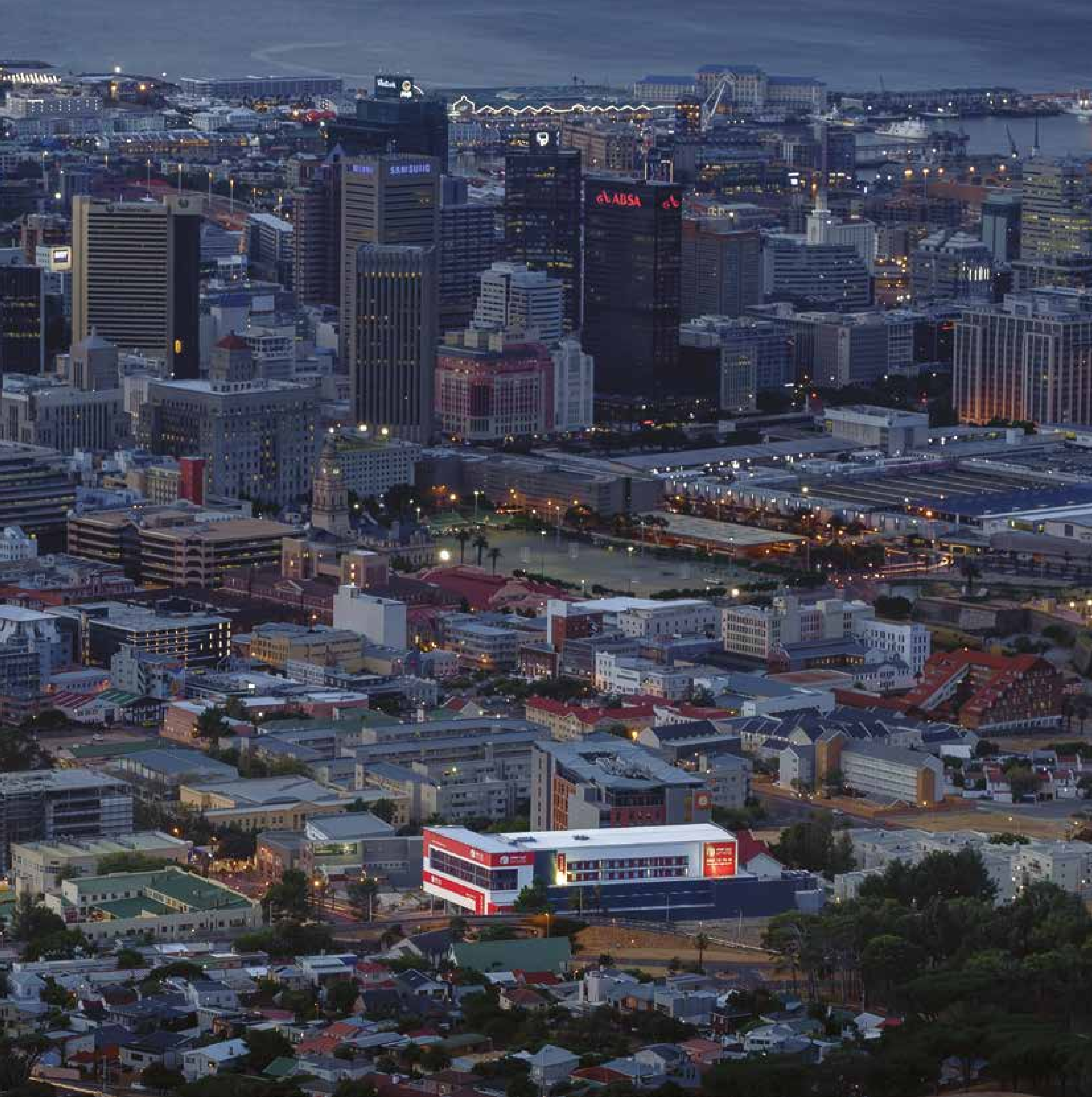


ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

OUR ESG STRATEGY

ENVIRONMENTAL SUSTAINABILILTY

SOCIAL SUSTAINABILITY

CORPORATE GOVERNANCE

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

OUR ESG STRATEGY

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

To ensure that our policies and practices benefit our employees, customers, shareholders, communities and the environment, during the period the board oversaw the research and adoption of a new sustainability strategy and framework focused on three key areas: environmental sustainability, social sustainability and corporate governance.

This strategy aligns our Vision and Core Values with relevant UN Sustainable Development Goals (SDGs) and the Task Force on Climate-related Financial Disclosures (TCFD). Through our ESG framework we continue to monitor our impact on the economy, the workplace, the social environment and the natural environment.

OUR ESG STRATEGY (continued)

ESG FRAMEWORK

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

PEOPLE

Decent work and economic growth

- Job creation
- Learning and development
- SME support
- Employee wellness

Reduced inequalities

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

PROPERTY

Industry, innovation and infrastructure

- Developing environmentally-friendly buildings
- Energy consumption
- Water consumption
- Cybercrime prevention

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 believe in not always taking the shortest route and not always being focused on a short-term time horizon. We remain resolute in executing a long-term ESG strategy, one which is 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
- Preserving our resilience by maintaining balance sheet strength
- Ensuring well-managed risk with significant value creation for our stakeholders
- Supporting the local communities in which we operate

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

We aim to build an organisation that is resilient, and which can endure and adapt through multiple generations of leadership as well as multiple product life cycles. This resilience was further tested during the COVID-19 pandemic as we adapted to a fundamental shift in the way in which our business operates.

ENVIRONMENTAL SUSTAINABILITY

As one of our four Core Values, each of which guide and inspire every single thought, action and decision, Sustainability is at the heart of what we do. The sustainability of the environment has always been and remains a priority.

LOOKING AFTER THE ENVIRONMENT THAT SURROUNDS US

At Stor-Age, we believe that the most important space is the environment that surrounds us. This is why we continue to address sustainable practices in the areas of energy efficiency, renewable energy generation, reducing CO_2 emissions, rainwater harvesting, storm water management, waste water management, fuel consumption and conservation.

Our buildings are more than just bricks and mortar. We strive to improve each and every aspect of our properties, ensuring that we develop environmentally-friendly buildings with a low environmental impact.

Our properties are not crowded environments and are typically low-intensity in their use relative to other real estate types. Coupled with a relatively low staff complement at each property, we are low users of electricity and water.

During the period we continued to focus on further reducing the already low environmental impact of our properties.

OPERATIONAL STORE ENERGY CONSUMPTION

The predominant energy consumption of our properties is grid electricity for lighting, elevators, general power, heating, cooling and ventilation. These cause indirect off-site power station carbon emissions.

The following initiatives have reduced our properties' electricity consumption:

- Motion-sensitive lighting at all properties. We fit these at optimum distances to reduce the number of fittings and the energy consumed.
- LED light fittings are installed 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 panelled hot water cylinders are 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.

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 approximately R10 million in renewable energy, installing Solar PV systems at four additional properties during the period.
- Properties now fitted with these systems include Table View, Pinehurst, Tokai, Claremont, Gardens, Stikland and Somerset West in the Western Cape, and Silver Lakes, Sunninghill, Randburg, Craighall, Edenvale, Bryanston, Constantia Kloof, Johannesburg City and two properties in Midrand in Gauteng.
- These 17 properties have to date generated over 1 million kWh in solar energy and rendered electricity consumption savings in line with what was projected for each system.
- We have identified an additional 16 properties to be fitted with such systems in South Africa and the UK. This includes existing properties and new developments.

> “As a result of these PV system installations, during the year we reduced our carbon emissions footprint by an estimated 600 tonnes, an improvement of 18% year-on-year. We plan to invest a further estimated R10 million in renewable energy over the medium term.”

ENVIRONMENTAL SUSTAINABILITY (continued)

RAINWATER HARVESTING

Rainwater harvesting is the accumulation and storage of rainwater for reuse on-site, rather than allowing it to run off into the storm water system. It provides an independent water supply during the summer months, and can be used for irrigation and to substitute the municipal supply when necessary. As many of our properties provide the benefit of significant roof space, we have installed these systems at 21 locations across the portfolio.

At our head office in Claremont, Cape Town, water is supplied by rainwater harvested from the roof as well as via a borehole situated below the basement-level parking garage. These natural sources provide sufficient capacity to permanently supply the property – and the estimated 70 people – with the necessary water required to service washing and ablution facilities. This is a significant contribution to continued water-saving efforts being made in the region.

Other initiatives to supplement and conserve the municipal water supply include pumping and storing of ground water for irrigation purposes at three properties and borehole installations at a further two 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 is qualitatively different from traditional paving methods in that water is treated on-site before being discharged into both the natural groundwater table and storm water system.

SOCIAL SUSTAINABILITY

At Stor-Age we strive to make a sustainable difference. Recognising our role as a responsible member of the broader community, and in line with our Core Value of Relevance, we aim to improve our customers' and employees' lives, as well as the lives of people in the broader communities in which we trade.

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 our employees at the property level to develop close links with charities, schools, sports clubs and local interest groups.

Our support typically includes the provision of complimentary storage space and additional support is provided on a select basis in the form of:

- Financial contributions
- Leveraging our marketing platform
- Vehicles and the use of our properties as drop-off/ collection points

Over the past year we have contributed an estimated total value of R2.8 million worth of support to various initiatives, some of which include:

SANTA SHOEBOX PROJECT

Each year, the Santa Shoebox Project collects and distributes gifts for underprivileged children throughout South Africa and Namibia. Over the last 16 years it has grown significantly, with the number of Santa Shoeboxes donated now totalling over 1 million.

