ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

OUR ESG STRATEGY

ENVIRONMENTAL SUSTAINABILILTY

SOCIAL SUSTAINABILITY

CORPORATE GOVERNANCE

OUR ESG STRATEGY

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

Since inception, we have continuously sought out new and innovative opportunities in an effort to create a more sustainable business for our shareholders, employees, customers, communities, suppliers and the environment.

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

Our ESG strategy encompasses all of our properties, which now includes 60 properties in South Africa and a further 43 in the UK.

Highlights

R63.5 million+
Investment in renewable energy[1]

58%
Percentage of portfolio with solar PV (of which 20 properties have battery energy storage systems fitted)

6.0 million kWh
Solar power generated[1]

1 394 tCO_2e
Avoided greenhouse gas emissions across SA and UK portfolio due to renewable energy use (FY23 1 094 tCO_2e)

19%
Reduction in Scope 1, 2 and 3 carbon footprint in SA (FY23: 19%)

12 Learnerships
Provided 12-month learnership programme to 12 previously disadvantaged learners in January 2024

R600 000 (of rental value)
32 complimentary self storage units representing 480 m² GLA per month of 'community investment'

[1] As at 31 March 2024.

Driven by our Core Value of Sustainability, we believe that every decision or action we take today directly impacts the decisions or actions which can be taken tomorrow. We recognise that our operations can have significant economic, environmental and social impacts, and we do not take our ESG responsibilities lightly.

As such, we place great importance on not only continually ensuring the sustainability of our business and our people, but also the sustainability of the natural and social environment around us.

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

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

ESG STRATEGY

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

Long-term ESG reporting framework adoption

ENVIRONMENT | SOCIAL | GOVERNANCE

SUSTAINABLE DEVELOPMENT GOALS

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

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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

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

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

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

ESG FRAMEWORK

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

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

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

PEOPLE

PROPERTY

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

Responsible consumption and production
- Energy consumption
- Water consumption
- Renewable energy
- Reduced 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

We do not believe in taking the shortest route or being focused on a short-term time horizon. We remain resolute in the execution of a long-term ESG strategy built around:

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

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

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

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

ENVIRONMENTAL SUSTAINABILITY

> "Through the implementation of various initiatives in both markets, the Group remains committed to ensuring the sustainability of the environment around us."

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

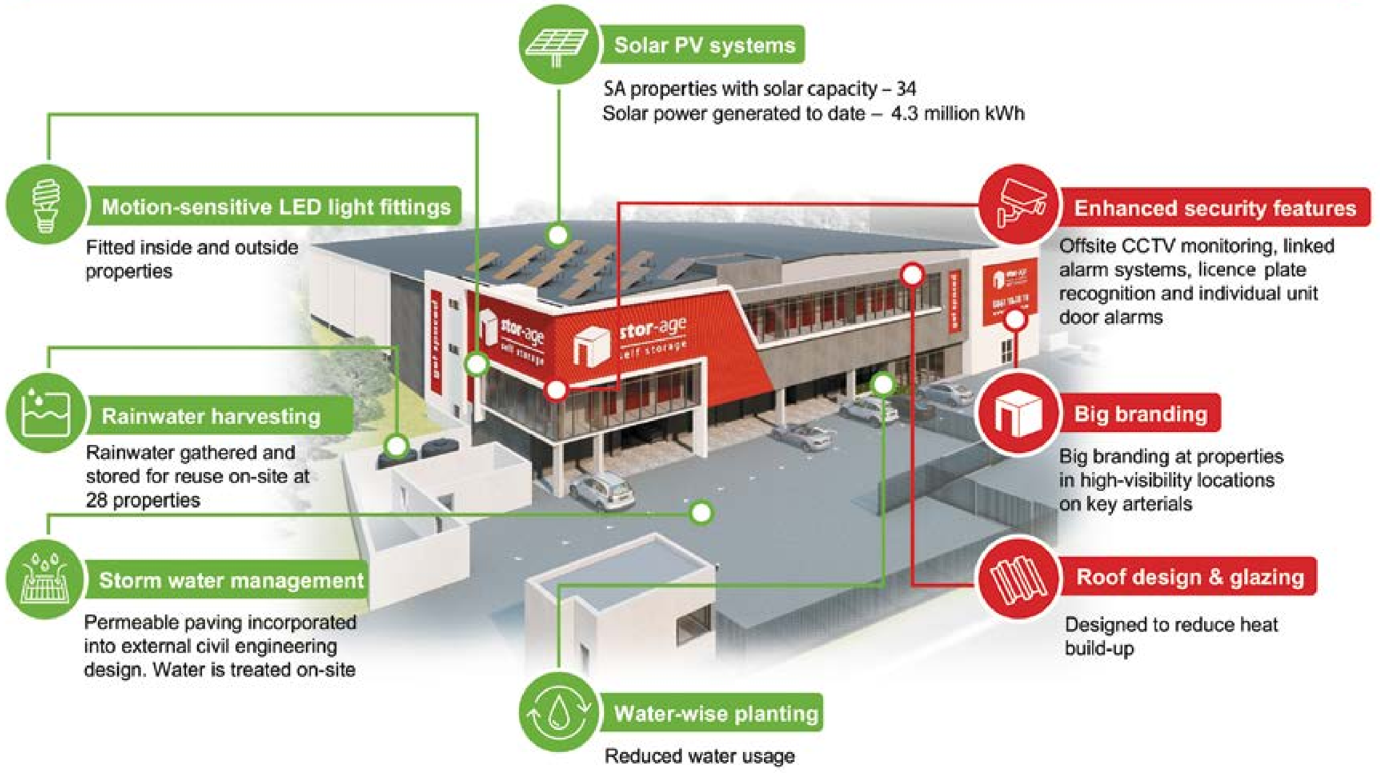
Through our alignment with the SDGs and taking guidance from the TCFD, we place significant emphasis on ensuring that we take care of the environment in which we operate.

