implementing the Group's operations strategy including the development and execution of the digital and technology strategy* Refer to point 3 of the STI outcomes.	10%	90%	10%	90%	–	–
5. *Ensuring good corporate governance is entrenched throughout the Group* The committee is satisfied that the executive directors continue to play an integral part in the ongoing entrenchment of good corporate governance throughout the Group, with details thereof reported throughout this annual report: • The Group remains committed to exercising ethical and effective leadership in our accordance with the Stor-Age Core Values of Excellence, Sustainability, Relevance and Integrity. • The executive directors conduct business in an open, honest and ethical manner, availing themselves to all board members at all times.	10%	100%	10%	100%	5%	100%
6. *Financial reporting and shareholder communication is carried out in a transparent, accurate, concise and timely manner* The committee is satisfied that the Group's ongoing financial reporting, shareholder communication and correspondence (both internal and external) are of the highest standard and meet the above objectives. The executive directors actively engage with all shareholders – and potential investors – by making themselves available for 1:1 meetings, site visits and requests for further information.	20%	90%	20%	90%	5%	90%
7. *Managing the Group's capital structure and resources in a responsible and effective manner to enhance shareholder return by deploying capital prudently and optimising cost of debt* Prudently managed the balance sheet with conservative LTV levels and compliance with all debt covenants. Executed two oversubscribed capital raises over the performance period (R250 million in FY21 and R575 million in FY22). Capital allocation decisions are made carefully after due consideration of risks and shareholder returns. Finalised the GBP debt restructuring in December 2021 with UK lenders at a competitive cost of capital which provides capacity to support growth in the UK, diversifies the funding sources across a number of lenders, and provides for greater flexibility in the use of the facilities. Maintained an effective interest rate hedging policy with 75%+ of borrowings hedged on a net debt basis. Executed an effective currency hedging policy for GBP earnings at favourable rates and reduced the use of cross currency interest rate swaps.	10%	100%	10%	100%	5%	100%

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
8. *Effective management of energy and utility costs and corporate overheads* Continued trend of reduced electricity consumption across the South Africa portfolio with improved contribution of solar PV installations, improved staff behaviour, and various additional energy reduction initiatives. Following initiatives have reduced our properties' electricity consumption: • Motion-sensitive lighting at all properties – fitted at optimum distances to reduce the number of fittings and energy consumed. • LED light fittings installed inside and outside all new properties, and retrofitted onto existing ones. Saves up to 60% of consumption compared to standard fittings. • Solar panel hot water cylinders installed to heat water in the retail stores and security offices at many properties. • Each month, we prepare and review a detailed analysis to assess energy consumption across the portfolio, with exceptions timeously dealt with through active management. Managed the impact of load-shedding: • All trading properties have generators except for the three smallest properties measured by GLA which have battery storage backup solutions. • 25 of the 57 trading properties have photovoltaic rooftop-mounted solar systems (PV systems) installed. • Completed a successful trial in FY23 to integrate our existing PV systems with battery storage and the existing diesel generators for a more optimised solution. • Formulated a 3-year rollout across the portfolio to: 1. install integrated PV systems (including battery storage) at properties which do not yet have these; and 2. implement battery storage solutions at properties that already have PV systems. Property rates and the underlying property valuations and the applicable tariffs, on which the rates are calculated, are monitored, assessed and reviewed on a continual basis. When applicable, Stor-Age objects to underlying changes in the property valuations, by making use of third-party specialist consultancies in South Africa and the UK. Made significant progress with the installation of water and electricity check meters across the South Africa portfolio in order to monitor utility usage in real time as well as challenge municipal billing based on estimates.	5%	90%	5%	90%	10%	90%
9. *Implementing sustainable practices such as energy efficiency, renewable energy generation, rainwater harvesting, and storm water management and conservation* The group continues to integrate ESG principles throughout the business and sustainability remains at the forefront of its strategic objectives. The ESG strategy aligns Stor-Age's Vision and Core Values with six relevant UN Sustainable Development Goals and takes guidance from the Task Force on Climate-related Financial Disclosures. Sustainability strategy for newly acquired trading properties and new developments aims to: • Install solar PV panels and ensure the general reduction of CO_2 emissions wherever possible • Install motion sensors and LED light fittings both internally and externally • Use building materials that assist with insulation • Harvest rainwater for internal use where possible • Implement effective surface water design and management • Implement waste management initiatives						