For the ninth consecutive year Stor-Age assisted the Santa Shoebox Project by making our resources available to help support and contribute towards its significant success. The Santa Shoebox Project positively impacts the lives of the future leaders of tomorrow and we are incredibly fortunate to be able to assist projects like these, now and into the future.

KOLISI FOUNDATION

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

During the period Stor-Age formed a partnership with the Kolisi Foundation to support their operational requirements, drive monetary donations from Stor-Age customers and to assist in various community-focused initiatives around the country. This partnership, which will enable the Kolisi Foundation to place a greater emphasis on alleviating extreme poverty, mentoring youth and promoting equality in South Africa, unites our employees behind a common cause and offers the opportunity to positively engage with the public and communities.

COVID-19 SUPPORT FOR CHARITIES AND GOVERNMENT-BASED ENTITIES

Following the ongoing impacts of COVID-19, during the year we offered complimentary storage space to a number of charity and government-based entities. These included the relief aid organisation affiliated with the Western Cape Government (Mustafin Foundation), Community Chest, SA Harvest, Masks for Medics and the National Health Service (NHS) in the UK, amongst others.

Our properties also acted as drop-off points for public donations to charitable organisations, that were then distributed to communities across South Africa. Through our social media platforms we created awareness of these organisations, encouraging support from the public and business sector.

During the year we assisted a number of other charitable organisations with their storage and operational requirements. These included the Gary Kirsten Foundation, the Jag Foundation, the SPCA and the Jog Trust, amongst others.

STOR-AGE LEARNERSHIPS

During the period an agreement was entered into with the Skills Development Corporation (SDC), an accredited learning institution based in Johannesburg, to provide a 12-month learnership programme to 12 learners from previously disadvantaged backgrounds.

As the SDC is based in Randburg, it was logistically and administratively sensible for the organisation to recruit learner candidates in the surrounding areas of Gauteng. Three Stor-Age properties are situated in the immediate area of the SDC offices which will enable the Group to leverage off this association sustainably, by further supporting learners from the local community in the future.

This partnership provides Stor-Age with a sustainable means of supporting economic transformation within the country at a local level. Aligned with our Core Value of Excellence, we believe that we have a reputable partner in the SDC.

SOCIAL SUSTAINABILITY (continued)

At year end, the 12 learners had all recorded satisfactory attendance and progress on the programme thus far.

SUPPORTING SMALL BUSINESSES

As a geographically decentralised business with over 74 properties throughout South Africa and the UK, we support a host of small businesses. In South Africa, more than 50%[1] of our business customers classify themselves as SMMEs and more than 20%[1] classify themselves as entrepreneurs, and for most we play a crucial role in their daily operations as well as their growth strategies.

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

The self storage product 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 either a short-term or long-term storage solution. Logistics, transportation and packaging companies also benefit from the product through the services they provide to our business customers, creating additional employment opportunities.

SHINING THE LIGHT ON LOCAL BUSINESSES

The COVID-19 pandemic had a devastating impact on small businesses across South Africa and the UK, many of whom were forced to close down during the initial stages of the national lockdowns and/or during the subsequent ones that followed.

In an effort to support local businesses impacted by lockdown regulations and the effects of the COVID-19 pandemic, we launched an online campaign focused on driving support for businesses and organisations in both markets. The campaign, titled 'Local Business Spotlight', shone the light on a variety of local businesses by profiling who they are, what they do and how communities around South Africa and the UK can support them.

At no cost, these businesses were featured on our Instagram, Facebook and LinkedIn accounts. In addition, advertising spend was allocated to each business profile listed to further promote them within their area of business, amounting to a total cost of more than R500 000. Over 250 businesses were profiled across both markets, with a total social media reach of over 9.0 million people.

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

[1] *Data as per customer surveys completed during the period.*

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 their businesses to their communities, we were able to make a significant impact on hundreds of businesses across South Africa and the UK, many of whom were severely impacted by the crisis.

We believe that every action taken today will have a direct impact on the actions we can take tomorrow.
The campaign was 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.

We aim to be relevant in everything that we do.
Our Local Business Spotlight campaign gave us the opportunity to support businesses 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.
While the COVID-19 pandemic isolated most, it brought many together at the same time through support, encouragement and community upliftment. We are proud to have made a contribution to our business customers and various communities.

SOCIAL SUSTAINABILITY (continued)

HUMAN SUSTAINABILITY

318[1]+
Total number of employees at year end

37 years[1]
Average employee age

> "We believe that work-life integration is an important aspect of building a sustainable career."

At recruitment stage 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. Alignment between personal and Company Core Values also allows for a seamless integration into the company culture.

Building a successful and sustainable team requires integrating diverse behaviours and personalities. To positively contribute to the building of successful teams, we make use of tools that allow us to identify the behaviours and habits critical to success in particular roles. These critical behaviours and habits are tested for during the recruitment phase, as well as used to assemble teams with the most optimal team dynamic.

To support the ongoing sustainability of the business, we created a ten person central cleaning team during the year to serve all properties in the greater Johannesburg area.

In line with our ongoing focus on digitalisation, we continued to recruit for qualified candidates in the digital field.

EMPLOYEE LEARNING AND DEVELOPMENT

Stor-Age is committed to employee development through effective learning and training opportunities. Our learning and development framework identifies 10 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 framework, Edu-Space, enables our employees to receive training and assessment simultaneously across all our locations in South Africa and the UK.

[1] *South Africa only*

- Our learning capability continued to be supported during the year by the engagement of LinkedIn Learning, an on-demand e-learning platform.
- We offer workshops, refresher courses and facilitated senior management planning sessions at a range of venues.
- Primary areas of ongoing training include frontline store-based staff, staff residing in our recoveries team (debt collection), as well as staff based in our Contact Centre.
- Where appropriate, specific and individual training is offered to employees. Our core training programme is complemented by management and leadership development programmes which are delivered in-house and 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 has enabled this crucial stakeholder group to influence Stor-Age's employee practices and processes directly and in a meaningful manner.

STUDY SUPPORT PROGRAMME

Our employee study support programme assists employees with career development at accredited institutions. This programme, which currently supports eight staff members, not only sustainably supports the development of our employees but also contributes towards retaining their expertise and services into the future.

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 within 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

100+
Number of courses delivered

1 800+
Successfully completed modules

95%+
Pass rate achieved

22 000+
Hours of online training

Face-to-face training highlights[1]

30+
Number of courses delivered[2]

80
Employees received face-to-face training

Employee feedback

"Working for Stor-Age has truly been a wonderful experience. I have met wonderful people who truly care about one another's wellbeing and growth which is reflected in the Company values.

Stor-Age has invested in my training and my goal of one day completing my MBA. I am truly grateful and humbled. I'm so fortunate to be part of the Stor-Age family, as they really have become my family (SIC) since I joined the Company."

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

1 *South Africa and the UK*
2 *Number of face-to-face interactions were impacted by COVID-19 restrictions and safety protocols*

SOCIAL SUSTAINABILITY (continued)

LEARNING AND DEVELOPMENT FRAMEWORK

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

MANAGEMENT COMMITTEE (MANCO)
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 – Contact Centre, recoveries (debt collection), operating system 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
Five-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 (L&D) team and complete the introduction module on Edu-Space

“Through our learning and development framework we continue to offer our staff training and career growth opportunities.”

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 legislation.

The board engaged with various consultants and committed significant resources at a senior management level to thoroughly understand the Preferential Procurement Policy Framework Act, the Property Sector Transformation Charter and the Amended Property Sector Codes. The culmination of our efforts enabled us to finalise and begin executing our Transformation Plan. Our Transformation Plan is critical to us aiming to achieve compliance with the Property Sector Code.

EMPLOYEE-FOCUSED INITIATIVES

We have a number of other employee-focused initiatives in place to boost employee engagement.

Our Year-end Review in South Africa is an ideal opportunity to develop and enhance our business culture. Traditionally this event has been held at a physical venue, but as a result of the COVID-19 pandemic we hosted our Year-end Review virtually for the first time. This inaugural virtual event was a great success, where we brought together all employees from across the country in an engaging, informative and interactive session. Coupled with fostering new partnerships and sharing best practices, the Year-end Review is a key contributor to the ethos and personality of the business.

Employee feedback:

"As a decentralised business across South Africa, our Year-end Review is always a highlight on the calendar as it brings all our teams together to celebrate and to connect.

The COVID-19 pandemic meant that we couldn't meet in person this past year, but the team who put the virtual event together did so in spectacular fashion.

We were left in awe when we looked back during the event at what we as a team had achieved despite the obstacles that were in our way during the year. It was a wonderful interactive way of celebrating our success."

EMPLOYEE WELLNESS

We continued to roll-out a wellness initiative in South Africa focused on encouraging our employees to practice and improve their habits to attain better physical and mental health.

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, while our internally facilitated Medical Aid Scheme (Momentum Health) and our Group Retirement Annuity (Allan Gray) have steadily grown in participation.

A healthcare and retirement annuity subsidy is provided to support staff contributions to medical aid, gap cover and retirement funding. As part of this programme we have been able to negotiate and provide preferential gap cover rates for our staff.

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

> "We place a great deal of importance on employee wellness as we firmly believe that it creates a supportive environment and is an integral part of driving productivity and retaining skilled talent within the business."

With a clear focus on COVID-19 risk mitigation practices, a mandatory training module was rolled out in South Africa and the UK on our online training platform Edu-Space, training staff how to correctly wear a mask, effectively wash and sanitise their hands, as well as understand acceptable social distancing limits.

SOCIAL SUSTAINABILITY (continued)

Our monthly wellness initiative continues to create a safe space that reinforces the Company's COVID-19 risk mitigation policies around safety, including but not limited to the use of shared spaces, sanitisers, mask wearing and hand washing.