We implement sustainable environmental practices across the business in terms of energy efficiency, renewable energy generation, reducing CO_2 emissions, rainwater harvesting, storm water management, wastewater management, fuel consumption and through various other practices. The Group monitors electricity and water usage across the portfolio, and focuses on continually reducing its carbon footprint.

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

OUR PROPERTIES

Stor-Age develops environmentally-friendly buildings with low environmental impact.
ESG and sustainability remain a key focus across each of our properties.



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

ENVIRONMENTAL SUSTAINABILITY TARGETS

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

Following acquisitions, we look for opportunities to install hybrid solar PV systems with battery storage and LED lighting, and implement waste management initiatives.

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

At new developments, we:

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

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

- Achieve a 'Very good' or 'Excellent' BREEAM (Building Research Establishment Environmental Assessment Method) rating
- Make a commitment to the Considerate Constructors Scheme[1]
- Install bat and bird boxes to mitigate for the loss of suitable habitat

OPERATIONAL STORE ENERGY CONSUMPTION

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

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

[1] *The Considerate Constructors Scheme is an independently run UK-based organisation that supports and guides positive change in the construction industry.*

These include:

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

PHOTOVOLTAIC (SOLAR) SYSTEMS

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

- To date[1] we have invested more than R63.5 million in renewable energy (SA: R42 million; UK: £740 000), installing solar PV systems at 21 additional properties during the year (SA: 9; UK: 12).
- 57 properties are now fitted with these systems, 34 in South Africa[2] and 23 in the UK, representing 58% of the full portfolio.
- Across our properties in both South Africa and the UK, the 57 properties fitted with solar PV have to date generated over 6.0 million kWh (South Africa 4.1 million; UK 1.9 million) in solar energy and rendered electricity consumption savings in line with forecasts.
- We have identified an additional 17 properties to be fitted with such systems in South Africa and the UK in FY25, including existing properties and new developments.
- We plan to invest an estimated R45.0 million to R50.0 million in renewable energy infrastructure over the three year period, FY24 to FY26.

> "During the year, more than 1 394 tonnes of carbon was saved as a result of our solar PV installations. This represents an improvement of approximately 19% year on year."

BATTERY ENERGY STORAGE SYSTEMS

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

BESS are devices that enable energy from renewables, such as solar and wind, to be stored and then released when power is needed. Where solar is already installed, excess power that is generated is used to recharge the batteries for use during energy supply outages. After sunset, the stored battery energy is used to power the buildings and grid power is programmed to return once the batteries reach a pre-set percentage. This not only reduces our spend on grid power, but also our CO_2 emissions.

[1] As at 31 March 2024

[2] Includes an additional installation at our head office property.

We successfully installed these systems at 19 properties in South Africa during the year, taking the total number of properties with such systems to 20. We plan to install BESS alongside any new solar PV installation and to retrofit all existing solar PV stores with these systems over the next two years.

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

BI-DIRECTIONAL CHECK METERS

In Cape Town, at times our solar PV installations generate power in excess of the respective property's requirements. Where bi-directional meters are installed on the incoming electrical supply, we receive an offsetting credit against our municipal account for power fed back into the grid.

Year on year, the total generation off-set remained steady at 138 MWh.

WATER CONSUMPTION AT STORES

Water consumption remains a focus area for the Group.

All South African properties are fitted with water meter logging systems and linked online, providing water management data in real time. Abnormally high water usage relative to targeted levels is highlighted and we are able to detect leaks immediately via automated alarms.