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
9. *Implementing sustainable practices such as energy efficiency, renewable energy generation, rainwater harvesting, and storm water management and conservation (continued)* Since the start of FY18, Stor-Age has avoided an estimated 2 771 tonnes of CO_2 equivalent emissions in South Africa through the consumption of onsite solar PV renewable electricity. Despite an increase in total power demand across the portfolio, emissions generated through municipal electricity consumption have shown a downward trend since FY21. Renewable energy use in FY23 resulted in an estimated 1 094 tCO_2e (FY22: 936 tCO_2e) in avoided greenhouse gas emissions in South Africa. Renewable electricity use in FY23 resulted in an estimated 15% reduction in the company's Scope 1, 2 and 3 carbon footprint in South Africa (FY22: 13%). Embarked on a process of identifying, reviewing and selecting an independent third-party sustainability consultant in FY22, who set baselines for carbon emissions and water consumption, together with establishing environmental KPIs to consider for adoption and ongoing performance measurement. The independent consultant also conducted a Carbon Footprint Assessment across the South Africa and UK portfolios in order to set the baselines for carbon emissions at each property. PV systems: • R21.5 million invested in renewable energy (South Africa: R16.5 million; UK: R5 million) to date, installing Solar PV systems at nine additional properties during FY23 (South Africa: 2; UK: 7). • 34 properties now fitted with PV systems, 25 in South Africa and nine in the UK. • 25 South Africa properties have to date generated over 2 900 MWh in solar energy and rendered electricity consumption savings in line with forecasts. • Additional 12 properties identified to be fitted with PV systems in FY24 [1] *Excludes an additional installation at our head office property.* Battery energy storage systems: • To reduce reliance on generators and increasing diesel spend, Stor-Age explored Battery energy storage systems (BESS) to complement the existing solar infrastructure in FY23. • Successfully installed these systems at four properties during FY23. Plan to install BESS alongside any new solar PV installation and to retrofit all existing solar PV stores with these systems over the next three years. • BESS will help reduce our reliance on state produced electricity in South Africa, mitigate downtime from electricity supply outages and eliminate the need to run backup diesel generators. This is aligned to our commitment of ensuring that our properties remain environmentally-friendly. We remain committed to developing a net zero carbon pathway. This involves setting science-based targets using the Science-Based Targets initiative (SBTi) methodology. The SBTi methodology follows a process of setting a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions – drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets. SBTi defines and promotes best practice in emissions reductions and net zero targets in accordance with climate science. The Company also recently entered into a development funding facility with HSBC Bank via our Moorfield JV, of which there is a green loan element. Through the BREEAM[1] initiative, to be installed as part of the initial build of the Heathrow and Canterbury properties, as well as an active EPC[2] rating at our Bath property, the Company will achieve the requirements for this green loan. [1] *Building Research Establishment Environmental Assessment Method* [2] *Energy Performance Certificates*	–	–	–	–	10%	90%