As a result of the lockdown and decentralised nature of our business, a second key focus area for our monthly wellness initiative has been on the mental wellbeing of staff and providing them with both internal and external resources for mental wellbeing such that staff may proactively make use of these if and when in need.

Due to our vigilant and proactive response to the pandemic, the risk of COVID-19 infections and spreading has been minimal with no fatalities and approximately 15[1] reported cases nationwide during the period.

In South Africa our intranet continues to boast high levels of participation by our in-store employees, providing a transparent platform on which they can make improvement suggestions to enhance our internal operating standards and business practices. Once logged, management provides timeous feedback on all suggestions, including actions to implement where relevant. While often simple, these suggestions can and have had a sizeable impact on our business and improving efficiency. 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.

Other initiatives include our anonymous employee surveys conducted annually. These surveys 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. This feedback assists us to create a positive workplace environment and ensure our employees' days are more productive and rewarding.

During the period we recorded a year-on-year increase in our employee net promoter score. In addition, we run 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 (OHSA Part A and Regulations Part B)
- COVID-19 Safety Compliance
- 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

> "Our COVID-19 Edu-Space training equipped our teams with the knowledge and tools to operate in a safe environment, for both themselves and our customers."

[1] South Africa

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

Stor-Age endeavours to ensure safe conditions and premises for customers and employees, including but not limited to:

- 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).

Training for this project was initially carried out using our Edu-Space platform. The fire drills are now the responsibility of a dedicated project leader who oversees this practice quarterly. 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.

In addition, it enables us to identify new risks or 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
- Complimentary 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 place a great deal of focus on the health and safety of both our staff and our customers at each of our properties in South Africa and the UK.”

Stor-Age's approach to ensure the health, safety and wellness of our employees during the COVID-19 pandemic is outlined in the Corporate Governance report from page 66.

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
Continued execution of the COVID-19 response plan	Oversaw the continued execution of the COVID-19 response plan and the implementation of the Company's business continuity plans to ensure a seamless continuation of operations throughout the various stages of lockdown.
Transformation	Guiding its transformation objectives, the board continued with the implementation of its Transformation Plan, developed in line with the Property Sector Code.
Disciplined execution of the five-year property growth strategy to 2025	Aligned to research data compiled in the previous period, the board oversaw the execution of the Group's five-year property growth strategy. This included the ongoing development of the Cresta, Tyger Valley and Sunningdale properties in South Africa, as well as the acquisition of Blackpool Self Store in the UK post year end. In addition, the Group secured the acquisition of a further four new properties for future development, split evenly between South Africa and the UK.
Research and adoption of enhanced ESG strategy and reporting framework	During the period the board oversaw the research and adoption of an enhanced ESG strategy and reporting framework, covering the areas of environmental sustainability, social sustainability and corporate governance. This framework aligns the Group to selected United Nations Sustainable Development Goals (UN SDGs) and the Task Force on Climate Related Financial Disclosures (TCFD). This strategy is guided by the social and ethics committee, which continues to monitor whether the Group complies 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 framework and approach to ESG from page 53.
Research and implementation of a holistic UK debt restructure	During the period the board oversaw the process of researching and implementing a UK debt restructure in order to optimally position the business for its future growth prospects in the UK market. This included considering the potential of introducing a second commercial bank lender into a club-lend facility, as well as the appropriateness of introducing complementary institutional funding. While the process was not complete at year end, significant progress was made during the period.
Compliance with the Protection of Personal Information Act (PoPIA)	So as to ensure compliance, the board oversaw the development and implementation of the PoPIA plan and the execution thereof.

Board focus areas	Actions undertaken by the board and its subcommittees
Implementing third-party management platform growth plan in the UK market	Oversaw the implementation of the "Management 1st" growth plan in the UK, our comprehensive third-party management solution offered to independent operators, developers and private equity owners in the UK. This included the launch of a digital services offering to independent third-party operators during the year – Digital 1st. Digital 1st is a sub-component of the Management 1st offering. While Management 1st will provide an attractive management option for smaller property owners, it enables Storage King to leverage its existing operations infrastructure to earn additional revenue streams and expand the brand's reach while also providing a natural acquisitions pipeline over the medium to long term.
Finalised Moorfield development JV	Oversaw the entering into and finalisation of a joint venture (JV) with Moorfield Group (Moorfield), a leading UK-based real estate fund manager, to develop a five to seven asset portfolio with a gross asset value of approximately £50 million. The JV provides Stor-Age with a significant platform to execute its strategic growth plans in the UK over the medium term. The UK property growth strategy includes acquiring existing trading self storage properties from third parties, new developments and the introduction of Management 1st.
Research and identify a suitable equity joint venture partner to optimally execute on the South African development pipeline	Oversaw the research and identification of a potential equity joint venture partner to co-develop properties in the South African pipeline. Significant progress was made during the period, including the identification of suitable partners.
Managing changes to the composition of the board	During the period Gareth Fox retired from the board. The board oversaw the recruitment and appointment of Mntungwa Morojele and Abu Varachhia as independent non-executive directors.
Ongoing implementation of multiyear digital strategy	Oversaw the ongoing implementation of the multiyear digital strategy. This strategy guides Stor-Age's digital transformation over the medium term, ensuring that the Group remains responsive to shifting consumer trends and the pace of technological change, as well as guiding investment in digital technology.
Ongoing roll-out of solar technology for three-phase power generation	The board remains committed to investing in sustainable power solutions through solar technology for three-phase power generation. A total of 17 properties have successfully been fitted with these systems, generating a total of over 1 million kWh and, during the year, reducing CO_2 emissions by 601 tonnes. We have identified an additional 16 properties to be fitted with such systems in South Africa and the UK. This includes existing properties and new developments.
Ongoing enhancement of security infrastructure	The board remains committed to ensuring the continued safety of our customers, their goods and our staff. The board oversaw the ongoing implementation of enhanced security features across the South African portfolio. This included a further roll-out of offsite CCTV monitoring and linked alarm systems, license plate recognition technology, as well as the installation of individual unit door alarms as a standard design feature at all newly developed properties.

CORPORATE GOVERNANCE (continued)

GOVERNANCE STRUCTURE

The board is ultimately fully 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 appointed subcommittees.

BOARD

Gavin Lucas (CEO)
Stephen Lucas (FD)
Steven Horton (Executive director)
Sello Moloko**[1]
Graham Blackshaw* (Chairman)
Kelly de Kock**
Phakama Mbikwana**
John Chapman**^
Mntungwa Morojele**[2]
Abu Varachhia**[3]

AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL AND ETHICS COMMITTEE	INVESTMENT COMMITTEE
See full report on pages 77 to 81	See full report on pages 82 to 101	See full report on page 102 to 103	See full report on page 104
MEMBERS	**MEMBERS**	**MEMBERS**	**MEMBERS**
Kelly de Kock** (Chair) Phakama Mbikwana** Sello Moloko**[1] Mntungwa Morojele**[2]	Kelly de Kock** (Chair) Graham Blackshaw* Mntungwa Morojele**[2]	Phakama Mbikwana** (Chair) Graham Blackshaw* Sello Moloko**[1]	Graham Blackshaw* (Chair) John Chapman**^ Abu Varachhia**[3] 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.
Focus areas during the year			
Implementation and adherence to King IV. Changing of auditors and appointment of BDO South Africa Inc.	Research, identification and consideration of an appropriate short-term incentive (STI) for senior management. Review of executive director remuneration structures.	Implementation of the Transformation Plan. Overseeing the continued implementation of the COVID-19 response plan. Research and adoption of enhanced ESG strategy and reporting framework.	Local market acquisitions and developments. Finalising terms and entering into a JV with Moorfield Group.
Non-executive directors			
3/3	3/3	3/3	3/5

* *Non-executive director.*
** *Independent non-executive director.*
^ *Lead independent director*
1 *Resigned from the board on 30 June 2021*
2 *Appointed to the board in September 2020*
3 *Appointed to the board in January 2021*

For more information on the qualifications and experience of subcommittee members, refer to pages 70 to 76.

The board exercises control through a governance framework. This includes reviewing detailed reports presented to it and its subcommittees, and oversight of our 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 the nomination, appointment, induction, training and evaluation of 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 the implementation of 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, we implemented the King IV after thorough consideration of the recommended practices. As a relatively young and growing business, we continue to evolve our corporate governance practices, policies and procedures in tandem with our 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 – investorrelations.stor-age.co.za.

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

“We remain resolute in our focus on corporate governance, continuing to evolve our practices, policies and procedures in tandem with our business, taking guidance from the recommended practices outlined in King IV.”

BOARD AND SUBCOMMITTEE MEETINGS

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

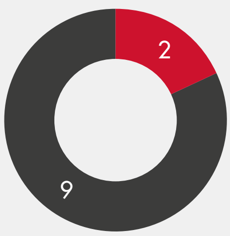
Director	Sub-committees	Meetings attended	Meetings eligible	% attendance	Board	Audit and risk committee	Social and ethics committee	Investment committee	Remuneration committee
Graham Blackshaw (Chair)**	IC; SEC; RC	16	16	100%	4		2	8	2
John Chapman*^	IC	11	12	92%	4			7	
Kelly de Kock*	ARC; RC	13	13	100%	4	7			2
Gareth Fox (Resigned)*	ARC; RC	3	3	100%	1	2			
Phakama Mbikwana*	ARC; SEC	10	11	91%	4	4	2		
Sello Moloko*[1]	ARC; SEC	12	13	92%	4	6	2		
Mntungwa Morojele*	ARC; RC	8	8	100%	2	5			1
Abu Varachhia*	IC	3	3	100%	1			2	
Gavin Lucas***	IC	12	12	100%	4			8	
Stephen Lucas***		4	4	100%	4				
Steven Horton***	IC	12	12	100%	4			8	
Actual attendance		104			36	24	6	33	5
Eligible attendance			107		36	26	6	34	5
% attendance				97%	100%	92%	100%	97%	100%

*^ *Lead independent director*
* *Independent non-executive director*
** *Non-executive director*
*** *Executive director*
[1] *Resigned from the board on 30 June 2021*

COMPOSITION OF THE BOARD

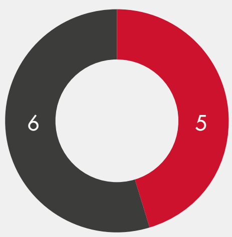
The board is satisfied that it consists of an appropriate mix of individuals to ensure an adequate level of knowledge, skills and expertise – enabling it to contribute meaningfully to the management of the Group. However, it seeks to continue to further improve diversity.