RAINWATER HARVESTING

Rainwater harvesting gathers and stores rainwater for reuse on-site, rather than allowing it to run off into the storm water system. It provides an independent water supply in the South African summer and can be used for irrigation and to supplement municipal supply when necessary. Our properties have significant roof space and we have installed these systems at 38 properties in South Africa.

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

STORM WATER MANAGEMENT AND CONSERVATION

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

COMMITTED TO DEVELOPING A NET ZERO CARBON PATHWAY

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

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

SUSTAINABILITY-LINKED LOAN FINANCING

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

[1] *Building Research Establishment Environmental Assessment Method.*

Since finalising the SLL with Aviva Plc, Stor-Age has made good progress in achieving the environmental KPIs. This includes the installation of solar PV at selected properties to achieve our reduction targets. During the year, the assets linked to the loan achieved an aggregate 75.66% total carbon reduction from the measured baseline.

In addition, the Moorfield JV, in which Stor-Age holds a significant equity interest, obtained development financing in the form of a Green Loan from HSBC. The facility recognises the level of energy efficiency and BREEAM[1] ranking of the assets. The BREEAM third-party certified standards set out to improve the asset performance at every stage, from design and construction to use and refurbishment. Similar Green Loan terms with HSBC for the Leyton development in the Nuveen JV have been agreed.

> "Reducing carbon emissions across the portfolio remains a priority for the Group."

SOUTH AFRICAN CARBON FOOTPRINT

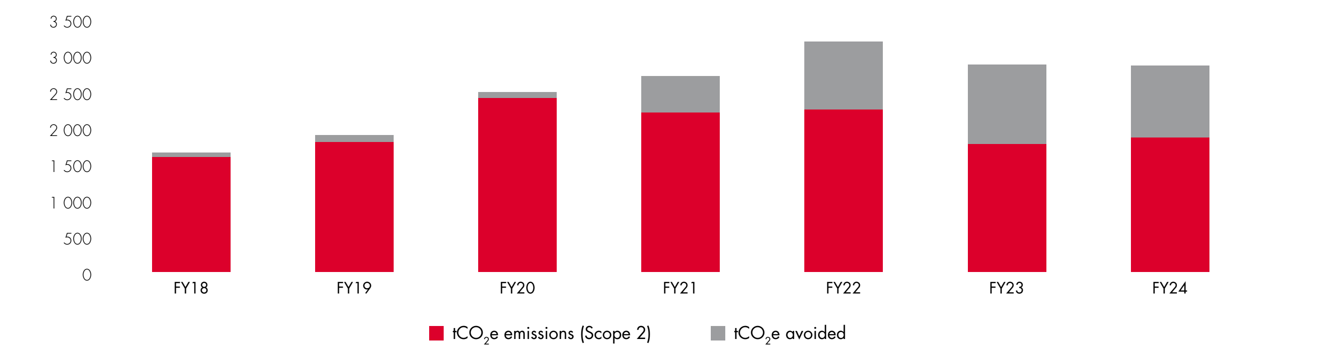
During the period we concluded a Carbon Footprint Report, completed by an independent third-party sustainability consultant.

The report summarises the outcomes of the Greenhouse Gas (GHG) emission inventory for our portfolio for the FY24 period. Since the start of FY18, a total of 3 836 tonnes of CO_2 equivalent emissions have been avoided through the consumption of on-site solar PV renewable electricity at our South African properties. We generated and consumed more than 1.3 million kWh of renewable electricity at our properties during FY24.

Across the portfolio, renewable electricity use in FY24 resulted in 1 394 tCO_2e[1] (FY23: 1 094 tCO_2e) of avoided greenhouse gas emissions, which would otherwise have been reported as part of our Scope 2 carbon footprint for the reporting period. Through the use of renewable electricity, the Company achieved a 19% reduction (FY23:19%) in its Scope 1, 2 and 3 carbon footprint.

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

Annual Scope 2 emissions and avoided emissions in SA portfolio



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

SOCIAL SUSTAINABILITY

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

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

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

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

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

JAG FOUNDATION

The Jag Foundation is now in its 17th year of creating sustainable change in high-risk communities in South Africa.

Stor-Age provides complimentary Out of Home advertising billboards at ten properties across South Africa. This media space has an estimated market value of over R115 000 per month. During the year, a social media campaign featuring a series of videos on the foundation's work was rolled out across the Company's social media platforms to raise awareness of the organisation.

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

GIFT OF THE GIVERS

The Company has entered into an agreement with the Gift of the Givers Foundation to support various community initiatives, both in South Africa and abroad. The Gift of the Givers Foundation is the largest disaster response, non-governmental organisation of African origin on the African continent. Stor-Age provides complimentary self storage space at various locations to support the Gift of the Givers' operational requirements and will be facilitating the foundation's donation drives in the event of a crisis.