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
10. *Implementing the Group's transformation strategy and achieving transformation objectives and targets* Since 2021 we have partnered with the Skills Development Corporation (SDC), an accredited learning institution based in Johannesburg, to provide a 12-month Business Administration Services learnership programme to 12 unemployed learners from previously disadvantaged backgrounds. In 2022 ten candidates successfully completed the SDC Business Administration Services learnership programme. In 2023 we are supporting a further 12 learners. This partnership provides Stor-Age with a sustainable means of supporting economic transformation in South Africa at a local level. Stor-Age remains a B-BBEE compliant business (Level 5 contributor status), with 44.65% verified black ownership reflected on our share register at the time of conducting our FY23 empowerment scorecard review. Stor-Age remains focused on maintaining and improving transformation levels and representation across the business.	10%	70%	10%	70%	10%	70%
11. *Displaying leadership behaviour in accordance with the Company's Core Values* Senior management spends significant time at the properties and is accessible to all employees. Implemented employee wellness initiatives to encourage employees to practice and improve their habits to attain better physical and mental health. We also facilitated numerous Company events that contribute towards building an interactive team environment. Encouraged and supported employees to adopt sustainable practices both at work and in their personal lives. Stayed informed about industry trends and emerging technologies to ensure that Stor-Age remains relevant and competitive. Encouraged and supported ongoing learning and professional development among employees. Embraced innovation and fostered a culture of creativity and forward-thinking. Forming part of our skills development and succession planning strategy, a range of in-person and online workshops were held throughout FY23, with the aim of fostering and supporting improved planning and alignment by the executives and senior management teams, senior operations staff and middle management. We also held train-the-trainer workshops to bring through the next generation of operations trainers. Anonymous employee surveys are conducted annually which confirmed that staff are well-motivated. The surveys also provide a platform for our staff to voice their opinions by responding to key questions on how their job aligns with the Stor-Age Vision and Mission, remuneration and work life balance. Feedback from these surveys assists in creating a positive workplace environment and identifying areas for improvement and to ensure that our employees' days are more productive and rewarding. Highlights from our FY23 survey include – 96% of our staff are proud to be a part of the Stor-Age team, our FY23 Net Promoter Score, a measure of employee satisfaction and loyalty, was 15 (an improvement on FY22), and 40% of our workforce has worked for Stor-Age for five years or more, demonstrating healthy retention and a wealth of self storage experience.						

Non-financial performance conditions	Gavin Lucas Max %	Gavin Lucas Rating	Stephen Lucas Max %	Stephen Lucas Rating	Steven Horton Max %	Steven Horton Rating
11. *Displaying leadership behaviour in accordance with the Company's Core Values (continued)* We recognise the importance of being an active member of our local communities, and we encourage employees at the property level to develop close links with charities, schools, sports clubs and local interest groups. Our support typically includes providing complimentary storage space, with additional support provided to certain projects in the form of: • Leveraging our digital marketing platform to promote local businesses and NPOs • Generating exposure via branding on Company vans and billboards • Vehicles and the use of our properties as drop-off/collection points • Financial contributions Charities and NPOs supported: We provide complimentary self storage space to a number of charities and NPOs. This year, these included the JAG Foundation, The Kolisi Foundation, Gary Kirsten Foundation, JOG Trust, Helping Hands SA, The Toy Run, The Rotary Club Cresta and The Ed Bham Foundation. In addition to providing complimentary self storage space, our properties also acted as drop off points for some charitable organisations. Through our social media platforms and positive brand association/endorsement, we also assisted further by creating heightened awareness about these organisations, encouraging additional support from the public and local business sector. KwaZulu-Natal flooding crisis: Following the tragic flooding in KwaZulu-Natal in April 2022, all of our Durban properties served as drop off points for donations. These donations, primarily non-perishable foods, clothing and blankets, were then distributed to communities in need. A fundraising campaign was also set up for Stor-Age employees who lost their homes and their belongings during the flooding crisis. The Company matched all donations received.	10%	100%	10%	100%	10%	100%
	100%	**93.5%**	**100%**	**93.5%**	**100%**	**94.5%**

VESTING OF LTI AWARD

For the purposes of the single-figure remuneration table set out on page 91, the estimated value of the FY21 LTI awards for the executive directors (in respect of the performance period ending 31 March 2023), are set out below. The awards will vest on or after 15 September 2023 subject to the employment condition.