GENDER DIVERSITY



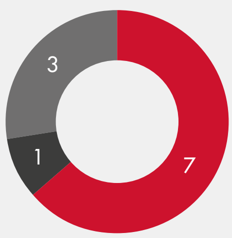
- Female
- Male

RACIAL DIVERSITY



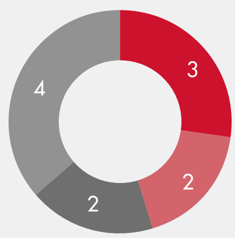
- Black
- White

DIRECTORS



- Independent
- Non-executive
- Executive

AGE



- 61 – 65 years
- 51 – 60 years
- 41 – 50 years
- 31 – 40 years

BOARD SKILL SET AND EXPERTISE (NUMBER OF DIRECTORS)

7 Finance	8 Corporate governance
4 Mergers and acquisitions	5 Strategy
6 Property (management and development)	3 Stakeholder engagement
5 Construction	6 Environmental laws and legislation

In terms of tenure, two of the non-executive board members as at 31 March 2021 were appointed to the board in November 2015 following the Company's listing on the JSE. A further two non-executive directors were appointed in May 2018 and another in September 2020. The most recent appointment came in January 2021. Only the three executive directors were involved in the operations of Stor-Age prior to the listing.

"Increasing racial diversification at board level remains a core focus for the Group. We continue to execute on our Transformation Plan, which is critical in assisting us to implement a broad-based strategy to achieve sustainable business transformation."

CORPORATE GOVERNANCE (continued)

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 Stor-Age 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 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 and 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, and initiates the planning of all new developments and oversees the marketing of all aspects.

Sello Moloko BSc Hons, PGCE (Leicester), AMP (Wharton)

Joined the board prior to listing in 2015.
Resigned from the board on 30 June 2021.

Sello, co-founder and executive chairman of Thesele Group, a wholly black-owned diversified investment holding company, has a wealth of business experience gained over more than 28 years in financial services (investment management and employee benefits).

Outside of Thesele Group, he holds the position as the independent non-executive chairman of Telkom SA SOC Ltd, Momentum Metropolitan Holdings, Momentum Metropolitan Life and Guardrisk Group. He also currently serves on the boards as non-executive director of Prudential Investment Managers and DG Capital. Sello is a trustee of the UCT Foundation and the Nelson Mandela Foundation where he chairs the investment committee.

Phakama Mbikwana BCom

Joined the board in May 2018.

Phakama has over 19 years' experience in the financial services sector, of which 15 was 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 also has 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 also holds the role of an independent non-executive director on the boards of Wits Health Consortium (Pty) Limited and the National Stokvel Association of South Africa Co-operative Limited.

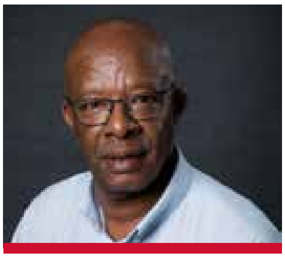
INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

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

Joined the board in May 2018.

Kelly is specialised in the areas of corporate finance and investor relations, as well as business development and operations. She has more than 15 years' commercial experience in the financial services sector and currently holds the position of Chief Operating Officer of Old Mutual Wealth's International and Private Client Capabilities.

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 is the Secretary-General of the Association of Black Securities and Investment Professionals (ABSIP) and previously held the position of Western Cape Provincial Chairperson.



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

Joined the board in September 2020.

Mntungwa has more than 33 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 3RE Connect South Africa, which is pursuing opportunities in the Renewable Energy sector, and iKapa Connect Investments, which operates in the Events Management 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 with the Company. He has also previously served on the boards of Gray Security Services, Verifone Africa (Pty) Limited and Capital Eye Investments (previously the UCS Group Limited) and various subsidiaries.

Abu Varachhia BSc (SA)

Joined the board in January 2021.

Abu has more than 30 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.

BOARD RECRUITMENT AND TRAINING

The board continues to give consideration to the establishment of a nominations committee. As and when board vacancies occur or additional diversity 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 and participating in the interview process and performing background checks.

All board members are given 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.

In line with the board's appointment process, all 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.

Directors are also 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 at any given time.

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

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 223.

BOARD ETHICS AND EFFICIENCY

In the prior year, KPMG Inc. oversaw a detailed board self-evaluation and peer review process. The board intends conducting a new self-evaluation at the end of 2021.

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 has been 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 it is satisfied that these 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.

Enhancements continue to be made to our layered network security systems to strengthen defences. We choose reputable, specialist service providers as business partners to ensure continued 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

CORPORATE GOVERNANCE (continued)

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.

While satisfactory, the board continues to focus on strengthening its IT 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 are considered 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 during the year included the continued focus on our Transformation Plan, as well as the adoption of an enhanced ESG strategy and reporting framework. The Protection of Personal Information Act, the Consumer Protection Act and the Property Sector Code remain areas of focus for the upcoming year.

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. Formulating a mitigating response for each area of impact
4. Monitoring progress
5. Reviewing identified risks on an ongoing basis and revising responses accordingly

Executive management has an ongoing responsibility to monitor its risk management processes and report 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. Global pandemic – COVID-19 A global pandemic such as COVID-19 may result in increased risk of financial loss as a result of specific 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. Due to a delayed vaccine roll-out plan in South Africa to date, there remains an elevated risk of potential subsequent waves of infection of the virus and associated lockdowns, with the associated negative economic impact.	• Entered the initial lockdown and downcycle from a position of strength – 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 – 38 000+ tenants • Strong liquidity position between April 2020 and March 2021– approximately R471 million in cash and R438 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 and Contact Centre employees were provided with the means to continue working from home • Stable and continued operations under strict operating conditions, ensuring that all properties in South Africa and the UK remained accessible throughout all lockdown stages • Successful vaccine roll-out in the UK, reducing the risk of future lockdowns and the associated negative economic impact	Increasing
2. Treasury risk Adverse interest rate movements could result in the cost of debt increasing.	• Gearing of 24.1% on a net-debt basis at year end is below our target range of 25-35%. Our total undrawn borrowing facilities amounted to R438 million at year end • Effective hedge on net debt of 85.4% at year end • 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	Decreasing
3. Weak/negative economic growth Macroeconomic weakness could inhibit the self storage market's growth in line with our projections, resulting in reduced demand and lower income.	• 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 • Focus on large economically resilient cities in South Africa and key towns in the UK where growth drivers are strongest and barriers to competition are at their highest • 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 • 38 000 + tenants spread across a geographically diversified South African footprint (developing market) and the UK (first-world market) • A tested strategic development process that draws on internal analyses, independent research, global trends and best practice	Increasing
4. Acquisition risk An inability to successfully integrate new acquisitions could result in lost income.	• Established internal work streams which discuss, consider 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	Decreasing

Key risks	Mitigators	Risk trend (impact and likelihood)
5. 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. The withdrawal of the UK from the EU may create uncertainty in the UK economy. This could negatively impact trading conditions in the short to medium term.	• Hedging policies with respect to the repatriation of foreign earnings are in place • GBP interest rate risk is fixed at 83% of net debt at year end • Consult with professional advisors to ensure ongoing tax compliance in the UK • UK management team remain in place post the acquisition and are co-invested in Storage King	Stable
6. 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.	• 11[1] additional development opportunities have been secured in the pipeline in South Africa and the UK • Finalised terms and entered into a UK-focused development JV with leading UK real estate fund manager Moorfield • Fragmented South African and UK self storage markets potentially provide further acquisition opportunities. • Developed and opened two self storage properties in prime locations in South Africa in the first quarter post year end	Decreasing
7. Valuation risk External market factors, including the negative economic impact of COVID-19 and the related government lockdowns, or poor performance 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 provides increased flexability and significantly reduces the likelihood of 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 valuation assumptions are used	Stable
8. 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	Stable
9. Utility costs Significant increases in utility costs, particularly property taxes and electricity, 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 • We make use of energy-efficient lighting and collect and reuse rainwater for irrigation • Solar technology has been installed at 17 properties in South Africa, generating a total of 1 million + kWh during the year.	Increasing

[1] *Includes Cresta (under development), as well as two properties secured for development in the UK, as part of the Moorfield JV.*