GARY KIRSTEN FOUNDATION

For many years, Stor-Age has supported the Gary Kirsten Foundation by providing complimentary storage space and promoting the foundation through our extensive digital marketing reach. During the period, we further assisted the foundation by providing much-needed space for a significant delivery of sports shoes that were donated by over 400 schools in Ireland. Over 20 000 shoes were donated and shipped to South Africa and are being stored at one of our properties. The foundation distributes the shoes to communities in need across the country.

> "The complimentary space that Stor-Age provides the Gary Kirsten Foundation makes a significant difference in helping us to make our community projects a reality. Having a space in which to store and sort donated items before being distributed to underprivileged communities in need is a key component to the success of our efforts"
>
> – Gary Kirsten, founder of the Gary Kirsten Foundation

CHARITIES AND NPOs

We also provide complimentary space to a number of other charities and NPOs. This year, these included the South African Red Cross Society, Helping Hands South Africa, Volunteer Wildfire Services, The Atlas Foundation, JOG Trust, Ed Bham Foundation and Santa Shoebox Project, among others.

Through our social media platforms and positive brand association/endorsement, during the year we continued to create heightened awareness about these organisations, encouraging additional support from the public and local business sector.

LEARNERSHIPS

Since 2021, we have partnered with the Skills Development Corporation (SDC), an accredited learning institution based in Johannesburg, to provide a 12-month Business Administration Services learnership programme to 12 unemployed learners from previously disadvantaged backgrounds. In 2023, 11 candidates successfully completed the SDC Business Administration Services learnership programme. In 2024, we are supporting a further cohort of 12 learners.

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

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

With a view to preparing staff for junior, middle management and leadership roles in the future, seven employees in South Africa started a management learnership programme with the SpecCon Group in 2023. In 2024 we enrolled an additional six staff in a Contact Centre (NQF 2) learnership over 12-months with SpecCon, with the aim of enhancing existing customer service skills.

SUPPORTING SMALL BUSINESSES

As a geographically decentralised business with 103 properties throughout South Africa and the UK, we support a host of small businesses. In South Africa, approximately 50%[1] of our business customers classify themselves as SMMEs and approximately 18%[1] classify themselves as entrepreneurs. For many, we play an important support role in their daily operations and their growth strategies.

[1] Customer data for FY24.

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

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

SHINING THE LIGHT ON LOCAL BUSINESSES

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

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

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

BRINGING OUR CORE VALUES TO LIFE

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

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

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

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

HUMAN SUSTAINABILITY

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

38 years[1]
Average employee age

> "We provide our staff with various tools to assist in developing their skills and to build a sustainable career at Stor-Age."

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

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

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

EMPLOYEE LEARNING AND DEVELOPMENT

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

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

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

[1] South Africa and the UK.

STUDY SUPPORT PROGRAMME

Our employee study support programme assists employees with career development at accredited institutions. The programme financially supported nine staff members during 2023 and not only sustainably supports their development but also contributes towards retaining their expertise and services into the future. A further eight study bursaries were awarded for the 2024 academic year.

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

Performance management and support

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

Edu-Space highlights

65+
Number of new courses delivered

3 000+
Successfully completed modules

93%+
Pass rate achieved

3 200+
Hours of online training during the year

Face-to-face training highlights[1]

70+
Number of courses delivered

180+
Number of employees who received face-to-face training

EMPLOYEE FEEDBACK

"I graduated this year and have now reached my personally set goals for studying. I am so grateful for all that you have done for me to achieve this. May you continue doing this for others as well so that they are able to enrich their lives."
– Employee bursary recipient

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

LEARNING AND DEVELOPMENT FRAMEWORK

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

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

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

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

AD HOC WORKSHOPS
Covering a diverse range of functional areas – including operations, contact centre, recoveries (debt collection), and health and safety

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

OPERATIONS TRAINING WORKSHOPS AT REGIONAL TRAINING CENTRES
Hosted by regional managers

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

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

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



TRANSFORMATION

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

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

Stor-Age, a Level 4 contributor, remains a B-BBEE compliant business.

EMPLOYEE-FOCUSED INITIATIVES

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

Our year-end review in both South Africa and the UK presents opportunities to learn from peers in the business, and develop and enhance our business culture.

In 2024, we held our second in-person event in South Africa following the virtual events held in 2021 and 2022 as a result of the COVID-19 pandemic. In December 2023, we held our first-ever such event in the UK.

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

EMPLOYEE FEEDBACK:

"It was a very insightful and engaging event. It was fantastic to see so many new faces from around the country coming together."

"Everything was on-point, including the venue, the content, the people and the awards. I always look forward to these events each year and once again it didn't disappoint."

"The team managed to find the perfect balance of informative and fun interactions, with personalised celebrations. Well done to everyone involved."