Director	Award	Number of shares	Performance factor	Performance adjusted number of shares	Share price*	Value of shares included in single figure table (R'000)
Gavin Lucas	FY21 performance shares	381 388	150.0%	572 082	12.00	6 865
Stephen Lucas	FY21 performance shares	381 388	150.0%	572 082	12.00	6 865
Steven Horton	FY21 performance shares	381 388	150.0%	572 082	12.00	6 865

* *for the purposes of the single figure table, an estimate of R12.00 per share was used at the date of vesting to determine the value of the awards*

Details of the unvested awards made to the executive directors (excluding the FY21 awards) are set out below:

GAVIN LUCAS

Date of award	Vesting date	On-target grant (number of shares)	Indicative value R'000	Performance period
30 Nov 21	1 Sep 24	381 388	4 577	3-years ending 31 March 2024
15 Mar 23	1 Sep 25	381 388	4 577	3-years ending 31 March 2025

STEPHEN LUCAS

Date of award	Vesting date	On-target grant (number of shares)	Indicative value R'000	Performance period
30 Nov 21	1 Sep 24	381 388	4 577	3-years ending 31 March 2024
15 Mar 23	1 Sep 25	381 388	4 577	3-years ending 31 March 2025

STEVEN HORTON

Date of award	Vesting date	On-target grant (number of shares)	Indicative value R'000	Performance period
30 Nov 21	1 Sep 24	381 388	4 577	3-years ending 31 March 2024
15 Mar 23	1 Sep 25	381 388	4 577	3-years ending 31 March 2025

Indicative value is based on a share price of R12.00 applied to on-target number of shares award.

NON-EXECUTIVE DIRECTOR REMUNERATION

The table below sets out the remuneration paid to non-executive directors:

	2023 R'000	2022 R'000
GA Blackshaw	800	324
JAL Chapman	420	251
KM de Kock	555	308
AC Menigo[1]	80	–
P Mbikwana	520	298
MS Moloko[2]	–	74
MPR Morojele	520	298
A Varachhia	480	266
Total	3 375	1 819

1 *Appointed 23 January 2023.*
2 *Resigned 30 June 2021.*

The remuneration to be paid to the non-executive directors for the year ending 31 March 2024 to be approved by shareholders at the forthcoming AGM is set out on page 101 of this report.

"This report was approved by the remuneration committee and the board. Both are satisfied that there were no material deviations from the existing remuneration policy during the 2023 financial year."

SOCIAL AND ETHICS COMMITTEE REPORT

The social and ethics committee acts on behalf of the board in discharging its responsibilities where social and ethical matters of the Group are concerned. The committee monitors whether the Group complies with legal requirements and global best practice in terms of its impact on the economy, the workplace, the social and natural environment.

The committee has all the functions and responsibilities provided for in the Companies Act. The committee members are set out on page 68, and attendance at meetings is shown on page 69.

FOCUS AREAS OF THE COMMITTEE DURING THE YEAR

Stor-Age is committed to creating a real impact by implementing sustainable business transformation and employment plans. The committee's main areas of focus during the year were the continued implementation of the Group's transformation plan and the ongoing execution of the ESG strategy and reporting framework.

TRANSFORMATION PLAN

Stor-Age views transformation as a strategic business imperative and the plan outlines key milestones to drive transformation in the business.

The main objectives of the plan include:

- Addressing the priority elements of the Property Sector Code, while implementing sustainable business transformation and employment diversification
- Ensuring the benefits of equity ownership and participation in management control are extended to previously disadvantaged groups
- Fostering an enabling environment within the Group, which encourages and embraces diversity
- Developing a skilled and motivated workforce base whose profile is representative of South Africa's demographics
- Creating meaningful job opportunities and assisting with the development of skills in the communities in which we operate
- Contributing meaningfully to enterprise and supplier development

Consistent with the Company's transformation strategy, Stor-Age remains focused on maintaining and improving its Level 5 B-BBEE compliance status. At the time of conducting the 2023 empowerment scorecard review, verified black ownership reflected as 44.65%

ESG STRATEGY AND IMPLEMENTATION

Stor-Age is committed to Social and Economic Development initiatives and uses its resources (operational, marketing and core self storage product) to contribute to socio-economic development projects that benefit previously disadvantaged groups, charities, communities and individuals, and further promote transformation and development.