Key risks	Mitigators	Risk trend (impact and likelihood)
10. Credit risk The Group is exposed to tenants' credit risk, which may result in a loss of income. This risk may be increased as a result of the negative economic impact of COVID-19 and the related government lockdowns.	• The majority of customers are required to pay a deposit on move-in in South Africa • Our diversified tenant base reduces material exposure risk • We collected 98% and 99% of rental due in South Africa and the UK respectively during the period • Clearly defined policies and procedures are in place to collect arrear rentals • A central team of collection specialists in South Africa assists each store with arrears • Additional team members were allocated to the task of collections as a result of the COVID-19 crisis • In addition, we continue to monitor the credit ratings of major counterparties such as the insurance companies and financial institutions that we invest or bank with, to ensure they are investment grade or above	Increasing
11. Cyber security and information privacy An increase in cyber breach incidents as a result of the continued adoption of a remote working environment.	• Daily backups are periodically restored to confirm the validity of the backup and that there was no data corruption • A culture of awareness and best practice is promoted and reinforced across all employee levels in the organisation through a formal and regular communication plan • 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 • To stay abreast of leading best practice and to remain relevant in the use of technology, suppliers and network design are reviewed on a regular basis • External specialists are appointed by the board when considered necessary	Increasing
12. Climate-related risks Climate-related risks such as increasing occurrences of flooding and fire, tighter regulations within the property sector and rising public and institutional pressure to place a greater focus on environmental sustainability, could negatively impact our ability to trade.	• Aligned with the Task Force on Climate-related Financial Disclosures (TCFD) to monitor and report on climate-related risks and how we address them • Buildings designed to minimise carbon footprint and emphasis placed on energy efficiency, renewable energy generation, rainwater harvesting, storm water management and conservation • 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, training each of our operations staff on fire safety, and in South Africa run nationwide, same-day, same-time fire drills (across all properties, including head office)	Increasing
13. Unstable electricity supply An unstable electricity supply 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.	• To ensure a continued supply of electricity, all 52 properties in South Africa are fitted with generators • In the event of an outage, power is seamlessly generated to support key systems at our stores • Each generator is serviced timeously to ensure limited mechanical faults	Stable

LOOKING AHEAD

As an outcome of the Group's risk management process, we identified material changes in the risks affecting the business. The COVID-19 pandemic and its related impact in South Africa and the UK remains an area of focus. In addition, we continue to note the increased cyber security risks as a result of the continued adoption of remote working. The challenging South African economic climate currently being experienced, as well as the significant increases in administered utility costs by the local authorities, continue to pose ongoing risks to the business.

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
30 June 2021

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 2021. This report is aligned to best practice, taking into account King IV and the JSE Listings Requirements.

The committee is responsible for setting the Group's remuneration policy and principles and to ensure remuneration practices are fair, responsible and transparent whilst 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 reporting 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.

As set out in the corporate governance review, there were changes to the board which also had an impact on the composition of the committee. Subsequent to the resignation of Gareth Fox on 30 June 2020, the board appointed Mntungwa Morojele as a member of the committee with effect from 18 November 2020. Mntungwa brings a wealth of knowledge and experience which complements the existing skills and experience of the committee members and we look forward to his contribution. Kelly de Kock was appointed as chair of the committee following the resignation of Gareth Fox.

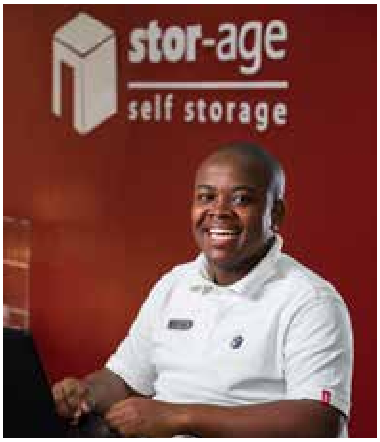
RESPONDING TO COVID-19

The board is proud of Stor-Age's achievements in a year of extraordinary challenges arising from the COVID-19 pandemic. Stor-Age delivered an exceptionally strong financial and operating performance as set out in the CEO's report and Financial Review section in one of the most difficult operating environments to date.

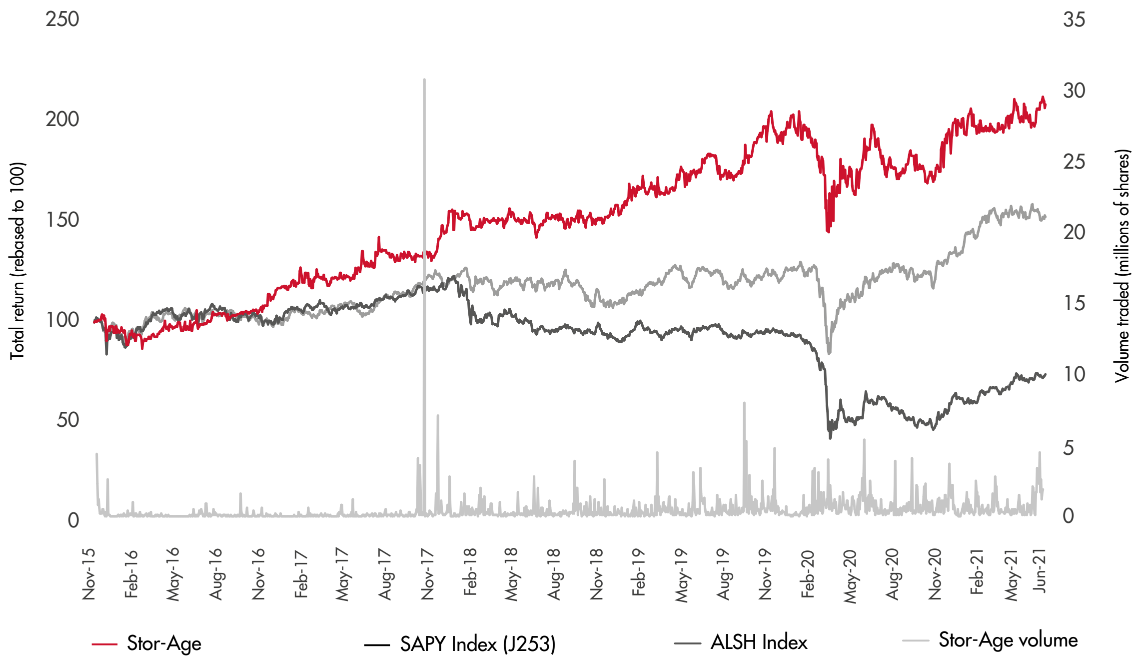
The inherent resilience of the business model allowed us to confidently respond to the economic uncertainty and continue executing on our strategy of maximising long-term shareholder value. Terms were finalised with Moorfield Group for a £50 million JV to develop a portfolio of self storage properties in the UK, providing an effective platform to continue advancing our UK growth strategy. Our third-party management platform in the UK, launched at the end of 2019, continues to gain positive traction. In May 2020, the Group proactively raised additional capital to bolster its liquidity position and the conservative capital structure, which makes use of moderate levels of debt, meant we were well placed to navigate the impact of the unfolding crisis. We collected over 98% and 99% of rentals due in South Africa and the UK respectively and also secured new development and acquisition opportunities.

These achievements, and the results for FY21, are a continuation of the strong performance of the business since its listing in 2015.

Assuming R100 was invested on the date of our listing in November 2015, and provided that the full pre-tax dividend was reinvested, the investment would be worth R209 as at 30 June 2021. This is compared to the same investment in the JSE All Share Index, which would be worth R153, or in the SAPY, which would be worth R74.



This represents significant outperformance against the benchmarks as set out below while also significantly growing trading volumes reflecting increased liquidity:



Since listing, the property portfolio has grown more than five-fold from R1.3 billion in November 2015 to R7.6 billion at 31 March 2021. Stor-Age has consistently created shareholder value by delivering income and capital growth and has expanded its presence in both South Africa and in the UK. The scale, and complexity of the business, has also increased significantly over this period. Much of Stor-Age's success can be attributed to our sector specialisation and the development of talent and skills within the organisation over many years. Our approach to remuneration, focusing on competitive, fair and market-related remuneration policies will play an important role in incentivising employees who are critical to achieving our long-term goals and aspirations.

The committee recognises, and commends, the sacrifices that many individuals made during the year as part of a broad commitment to the sustainability of the business in these challenging times. Both the executive and non-executive directors agreed to waive any increases to their respective remuneration for FY21. The committee also elected to defer the implementation of a short-term incentive plan for the executives and annual salary increases were also deferred for six months for the majority of our employees.

FOCUS AREAS DURING THE YEAR

During the year, the committee:

- Reviewed the current remuneration policy, structures and mix of the executive directors whilst considering the impact of COVID-19 on the business;
- Considered and approved the introduction of a short-term incentive plan for FY22;
- Approved the third allocation of CSP awards to participants;
- Carefully considered shareholder feedback after the 2020 AGM and responded as necessary;
- Conducted an internal remuneration benchmarking

exercise comparing the remuneration of executive directors to other comparable companies in the listed REIT sector;
- Reviewed executive directors' total remuneration and considered salary increases against the market as well as company and individual performance;
- Recommended to the board the approval of a discretionary incentive for the executive directors for FY21;
- Reviewed non-executive director remuneration (to be approved by shareholders) with the assistance of the executive directors; and
- Reviewed and approved the 2021 remuneration report.

FEEDBACK FROM 2020 ENGAGEMENT

At the annual general meeting ("AGM") held in 2020, both the remuneration policy and implementation report received a non-binding advisory vote of 85.9% in its favour. The voting outcome over the past five years reflects the recognition of our commitment to engage with our shareholders and act on concerns, recognising that our remuneration policy will evolve over time with ongoing shareholder engagement.

Below is a summary of the feedback received on the 2020 report following our engagement with shareholders:

Feedback	Response
The KPIs against which non-financial performance targets for the CSP awards are to be assessed should be defined.	This has been addressed in the 2021 report.
Over 50% of the 75% weighting of the financial KPIs for the CSP are linked to distribution per share (DPS) growth. There should be a balance between DPS growth and operating performance.	The committee considered this feedback and included a performance condition relating to net operating income for the CSP awards in FY21.