EMPLOYEE WELLNESS

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

In South Africa, we provide fully funded life, disability and funeral assistance cover through an insurance policy to all our store-based employees and select skilled technical staff. Our internally facilitated Medical Aid Scheme (Momentum Health) and our Group Retirement Annuity (Allan Gray) continue to grow in participation. During the year, we also introduced the Momentum Health4Me insurance product for our staff to participate in. Health4Me is targeted at more generic day-to-day cover. In the UK, we provide a Group Life Assurance benefit to all staff. In the unfortunate event of a staff member's death, their dependants will receive a lump sum benefit equal to four times their basic annual salary.

A healthcare and retirement annuity subsidy is provided to support staff contributions to medical aid, gap cover and retirement funding in South Africa, while in the UK by law all staff are automatically enrolled into a pension scheme which the Company contributes towards. We also offer a healthcare cash plan to all UK employees which gives them access to reimbursement for a variety of healthcare treatments.

Stor-Age also provides, subject to the local tax authority, interest free loans to staff in both South Africa and the UK for emergencies and unforeseen events to assist them through any difficult personal circumstances.

> "Employee wellness remains a key focus for the Company across both markets, supporting productivity and retaining skilled talent within the business."

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

- 93% of our staff are proud to be a part of the Stor-Age team.
- Our FY24 Net Promoter Score, a measure of employee satisfaction and loyalty, was 10.
- 47% of our workforce has worked for Stor-Age for five years or more, demonstrating healthy retention and a wealth of self storage experience.

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

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

HEALTH, SAFETY AND COMPLIANCE

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

In South Africa, Stor-Age is committed to compliance in the following areas:
- Occupational Health and Safety Act
- Basic Conditions of Employment Act
- Labour Relations Act
- Compensation for Occupational Injuries and Diseases Act
- Skills Development Act
- Employment Equity Act
- Preferential Procurement Policy Framework Act
- Property Sector Transformation Charter
- Amended Property Sector Codes

In the UK, under our Storage King brand we are committed to complying with the following:
- The Health and Safety at Work Act 1974
- Employment Rights Act 1999
- Employment Relations Act 2004
- The Equality Act 2010

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

Stor-Age endeavours to ensure safe conditions and premises for customers and employees, including:
- Housekeeping and general cleanliness
- Lighting
- Ventilation
- Emergency evacuations
- Working electrical systems
- Safe and working machinery
- Hazardous chemicals
- Roadworthy, timeously serviced Company vehicles

Stor-Age endeavours to ensure that the following items are not stored by tenants:
- Toxic pollutants or contaminated goods
- Firearms, ammunitions or explosives
- Radioactive materials
- Hazardous goods
- Living plants or animals
- Food or perishable goods
- Cash and securities
- Illegal goods
- Waste

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

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

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

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

Particular and specific policies and procedures are distributed and followed, covering the following topics and issues:
- Health and safety representatives
- High-risk equipment/machinery/facilities – lifts and hoists
- Removal van service
- Diesel generators
- Contractor entry and exit logs
- Medical emergencies and first-aid training
- Fire safety and related training
- Evacuation procedures
- Hazardous chemicals
- Incident/accident reporting

