

DATED 24 September 2019

SAFESTORE HOLDINGS PLC

**TERMS OF REFERENCE
OF THE REMUNERATION COMMITTEE**

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**(As approved by the Board of Directors
of Safestore Holdings plc (the "Company") on 24 September 2019**

1. MEMBERSHIP

- 1.1** The Remuneration Committee (the "**Committee**") shall comprise not fewer than three non-executive directors of the Company, to be selected by the Board, on the recommendation of the Nomination Committee in consultation with the chairman of the Committee, who are all independent in character and judgement and free from any relationships or circumstances which are likely to affect, or could appear to affect, the Committee member's judgement.
- 1.2** The chairman of the Board may also be a member, but not chairman, of the Committee if he or she was considered independent on appointment as chairman of the Board. The Board must from time to time review the composition of the Committee to ensure that membership of the Committee rotates amongst the Company's independent non-executive directors. Membership of the committee shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members (other than the chairman of the board, if he or she is a member of the committee) continue to be independent.
- 1.3** The chairman of the Committee shall be appointed by the Board. In the absence of the Committee Chairman the remaining members present shall elect one of themselves to chair the meeting.
- 1.4** If any member of the Committee is unable to act for any reason, the chairman of the Committee may appoint any other independent non-executive director of the Company to act as his alternate.

2. SECRETARY

The Company Secretary or his or her nominee shall act as the secretary of the Committee.

3. QUORUM

The quorum necessary for meetings of the Committee is two of its members present throughout the meeting in person or by telephone. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. MEETINGS

- 4.1** The Committee shall meet at least three times in each year and at such other times as the Chairman of the Committee shall require. Any of the Committee members may request a meeting of the Committee if he or she considers it necessary, to be arranged by the secretary.
- 4.2** Only members of the Committee are entitled to attend Committee meetings. However, other individuals such as the Chief Executive, the Chief Financial Officer, the Head of Human Resources and external advisers may be invited to attend for all or part of any

meeting as and when appropriate.

5. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, generally no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. MINUTES OF MEETINGS

6.1 The secretary shall minute the proceedings of all committee meetings, including the names of those present and in attendance.

6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless in the opinion of the committee chairman it would be inappropriate to do so.

7. DUTIES

7.1 The Committee shall:

7.1.1 make recommendations to the Board on the Company's framework or broad policy for remuneration for the executive management, the secretary and the chairman of the Board and its cost (the remuneration of non-executive directors shall be a matter for the chairman and the executive members of the Board). No director or manager shall be involved in any decisions as to their own remuneration;

7.1.2 take into account employees as a whole, and all factors which it deems necessary when recommending the remuneration policy. Executive directors' remuneration shall be designed to promote the long-term success of the Company. Performance related elements should be transparent, stretching and rigorously applied;

7.1.3 review the ongoing appropriateness and relevance of the remuneration policy;

7.1.4 within the terms of the agreed policy, determine on behalf of the Board specific remuneration packages for each of the executive directors and the chairman of the Board, including pension rights and any compensation payments;

7.1.5 in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the Financial Conduct Authority's Listing Rules (the "**Listing Rules**"), Prospectus Rules and the Disclosure and Transparency Rules, as well as guidance published by the Investment Association ("IA") and International Shareholder Services ("ISS") and any other applicable rules, as appropriate, and take care to recognise and manage conflicts of interest when receiving views from executive directors or senior management, or consulting the chief executive about such arrangements;

- 7.1.6 consider and determine other provisions of the service agreement to be entered into with any executive director (including the term, any notice period and compensation commitment on early termination) and ensure that any payments that may be made under such provisions do not reward poor performance and that the duty to mitigate loss is fully recognised;
- 7.1.7 evaluate the performance of the Chairman by seeking the views of the non-executive directors;
- 7.1.8 monitor and approve the level and structure of remuneration to senior management;
- 7.1.9 agree the policy for authorising claims for expenses from the Chief Executive and Chairman;
- 7.1.10 approve the design of, and determine the targets for, any schemes of performance related remuneration for executives and, in designing such schemes, follow the provisions in Schedule A of the UK Corporate Governance Code; schemes should include provisions that would enable the company to recover sums paid or withhold the payment of any sum, and specify the circumstances in which it would be appropriate to do so;
- 7.1.11 determine an appropriate balance between fixed and performance related, immediate and deferred remuneration. Performance conditions, including non-financial metrics where appropriate, should be relevant, stretching and designed to promote the long-term success of the Company;
- 7.1.12 consider whether the directors should be eligible for annual bonuses and/or benefits under long-term incentive schemes;
- 7.1.13 consider the pension consequences and associated costs to the Company of basic salary increases and other changes in remuneration, especially for directors close to retirement;
- 7.1.14 consider where to position the Company relative to other companies and to be aware what comparable companies are paying, taking account of relative performance, using such comparisons with caution and avoiding paying more than is necessary;
- 7.1.15 be sensitive to the wider scene, including pay and employment conditions elsewhere in the Group, especially when determining annual salary increases;
- 7.1.16 ensure that provisions regarding disclosure of information relating to directors' remuneration including, where required by law, the directors' remuneration policy and its implementation, as set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "**Regulations**"), the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code and all other relevant laws and regulations (each as amended from time to time), are fulfilled and to produce report(s) on the directors' remuneration including, where required, the directors' remuneration policy and its implementation,

which will form part of the Company's Annual Report;

- 7.1.17** ensure that the report(s) referred to in paragraph 7.1.16 above are put to shareholders for approval as required by the Regulations, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code and all other relevant laws and regulations;
- 7.1.18** where required by law to do so, ensure that any remuneration payment or payment for loss of office to any current or former chairman or executive director is consistent with the most recent directors' remuneration policy that has been approved by shareholders or is otherwise approved by shareholders as required by the Regulations, the Companies Act 2006, the Listing Rules and all other relevant laws and regulations; and
- 7.1.19** be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and for obtaining reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

8. REPORTING RESPONSIBILITIES

- 8.1** The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.3** As referred to in paragraphs 7.1.16 and 7.1.17 above, the Committee shall produce reports relating to the directors' remuneration which will form part of the Company's Annual Report and shall ensure such reports are put to shareholders for approval as required by the relevant law or regulation.
- 8.4** The Committee Chairman shall maintain contact as required with the Company's principal shareholders about remuneration. The Committee Chairman shall attend the Annual General Meeting to respond to any shareholder questions on the Committee's activities.

9. OTHER

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

10. AUTHORITY

- 10.1** The Committee is authorised by the Board to obtain information on the remuneration of any employee of the Company or any of its subsidiary undertakings, and to obtain the advice and assistance of any of the Company's executives provided their role in providing such advice and assistance is clearly separated from their role within the business.
- 10.2** The Committee is authorised by the Board to investigate remuneration paid to directors of other companies which are considered to be relevant (e.g. those of a similar size in a

comparable industry sector in the UK).

- 10.3** The Committee is authorised by the Board to obtain, at the Company's expense, any legal or other independent professional advice as it deems necessary to fulfil its responsibilities and to secure the attendance of any person with relevant experience and expertise at Committee meetings if it considers this appropriate.