LOOKING AHEAD

In the 2019 report, the committee undertook to consider the introduction of a short-term incentive plan for the executive directors in FY21. As a result of the outbreak of the COVID-19 pandemic, the committee elected to defer the implementation until such time as the impact of the pandemic on the business could be properly assessed.

Although Stor-Age has endeavoured to offer a remuneration policy for its executive directors which is fair, competitive and affordable for the Company, it has been significantly lower than its peers in the listed property sector for many years. In light of this, and considering the performance of Stor-Age over the last five years, the committee approved the introduction of a short-term incentive plan for FY22 and adjusted executive remuneration to ensure it is market-related and reflective of the roles and responsibilities performed.

In a similar vein, the level of non-executive director remuneration also needs to be reviewed to determine whether this remains market-related and reflective of the roles and responsibilities performed. This will be an area of focus in FY22.

CONCLUSION

We would like to express our gratitude for the continued support we have received from our shareholders and we are committed to upholding the trust we have earned.

In line with King IV, Stor-Age will table the remuneration policy and implementation report for two separate non-binding advisory votes at the 2021 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 9 September 2021.

Kelly de Kock
Remuneration committee Chair
30 July 2021

2 PART TWO THE REMUNERATION POLICY

This remuneration policy is subject to an advisory vote by shareholders at the AGM to be held on 9 September 2021.

REMUNERATION GOVERNANCE

The committee was appointed by the board and has delegated authority to review and make decisions regarding 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 board's 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 long-term incentive allocations (CSP 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;
- 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 70. 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

Taking into account market trends and competitiveness, the committee and the board regularly review the appropriate remuneration mix to ensure it supports Stor-Age's strategic objectives, details of which are set out below:

Basic salary (guaranteed pay)

Purpose: To attract and retain the best talent and compensate the executive directors at a market-related salary taking account of individual performance and contribution.

The basic salary is a pre-determined cash amount without any further benefits. The amounts paid to the executive directors is 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 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.

Benchmarking exercises may be conducted by the committee to ensure that the Company's remuneration policy, compensation packages and pay mix are market-related, competitive and appropriate within the market in which it operates. An external benchmarking exercise was scheduled to take place during the year under review. However, given the uncertainty of the COVID-19 pandemic on the business, the committee elected to defer this and will appoint external remuneration consultants in the forthcoming financial year (FY22) to review the Company's remuneration structure and carry out a benchmarking exercise. The last external benchmarking analysis was undertaken in FY19.

Short-term incentive ("STI")

Purpose: To motivate and incentivise performance (both financial and strategic) consistent with the Group's strategy over a 12-month operating cycle.

Since listing in November 2015, the executive directors have not participated in any STI. As set out in the chair's statement, the committee elected to defer the implementation of an STI, which was originally scheduled to be introduced in FY21, due to the uncertainly arising from COVID-19.

The committee approved an STI plan effective for the year ending 31 March 2022, details of which are set out below.

Short-term incentive calculation

Guaranteed remuneration x [Financial target achievement % + Stratigic objectives achievement %] = 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' interest.

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

Each financial KPI has an accompanying threshold, on-target and stretch measure. For the strategic objectives, an overall assessment is completed with a maximum allocation of 100%.

The on-target allocation is based on 100% of guaranteed pay. The maximum STI that can be paid is capped at 125% of guaranteed pay. In assessing the overall impact of the amendments to executive directors' remuneration for FY22, the committee elected to adopt a phased approach to the introduction of the STI. Accordingly, and considering that FY22 is the first year of the STI plan, the committee has set the maximum STI payable for the year ending 31 March 2022 at R1.5 million for each director (i.e. at 50% of FY22 guaranteed pay) notwithstanding the actual performance outcomes.

The STI incentive is payable annually in cash after being approved by the committee and after 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 93, are applicable to the award.

Financial performance conditions FY22 (70% weighting)

Measure	Weighting	Threshold (75% payout)	Hurdle level Target (100% payout)	Stretch (100% payout)
1. Distribution growth per share[1]	25.0%	3.0%	4.0%	5.0%
2. Same store net operating income growth	25.0%	3.5%	5.0%	6.5%
3. Total return to equal or exceed internal benchmark[2]	25.0%	8.0%	10.0%	12.0%
4. Loan to value ratio	25.0%	35 – 40%	30 – 35%	< 30.0%
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.*

REMUNERATION COMMITTEE REPORT (continued)

Strategic objectives FY22 (30% weighting)

Measure		KPIs	Weighting
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%
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%
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%
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%
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%
Total			**100%**

Long-term incentive ("LTI")

Purpose: 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.

On 19 February 2019 shareholders approved the Company's conditional share plan ("CSP"). The CSP is an equity-settled LTI plan which will provide 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. 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 will also include operations managers at a property level and staff at a mid-management level who are 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 – vesting subject to the satisfaction of performance conditions and continued employment for the vesting period; and Retention shares – vesting subject to the satisfaction of continued employment for the vesting period. The retention share component will not exceed 25% of the total award with the remainder being performance shares. *Although the CSP allows for the award of retention shares, based on shareholder feedback received on the 2019 remuneration report, future awards will only comprise performance shares.*
Plan limits	The overall limit is 8 668 544 million shares (2.0% of shares in issue). The current usage level is equal to 1.1% of shares in issue and 56.0% of the approved capacity. 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%

REMUNERATION COMMITTEE REPORT (continued)

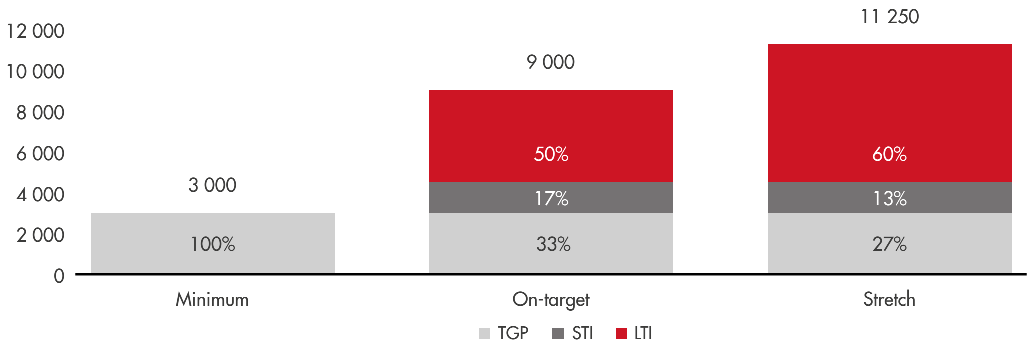
The salient features of the CSP are set out below (continued):	
Performance conditions	Performance conditions include financial measures (75%) and non-financial measures (25%). Further details of the specific performance conditions are set out in the implementation report on page 97.
Vesting	Awards will 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
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 93.
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.

The previously applicable Stor-Age share purchase and option scheme was discontinued with effect from 31 March 2019 and no further awards have been made in respect of this scheme.

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 FY22.



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 (both financial and non-financial) for the CSP awards are not achieved	Achieve 100% of the financial performance conditions and full achievement of the strategic objectives for the STI (capped at R1.5 million for FY22) Performance conditions (both financial and non-financial) for the CSP awards are achieved	Achieve performance up to 150% of the financial performance conditions and the full achievement of the strategic objectives for the STI (capped at R1.5 million for FY22) Maximum achievement at 150% of performance conditions (both financial and non-financial) 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 both financial and non-financial performance conditions. The above scenarios assume the CSP awards are made at 150% of guaranteed pay.

The on-target LTI forms 50% of the remuneration mix. On-target variable pay (STI and LTI) comprises 67% of the total remuneration. At a stretch, the variable pay comprises 73% of the total remuneration. In both the on-target and stretch scenarios, the maximum STI payable has been capped at R1.5m in FY22 for each executive director as set out above.

Since listing in 2015, Stor-Age has provided its executive directors with a very low basic salary. The remuneration philosophy reflected the executive directors' commitment to the long-term success of the business and, to a large extent, their desire to prove the sustainability of the business model in the initial years post the listing. The executive directors have continued to execute Stor-Age's growth strategy with considerable success and have overseen significant organic and acquisitive growth since 2015.

In FY19, the committee mandated PwC to perform an external benchmarking exercise which indicated that the executive director remuneration was considerably lower than its peers in the listed REIT sector. The committee resolved to adopt a catch-up approach over the next three successive financial years (FY20 to FY22) to achieve a more market-related salary for the executive directors by FY22. With the onset of the COVID-19 pandemic, and taking account of the significant levels of uncertainty at the time, the committee accepted a recommendation proposed by the executive directors that no increase be applied to their basic salary for FY21.

REMUNERATION COMMITTEE REPORT (continued)

The table below summarises the basic salary and STI of the executive directors since the listing of Stor-Age in 2015:

Year ended 31 March	Basic salary R'000	STI R'000	Total R'000
2016	760	–	760
2017	1 200	–	1 200
2018	1 272	–	1 272
2019	1 500	–	1 500
2020	2 000	–	2 000
2021	2 000	700	2 000

Notes:
1. FY16 basic salary annualised for the full year
2. No STI plan in place for FY16 to FY21. Discretionary STI awarded by the committee for FY21

The committee recognises that retaining and rewarding executives, and other members of the senior management team, with increased remuneration packages in a challenging economic environment requires careful consideration. At the same time, the committee must balance its obligations to ensure remuneration is competitive, fair and market-related to incentivise the executive directors and employees who are critical to achieving our long-term goals and aspirations.