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

CORPORATE GOVERNANCE

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

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

BOARD FOCUS AREAS FOR THE PAST FINANCIAL YEAR

Board focus areas	Actions undertaken by the board and its subcommittees
Transformation	Guiding its transformation objectives, the board continued with the implementation of the transformation plan, developed in line with the Property Sector Code.
Disciplined execution of the five-year property growth strategy to 2025	Oversaw the ongoing execution of the Group's five-year property growth strategy. In South Africa this included the completion of the Morningside, Bryanston, Paarden Eiland, Pinelands, Kramerville and Century City[1] developments. In the UK, this included the completion of the Bath, Heathrow, West Bromwich and Canterbury developments, as well as the ongoing development of the Acton and Leyton properties.
Execution of the ESG strategy	Oversaw the ongoing execution of the Group's ESG strategy, covering the areas of environmental sustainability, social sustainability and corporate governance. The strategy is guided by the social and ethics committee, which monitors the Group's compliance with legal requirements and global best practice in terms of its impact on the economy, the workplace, the social environment and the natural environment. Read more about our strategy and approach to ESG from page 58.
Adoption of UK REIT status for the Storage King business	The board oversaw the election to classify the Storage King group of companies as a UK REIT. The process, completed post year end, included a detailed feasibility study, tax structure paper and a request for clearance from HMRC. Subsequent to receiving clearance from HMRC and our lenders, the election was made.
Nedbank JV	Oversaw the development and completion of the Morningside, Bryanston, Paarden Eiland, Pinelands and Kramerville[1] properties. Find out more about the Nedbank JV on page 33.
Rabie JV	Oversaw the development and completion of the Century City[1] property at a total cost of R96.0 million. Construction began in February 2023 and the property opened for trading in July 2024. Find out more about the Rabie JV on page 33.
Nuveen JV	Oversaw the formation and entering into of the Nuveen JV, as well as the finalisation of commercial terms to acquire a four-store property portfolio in the UK at a total cost of £82.0 million in April 2023 (Stor-Age's equity contribution was £4.4 million). The portfolio was successfully integrated onto the Storage King platform during the year. Find out more about the Nuveen JV on page 33.
Managing changes to the composition of the board	The board continues to manage changes to its composition and consider appropriate candidates who could add value to the Group. Phakama Mbikwana resigned as an independent non-executive director with effect 31 March 2024. In addition, her role as chair of the social and ethics committee and membership of the audit and risk committee terminated on that date. Akua Koranteng was appointed to the board on 15 May 2024 as an independent non-executive director.
Ongoing roll-out of solar technology for three-phase power generation	In an effort to mitigate against the risk of an unstable electricity supply in South Africa and aligned to our ESG strategy, the board remained committed to investing in sustainable power solutions through solar technology for three-phase power generation. A total of 57 properties are fitted with solar PV systems, 34 in South Africa and 23 in the UK. Collectively these properties have generated more than an estimated 6.0 million kWh. An additional 17 properties have been identified to be fitted with solar technology in South Africa and the UK during FY25. These include existing properties and new developments. In addition, the board oversaw the roll-out of battery energy storage systems (BESS) to complement the existing solar infrastructure. To date, a total number of 20 BESS have been installed across the South African portfolio.
Ongoing enhancement of security infrastructure	Stor-Age aims to ensure the safety of our customers, their goods and our staff. The board oversaw the ongoing implementation of enhanced security features across the portfolio. In South Africa, this included a further roll-out of offsite CCTV monitoring and linked alarm systems, licence plate recognition technology and installing individual unit door alarms as a standard design feature at all newly developed properties.
Strengthening of IT controls	In order to continue mitigating against emerging risks and threats, the board oversaw the introduction of an updated Information Security Policy, risk register and control framework in accordance with ISO 27001.
Internal audit	In the prior year, the board oversaw the appointment of an external assurance provider, GRIPP Advisory, to provide and perform internal audit work. The board also approved the internal audit charter, defining the functions, purpose, authorities and responsibilities. During the current year this process continued with the first cycle of internal audits being finalised.
Launch of DMTN programme	The board oversaw the successful launch of a domestic medium-term note (DMTN) programme in April 2024 where the Company successfully raised R500 million in a public auction. Read more about the DMTN programme on page 19.
Formation of Nominations Committee	In line with the increasing maturity of the business and the Company's commitment to continuously strengthen its corporate governance structures, the board established and constituted a nominations committee during the year. Read the nominations committee report on page 111.
Board evaluation	The board undertook a detailed self-evaluation during the year, which was managed and coordinated by the Company's independent auditors. Read more about this in the chairman's report on page 18.

[1] *Century City and Kramerville developments completed in June 2024 and July 2024 respectively.*

GOVERNANCE STRUCTURE

The board is ultimately responsible for the strategic direction, control and management of the Group and is satisfied that it has fulfilled its responsibilities according to its charter for the year. To assist it in fulfilling these responsibilities, the board had five subcommittees as at 31 July 2024.

BOARD[1]

Gavin Lucas*** (CEO)
Stephen Lucas*** (FD)
Steven Horton*** (Executive director)
Graham Blackshaw** (Chairman)
John Chapman*^
Kelly de Kock*
Alan Menigo*
Mntungwa Morojele*
Abu Varachhia*
Akua Koranteng*[2]