The Group builds sustainability into its investment strategy through the ESG strategy and framework, which aligns our Vision and Core Values with relevant UN SDGs and takes guidance from the TCFD. The strategy and framework enable careful consideration of, and the ongoing monitoring of our impact on the economy, the workplace, the social environment and the natural environment.

Stor-Age's properties act as business incubators for many, assisting local businesses to grow, creating jobs and increasing their contribution to local economies. A recent customer survey indicated that business customers have on average created more than seven jobs[1] since starting to store with the Company. When considering that we had approximately 8 300 commercial tenants at year end, Stor-Age's indirect positive contribution to sustainable job creation in South Africa is significant.

The Stor-Age Business Hub initiative helps commercial customers and charitable organisations to promote their products or services to local markets. Many of these commercial customers are SMMEs, which are critically important for South Africa's economy as they promote sustainable job creation and economic development. More information on the Business Hub is available on page 62.

During the year the committee also oversaw excellent progress on the Group's efforts to promote environmental and social sustainability, while also overseeing the continued enhancement of corporate governance structures.

Highlights from the year included:

- Installing new solar PV technology at an additional nine properties (SA: 2; UK: 7)
- Supporting nine NPOs by sponsoring over 260 m^2 of space per month, representing more than R400 000 (of rental value) for the period of community investment
- Partnering with the JAG Foundation to store and distribute over 450 pairs of donated shoes to Western Cape communities in need

- Properties acting as drop-off points for donated items to support those affected by the KwaZulu-Natal floods and the Langa fires in Cape Town
- Facilitating a fundraising initiative and matching all donations to support staff members adversely affected by the floods in KwaZulu-Natal in April 2022
- In support of local economic transformation, for the second year in a row the Group sponsored a 12-month learnership programme for 12 previously disadvantaged learners in January 2022 (with a third group of learners commencing in January 2023). The learnership programme assists youth with becoming qualified in areas that fall within the ambit of scarce and critical skills of South Africa

During the year the Company also concluded its annual Carbon Footprint Report, which was completed by an independent third-party sustainability consultant. The results of the report show that over 1 000 tCO$_2$e (tonnes of carbon dioxide equivalent) of avoided greenhouse gas emissions was achieved as a result of the Company's renewable electricity infrastructure. Read more about the Carbon Footprint Report on page 60 and more about our broader ESG strategy from page 54.

COVID-19

As we emerged from the COVID-19 pandemic, during the early stages of FY23 the committee continued to monitor the impacts of the pandemic on all of our stakeholders. This included overseeing the ongoing implementation and monitoring of the COVID-19 occupational health and safety regulations to ensure the well-being and safety of our employees, customers and the communities in which we operate.

TERMS OF REFERENCE

The committee's duties and responsibilities are set out in a formal terms of reference, which the committee and the board of directors approved. The main duties of the committee include:

- Social and economic development
- Good corporate citizenship
- The environment, health and public safety
- Customer relationships
- Labour and employment

The committee is further tasked with:

- Reviewing the adequacy and effectiveness of the Company's engagement and interaction with its stakeholders
- Considering substantive national and international regulatory developments as well as best practice in social and ethics management
- Monitoring the Company's corporate social investment activities
- Determining clearly articulated ethical standards and ensuring that the Company takes measures to adhere to these in all aspects of the business, thus achieving a sustainable corporate culture

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

Phakama Mbikwana
Social and ethics committee Chair
31 July 2023

[1] *Commercial customers were asked how many direct jobs their business had created since they began storing with Stor-Age.*

KEY FUNCTIONS AND RESPONSIBILITIES

The investment committee comprises two executive directors and four non-executive directors. Its primary purpose is to evaluate and, if appropriate, approve potential acquisitions or disposals identified by the executive team.

The committee meets on an ad hoc basis to review investment proposals relating to acquisitions, disposals, new developments and/or substantial redevelopments, while advising on aligning such opportunities to the Group's five-year growth strategy. The authority limit of the committee is for transactions up to and including the lesser of R350.0 million or 5% of market capitalisation.

The committee makes recommendations to the board regarding proposed transactions that exceed its level of authority.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

Graham Blackshaw
Investment committee Chair
31 July 2023