As the original founders of the business, the executive directors operate on a "flat-structure" basis with many overlapping responsibilities. After careful consideration, and having benchmarked market-related remuneration packages of comparable companies within the listed property sector[1], the committee approved a basic salary of R3.0 million for each executive director for FY22. As a well-entrenched constituent of the various property indices (J805 SA REIT and J253 SA Listed Property), the committee considers the revised basic salary for FY22 to be a fairer reflection of a more market-related salary package considering the roles and responsibilities of the executive directors, the performance of Stor-Age over the last five years, and the size of the Company relative to its peers.

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 and 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 commitee'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 FY21 bursaries amounting to R232 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.

Internal pay levels are reviewed on an ongoing basis to ensure alignment with the principle of equal pay for work of equal value. Furthermore, the committee is mandated to ensure that executive director remuneration is justifiable against remuneration levels of employees throughout the Company.

[1] *Includes Equites, SA Corporate, Liberty Two Degrees, Emira, Arrowhead, Attacq and Dipula.*

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 100% of their TGP. This demonstrates their commitment to long-term growth and encourages alignment between management and shareholders. All executives met the MSR during the year. At 31 March 2021, the executive directors collectively held 28.077 million shares in the Company (approximately R368 million in value). Further details of the directors' shareholdings are set out in note 29.3 of the annual financial statements.

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. At the 2019 AGM, the CSP rules were amended to record that awards will be subject to malus and clawback provisions.

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. 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.

As set out earlier in this report, the committee will appoint external consultants in FY22 to conduct a benchmarking exercise and review the Company's remuneration policies. This will also include benchmarking of non-executive director remuneration to establish whether the existing remuneration is market-related and appropriate to attract and retain high-calibre and experienced individuals in light of the significant growth of the Company over the last five years. Since listing, a nominal annual increase has been applied to non-executive director remuneration.

The non-executive director remuneration for FY21 was approved at the AGM held on 23 August 2019. In light of the uncertainty arising from the COVID-19 pandemic, the non-executive directors agreed to waive the approved increases for FY21 and were remunerated at the same levels as FY20.

The remuneration to be paid to the non-executive directors for FY22 was approved at the AGM held on 27 August 2020. The proposed increases for FY22 were incorrectly based off the adjusted (i.e. lower than approved) remuneration for FY21 instead of actual approved remuneration for FY21. This was an oversight which resulted in the FY22 remuneration being less than the FY21 approved remuneration.

In determining the proposed remuneration for FY23, contained within the notice of the AGM, the committee applied an annualised average increase of approximately 5.9% to the approved remuneration for FY21, over the two-year period to 31 March 2023. Further details are set out below:

Role	Approved remuneration 31 March 2021[1] R	Adjusted remuneration 31 March 2021[2] R	Approved remuneration 31 March 2022[3] R	Proposed remuneration 31 March 2023[4] R	Average annualised % increase[5]
Board member	225 750	211 000	219 500	252 500	5.8%
Chairperson – board	21 500	20 000	20 800	24 000	5.7%
Audit and risk committee member	53 500	50 000	52 000	60 000	5.9%
Chairperson – audit and risk committee member	10 750	10 000	10 400	12 000	5.7%
Social and ethics committee member	26 750	25 000	26 000	30 000	5.9%
Remuneration committee member	26 750	25 000	26 000	30 000	5.9%
Investment committee member	32 100	30 000	31 200	36 000	5.9%

Notes:

1 *Approved at the AGM held on 23 August 2019.*

2 *Actual remuneration paid after non-executive directors agreed to waive approved increase for FY21.*

3 *Approved at the AGM held on 27 August 2020 but increase incorrectly based on adjusted FY21 remuneration instead of actual approved remuneration for FY21.*

4 *Proposed remuneration for FY23 to be approved by shareholders at the forthcoming AGM.*

5 *Average annualised increase based on FY21 approved remuneration over two-year period.*

The proposed increases to non-executive director remuneration is broadly in line with the average increase levels approved across Stor-Age (South African employees).

3 PART THREE THE IMPLEMENTATION REPORT

This implementation report is subject to an advisory vote by shareholders at the AGM to be held on 9 September 2021.

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.

Executive director salaries are reviewed annually. Since listing in 2015, Stor-Age has provided its executive directors with a very low basic salary. The remuneration philosophy reflected the executive directors' commitment to the long-term success of the business and, to a large extent, their desire to prove the sustainability of the business model in the initial years post the listing. The executive directors have continued to execute Stor-Age's growth strategy with considerable success and have overseen significant organic and acquisitive growth since 2015.

In FY19, the committee mandated PwC to perform an external benchmarking exercise which indicated that the executive director remuneration was considerably lower than its peers in the listed REIT sector. The committee resolved to adopt a catch-up approach over the next three successive financial years (FY20 to FY22) to achieve a more market-related salary for the executive directors by FY22. In line with this, the basic salary was increased to R2.0 million for the year ended 31 March 2020. With the onset of the COVID-19 pandemic, and taking account of the significant levels of uncertainty at the time, the committee accepted a recommendation proposed by the executive directors that no increase be applied to their basic salary for FY21. Thus the basic salary for each executive director remained at R2.0 million for the year ending 31 March 2021. Details of executive director remuneration for FY22 is set out on page 92.

In South Africa, employee salaries (excluding directors) are usually reviewed annually in September taking account of individual and overall Company performance, as well as an employee's experience, qualifications and responsibilities. As a result of the COVID-19 pandemic, annual salary increases due to take place in September 2020 were deferred to March 2021 with the exception of our lower-income earners who received an average increase of 5.7%. A small group of other employees also received increases at September 2020 in recognition of exceptional performance and in instances where salary levels were below the adjusted threshold for the various grades. In March 2021, all employees received an average salary increase of 6.0% (effective from 1 April 2021). Our lower-income earners therefore received two increases in FY21 (effective average increase of 12.0%).

In the UK, employee salaries are reviewed annually in March of each year. Increases for FY21 (average 2.5%) had already been approved prior to the consideration of the full impact of COVID-19.

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 in 2021 and 2020:

	Basic salary R'000	Other benefits R'000	STI R'000	Value of LTI vested R'000	Total R'000
31 March 2021					
GM Lucas	2 000	–	700	–	2 700
SJ Horton	2 000	–	700	–	2 700
SC Lucas	2 000	–	700	–	2 700
Total	6 000	–	2 100	–	8 100
31 March 2020					
GM Lucas	2 000	–	–	–	2 000
SJ Horton	2 000	–	–	–	2 000
SC Lucas	2 000	–	–	–	2 000
Total	6 000	–	–	–	6 000

Note

While it is recommended practice to insert a pay mix chart showing the allocation of total guaranteed pay and short-term and long-term incentives, we have chosen to exclude this as total remuneration on a single-figure basis comprises the basic salary and, in the case of FY21, the discretionary STI only, as evident in the table above.

No other remuneration or benefits were paid to executives during the year. No LTI awards vested during the year. Details of CSP awards made during the year, and awards in prior years that are yet to vest, are set out below.

SHORT-TERM INCENTIVE AWARDS

Since listing in November 2015, the executive directors have not participated in any STI. As set out in the chair's statement, the committee elected to defer the implementation of an STI plan in FY21 due to the uncertainly arising from COVID-19.

Notwithstanding this, the committee made a recommendation to the board in June 2021 that the executive team be recognised and rewarded for their achievements during an immensely challenging year. After a thorough review of the available financial information by the committee, the board accepted a recommendation to award a discretionary bonus to the executive team of R2.1 million in total (R0.7 million each). This is considerably less than the STI that would likely have been paid had an STI been put in place for the year under review.

LONG-TERM INCENTIVE AWARDS

Details of the long-term incentive (CSP) awards made to the executive directors in FY21 and in prior years are set out below:

	Total shares awarded (on-target grant)	Performance shares	Retention shares	Issue price	Value of award at grant date R'000
Award date – 13 March 2019					
GM Lucas	171 625	128 719	42 906	R13.11	2 250
SJ Horton	171 625	128 719	42 906	R13.11	2 250
SC Lucas	171 625	128 719	42 906	R13.11	2 250
Total	514 875	386 157	128 718		6 750

The awards are to be evaluated over a three-year period commencing on 1 April 2019 and ending on 31 March 2022. The awards vest on 1 September 2022.

	Total shares awarded (on-target grant)	Performance shares	Retention shares	Issue price	Value of award at grant date R'000
Award date – 2 September 2019					
GM Lucas	305 111	305 111	–	R13.11	4 000
SJ Horton	305 111	305 111	–	R13.11	4 000
SC Lucas	305 111	305 111	–	R13.11	4 000
Total	915 333	915 333	–		12 000

The awards are to be evaluated over a three-year period commencing on 1 April 2019 and ending on 31 March 2022. The awards vest on 1 September 2022.

	Total shares awarded (on-target grant)	Performance shares	Retention shares	Issue price	Value of award at grant date R'000
Award date – 22 December 2020[1]					
GM Lucas	381 388	381 388	–	R13.00	4 958
SJ Horton	381 388	381 388	–	R13.00	4 958
SC Lucas	381 388	381 388	–	R13.00	4 958
Total	1 144 164	1 144 164	–		14 874

Notes:

[1] *The committee considered the allocation of CSP awards to the executive directors on or around 15 September 2020, subject to the finalisation of the performance conditions. The awards were made, and accepted, on 22 December 2020.*

The awards are to be evaluated over a three-year period commencing on 1 April 2020 and ending on 31 March 2023. The awards vest on 15 September 2023.

No shares arising from the above awards vested during the year.

The award made on 13 March 2019 comprised performance shares (75%) and retention shares (25%). Based on shareholder feedback received on the 2019 remuneration report, only performance shares will be awarded and no further retention shares will be awarded.

The performance conditions relating to the performance shares comprises financial measures (75%) and non-financial measures (25%), as set out below, and are subject to continued employment until the vesting date. The retention shares in respect of the award made on 13 March 2019 are subject only to continued employment until the vesting date.