AUDIT AND RISK COMMITTEE See full report on pages 79 to 84	REMUNERATION COMMITTEE See full report on pages 85 to 107	SOCIAL AND ETHICS COMMITTEE See full report on pages 108 to 109	INVESTMENT COMMITTEE See full report on page 110	NOMINATIONS COMMITTEE See full report on page 111
MEMBERS Kelly de Kock (Chair)* Mntungwa Morojele* Alan Menigo*[3]	**MEMBERS** Mntungwa Morojele (Chair)* Graham Blackshaw** Kelly de Kock*	**MEMBERS** Graham Blackshaw (Chair)**[4] Abu Varachhia* John Chapman*^[5]	**MEMBERS** Graham Blackshaw** (Chair) John Chapman*^ Alan Menigo* Abu Varachhia* Akua Koranteng*[6] Steven Horton*** Gavin Lucas***	**MEMBERS** Mntungwa Morojele (Chair)* Graham Blackshaw** Kelly de Kock*
By invitation Gavin Lucas*** Stephen Lucas*** Representatives of the external and internal auditors	**By invitation** Gavin Lucas*** Stephen Lucas*** Steven Horton***	**By invitation** Gavin Lucas***	**By invitation** Stephen Lucas***	**By invitation** Gavin Lucas*** Stephen Lucas*** Steven Horton***
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.	Ensures that the board has an appropriate composition to execute its duties effectively.
Oversight areas during the year				
Implementing and monitoring compliance with King IV. Updating and enhancement of the Company's risk management strategies and control environment, including that of ICT risks, and the adequacy of all insurance covers. Executed all other statutory duties for this committee as prescribed by the Companies Act.	Ensured the transparent, competitive and fair implementation of the remuneration policy.	Implementation of the Transformation Plan. Implementation of the ESG strategy and reporting framework.	South African and UK acquisitions and developments. Finalising terms and entering into JV with Nuveen Real Estate.	Oversaw the appointment of Akua Koranteng, an independent non-executive director, to the board on 15 May 2024.
Non-executive directors				
3/3	3/3	3/3	5/7	3/3

*^ *Lead independent director.*
* *Independent non-executive director.*
** *Non-executive director.*
*** *Executive director.*
[1] *Phakama Mbikwana resigned from the board on 31 March 2024.*
[2] *Appointed to the board on 15 May 2024.*
[3] *Appointed to the audit and risk committee on 4 April 2024.*
[4] *Appointed as chairman of the social and ethics committee on 4 April 2024.*
[5] *Appointed to the social and ethics committee on 4 April 2024.*
[6] *Appointed to the investment committee on 13 June 2024.*

For more information on the qualifications and experience of subcommittee members, refer to pages 75 to 76.

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

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

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

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

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

KING IV

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

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

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

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

BOARD AND SUBCOMMITTEE MEETINGS

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

Director	Sub-committees	Meetings attended	Meetings eligible	% Attendance	Board	Audit and risk committee	Social and ethics committee	Investment committee	Remuneration committee
Graham Blackshaw (Chair)**	IC; SEC; RC; NC	10	11	91%	4		2	2	2
John Chapman*^[1]	IC; SEC	6	6	100%	4			2	
Kelly de Kock*	ARC; RC; NC	9	11	82%	3	4			2
Phakama Mbikwana*[2]	ARC; SEC	10	10	100%	4	4	2		
Alan Menigo*[3]	IC; ARC	6	6	100%	4			2	
Mntungwa Morojele*	ARC; RC; NC	11	11	100%	4	4			3
Abu Varachhia*	SEC; IC	6	8	75%	3		2	1	
Gavin Lucas***	IC	6	6	100%	4			2	
Stephen Lucas***		4	4	100%	4				
Steven Horton***	IC	6	6	100%	4			2	
Actual attendance		74			38	12	6	11	7
Eligible attendance			79		40	12	6	12	9
% attendance				94%	95%	100%	100%	92%	78%

*^ *Lead independent director.*
* *Independent non-executive director.*
** *Non-executive director.*
*** *Executive director.*
[1] *Appointed to the social and ethics committee on 4 April 2024.*
[2] *Resigned from the board on 31 March 2024.*
[3] *Appointed to the audit and risk committee on 4 April 2024.*

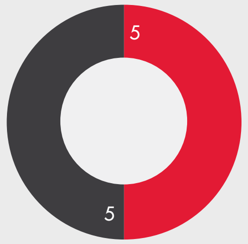
COMPOSITION OF THE BOARD[1]

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

GENDER DIVERSITY

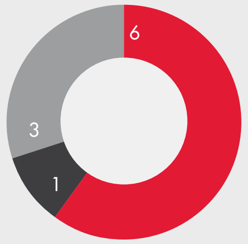
- Female
- Male

RACIAL DIVERSITY



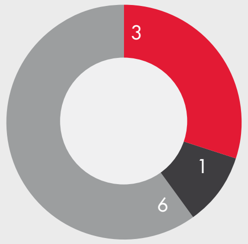
- Black
- White

DIRECTORS



- Independent
- Non-executive
- Executive

AGE



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

BOARD SKILL SET AND EXPERTISE (NUMBER OF DIRECTORS)[1]

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

[1] *As at 31 July 2024.*

In terms of tenure, one of the non-executive board members as at 31 July 2024 was appointed to the board in November 2015 following the Company's listing on the JSE. One independent non-executive director was appointed in May 2018, two in January and September 2020, one in January 2023 and one in May 2024. Only the three executive directors were involved in the operations of Stor-Age prior to the listing.

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

DIRECTORS

EXECUTIVE DIRECTORS

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

Joined the board prior to listing in 2015.

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

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

Stephen Lucas Financial director – CA(SA), CFA

Joined the board prior to listing in 2015.