At the end of the performance period, the committee assesses the performance and adjusts the number of shares awarded to each participant based on the results thereof.

The executive directors and committee support broad based equity participation by employees in the Company. In addition to the executive directors, a further 50 employees have received CSP awards to date.

Performance conditions

Financial measures (75%)

The committee considered the impact of COVID-19 and the national lockdowns on the business in respect of the performance conditions set for the CSP awards and elected not to make any amendments to performance conditions linked to prior year awards. The performance conditions for the CSP awards made on 22 December 2020 were amended to include a net operating income growth measure in respect of underlying operational performance and is set out below:

			Hurdle level	
Performance condition	Weighting	Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)
Dividend per share growth measured relative to the SAPY or comparable index	20.0%	SAPY benchmark	10% out-performance	20% out-performance
Same store net operating income growth over three years (CAGR)	20.0%	3.5%	5.0%	6.5%
Tangible net asset value per share growth over three years (CAGR)	15.0%	2.0%	3.5%	5.0%
Loan to value ratio	20.0%	35% – 40%	30% – 35%	Less than 30%
	75%			

REMUNERATION COMMITTEE REPORT (continued)

The performance conditions relating to prior year awards are set out below:

Performance condition	Weighting	Hurdle level Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)
Dividend per share growth measured relative to the SAPY or comparable index	26.25%	5% out-performance	15% out-performance	25% out-performance
Dividend per share growth measured against SA CPI + margin	26.25%	CPI + 2.25%	CPI + 2.75%	CPI + 3.25%
Tangible net asset value growth measured against weighted SA and UK CPI + margin	11.25%	CPI + 2.0%	CPI + 2.5%	CPI + 3.0%
Loan to value ratio	11.25%	35% – 40%	30% – 35%	Less than 30%
	75%			

Notes:
1. *SAPY refers to The South African Listed Property index and comprises the top 20 liquid companies, in the Real Estate Investment Trust sector with a primary listing on the Johannesburg Stock Exchange.*
2. *CAGR means compound annual growth rate.*

The financial performance conditions set out above apply to all participants except for operations staff at a property level which are based predominantly on operating performance metrics specific to the property, or properties as the case may be, managed by the participant. This will ensure the performance conditions are more relevant and specific to their roles.

Non-financial measures (25%)

Performance conditions	Weighting	Rating Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)
Measures set out below	25%	70% score	80% score	90% score

The following performance measures will apply to the determination of the non-financial measures score for the executive directors:

Performance conditions		KPIs	GM Lucas	SC Lucas	SJ Horton
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	20%	10%	10%
2.	Implementing international expansion strategy in accordance with the five-year strategic plan	Growth in UK property portfolio Implementation of Management 1st strategy Develop Moorfield JV relationship	10%	5%	15%
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	15%	10%	20%
4.	Implementing the Group's operations strategy including the development and execution of the digital and technology strategy	Occupancy and rental rate growth Management of arrears Improving expense ratios/cost control Integrate technology solutions in operations processes and further the digitalisation of the business	10%	10%	–
5.	Ensuring good corporate governance is entrenched throughout the Group	Effective and efficient functioning of the board Adherence to risk management framework Promote core principles of fairness, accountability, responsibility and transparency	15%	20%	5%

REMUNERATION COMMITTEE REPORT (continued)

Performance conditions (continued)	KPIs	GM Lucas	SC Lucas	SJ Horton
6. Financial reporting and shareholder communication is carried out in a transparent, accurate, concise and timely manner	Effective and efficient communication with stakeholders Manage major shareholder interactions Media engagement	15%	20%	5%
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	Maintain conservative LTV within target Extend debt profile, refinance maturing facilities, ongoing negotiation with lenders Minimise funding costs Implement currency hedging strategy	5%	10%	5%
8. Effective management of energy and utility costs and corporate overheads	Implement solar PV rollout plan across portfolio Achieve cost savings in utilities Disciplined cost control and management of expense ratios	–	5%	10%
9. Implementing sustainable practices such as energy efficiency, renewable energy generation, rainwater harvesting, and storm water management and conservation	Align sustainability reporting with appropriate frameworks Reduction in water consumption Invest in renewable energy (solar PV) and LED lighting and motion sensors to reduce electricity consumption	–	–	10%
10. Implementing the Group's transformation strategy and achieving transformation objectives and targets	Promote employment equity practices Improve B-BBEE score	10%	10%	10%
11. 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	10%	10%	10%
		100%	**100%**	**100%**

For other participants, scores will be determined by reference to their individual Key Performance Areas ("KPAs") which are set and agreed upon annually for each employee as part of the annual performance appraisal process.

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

	2021 R'000	2020 R'000
GA Blackshaw	311	271
GBH Fox[1]	75	296
JAL Chapman[2]	241	60
KM de Kock	292	286
MPR Morojele[3]	161	–
MS Moloko	286	286
P Mbikwana	265	236
A Varachhia[4]	60	–
PA Theodosiou	–	252
Total	1 691	1 687

[1] *Resigned 29 June 2020.*
[2] *Appointed 2 January 2020.*
[3] *Appointed 1 September 2020.*
[4] *Appointed 4 January 2021.*

The remuneration to be paid to the non-executive directors for the year ending 31 March 2022 as well as the proposed remuneration for the year ending 31 March 2023 to be approved by shareholders at the forthcoming AGM, is set out on page 94 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 2021 financial year."

SOCIAL AND ETHICS COMMITTEE REPORT

The social and ethics committee acts on behalf of the board and is responsible for evaluating social and ethical responsibilities and making recommendations to the board thereon. The committee continues to monitor 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 set out on page 70.

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 main areas of focus for the committee during the year were the continued implementation of the Transformation Plan and the research, development and adoption of an enhanced ESG strategy and reporting framework.

TRANSFORMATION PLAN

Stor-Age continues to view transformation as a strategic business imperative and this 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
- 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 the demographics of our country
- Creating meaningful job opportunities and developing skills in the communities we serve
- Contributing meaningfully to enterprise and supplier development

ESG STRATEGY

The Company remains committed to building sustainability into the Group's investment strategy, through the careful consideration of environmental, social and governance matters.

The strategy aligns our Vision and Core Values with relevant UN Sustainable Development Goals (SDGs) and the Task Force on Climate-related Financial Disclosures (TCFD). Through our adopted ESG framework, we continue to monitor our impact on the economy, the workplace, the social environment and the natural environment. Read more about our ESG strategy from page 53.

COVID-19

Upon entering the COVID-19 crisis and subsequent lockdown, the social and ethics committee placed special emphasis on monitoring the impact of the pandemic on all our stakeholders, in particular our employees, customers and communities. This included ensuring that organisational sustainability was balanced and matched with local economic, social and environmental sustainability practices. Accordingly, the social and ethics committee provided oversight of company-wide actions related to COVID-19.

A significant focus was placed on the overall sustainability of the Group's operations. Stor-Age immediately halted all planned capital expenditure in South Africa and the UK and undertook a thorough review to identify appropriate elements to defer to subsequent periods. The Company followed a similar approach in reassessing all planned operating expenditure forecasts and reduced planned expenditure where possible.

Stor-Age's primary responsibility was the safety, health and well-being of all employees and customers. Attention was continually placed on increased hygiene and cleanliness across the property portfolio and in the head office, with regular communication circulated to all employees regarding hygiene and social distancing best practice. The Company made use of their bespoke e-learning platform Edu-Space to further educate staff on methods to combat the spread of the virus inside and outside of the workplace.

Stor-Age sought to first provide employees with the opportunity to take paid leave, before needing to make use of their annual leave allocation. All staff received their full salaries during the initial lockdown period. The Company also endeavoured to ensure that potentially economically vulnerable employees who rely on public transport in South Africa were provided with the best opportunity to minimise their need to travel in such a manner.

An additional key focus area during the year was the mental wellbeing of staff, many of whom had to endure significant challenges as a result of the pandemic. Further emphasis was placed on Stor-Age's monthly wellness initiative, with an increased focus on mental health awareness, including the sharing of multiple support resources for consideration.

By enacting business continuity plans prior to the lockdown, Stor-Age ensured the head office teams were equipped to work remotely in both markets. The Company maintained intra-organisational communication through existing and new communication mediums, reinforcing our Core Values of Excellence, Sustainability, Relevance and Integrity.

To support the communities in which Stor-Age operates, the Company offered complimentary storage space to several relief and government-based entities. Properties acted as drop off points for public donations to assist the efforts of charitable organisations in distributing much-needed items to communities across South Africa.

The social and ethics committee has endeavoured to ensure that the board's responsibilities have been fulfilled, risks have been meticulously managed and that appropriate support is being provided as we continue to weather the uncertainty.

TERMS OF REFERENCE

The duties and responsibilities of the committee are set out in a formal terms of reference which have been approved by the committee and the board of directors

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 the fields of 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 them in all aspects of the business, thus achieving a sustainable corporate culture in the group.

FUTURE FOCUS AREAS FOR THE COMMITTEE

The priority focus for the committee will be the continued monitoring of the impact of the COVID-19 pandemic on all our stakeholders, in particular our employees, customers and communities.

The committee will also continue to oversee the implementation of the Transformation Plan and the ESG strategy, and continue to oversee the Group's stakeholder engagement processes.

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

Phakama Mbikwana
Social and ethics committee Chair
30 June 2021

INVESTMENT COMMITTEE REPORT

KEY FUNCTIONS AND RESPONSIBILITIES

The investment committee was constituted in February 2016 and currently comprises two executive directors and three 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, 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 R200 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 for the reporting period.

Graham Blackshaw
Investment committee Chairman
30 June 2021