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

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

Steven Horton Executive director – CA(SA)

Joined the board prior to listing in 2015.

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

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

NON-EXECUTIVE DIRECTOR

Graham Blackshaw Chairman – BA LLB

Joined the board prior to listing in 2015.

A former lead development partner in the Faircape group of companies, Graham played an integral role in driving the formation of the Stor-Age joint venture between Acucap, Faircape and Stor-Age Property Holdings in 2010.

A qualified attorney, Graham 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 35 years. He is responsible for strategic planning within the Rabie Group, initiates the planning of all new developments and oversees the marketing of all aspects.

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

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

Joined the board in May 2018.

Kelly specialises in the areas of corporate finance, investor relations, business development and operations. She has more than 18 years' commercial experience in the financial services sector and is currently Chief Operating Officer and director of Private Clients at Old Mutual Wealth. She previously held the positions of Head of Institutional Business Development at Kagiso Asset Management and Investor Relations Manager: South Africa at Old Mutual plc. Kelly was also previously the Secretary-General of the Association of Black Securities and Investment Professionals (ABSIP) and Western Cape Provincial Chairperson.

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

Joined the board in September 2020.

Mntungwa has more than 36 years of business experience, having established and managed various companies including Briske Performance Solutions and Motebong Tourism Investment Holdings. He is currently the CEO of iKapa Connect Investments, which is pursuing opportunities in the Aquaculture, Tourism and Renewable Energy sectors.

Mntungwa previously worked at the Tourism Investment Corporation (Tourvest) and served on the boards of Verifone Africa (Pty) Ltd and Capital Eye Investments Limited (previously the UCS Group Limited), where he served as the audit and risk committee chair. He also previously held the position of lead independent director of Spur Corporation Limited, a position he held for 8 years during his 10-year term on the board. He qualified as a Chartered Accountant while serving his articles with KPMG Lesotho, followed by a career with Grey Security Services, where he served on the board as Group Marketing Director.

Abu Varachhia BSc QS (SA)

Joined the board in January 2021.

Abu has more than 36 years of business experience, having previously served on the boards of JSE listed companies Spearhead Property Holdings Limited, Ingenuity Property Investments Limited and Mazor Group Limited as a non-executive director at each. Abu holds a Bachelor of Science degree (Quantity Surveying) and is currently the non-executive chairman of Spear REIT Limited. Abu has held numerous other leadership positions including chairman of LDM Quantity Surveyors, vice-president of the South African Council for the Quantity Surveying Profession, chairman of the Black Technical and Allied Careers Organisation and chairperson of the Build Environment Advisory Committee for the 2004 Olympic Bid.

Alan Menigo CA(SA)

Joined the board in January 2023.

With over 16 years of commercial and listed property experience in the financial and operational spheres, Alan's skillsets include the full spectrum of development expertise, property and financial management, as well as mergers and acquisitions. Alan currently serves as the Chief Operating Officer of Rapfund Investments (Pty) Limited and was previously the Chief Financial Officer of JSE listed property unit trust Fountainhead Property Trust, prior to its acquisition by Redefine. A chartered accountant by profession, Alan also worked in the New York office of KPMG in their Transaction Services Division.

Akua Koranteng MSc IntFin (ABS), BCom Hons (UCT), PGDipOL (SBS)

Joined the board in May 2024.

Akua has more than 20 years of real estate industry experience and holds a Master's Degree in International Finance from Amsterdam Business School as well as an Honours Degree in Economics from the University of Cape Town.

With a skillset that includes asset management, development and ESG within the realm of real estate, she previously held the role of Executive: Head of Gauteng for Equites Property Fund, a position she held from 2018 until 2024. Prior to this, she was a part of the property finance team at RMB Corporate and Investment Bank for more than six years.

Prior independent non-executive board positions include having served on the board of JLL South Africa as well as Octodec Investments.

BOARD RECRUITMENT AND TRAINING

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

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

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

During the period the board formally established and constituted a nominations committee with duly approved and independent terms of reference. As and when board vacancies occur or additional skills are needed, all board members are invited to put forward candidates with appropriate skills and experience that will complement and strengthen the existing board, for consideration by the nominations committee. The Company's sponsor has previously also assisted with recommending suitable candidates, participating in the interview process and performing background checks.

All board members have an opportunity to meet with potential new candidates and to voice their opinions in the selection and decision-making process.

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 210.

BOARD ETHICS AND EFFICIENCY

During the year, BDO South Africa Inc. oversaw a detailed board self-evaluation and peer review process. The board is satisfied that the self-evaluation conducted during the year improved its performance and the effectiveness of the governing body. Read more in the Chairman's letter from page 18.

COMPANY SECRETARY

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

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

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

IT GOVERNANCE

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

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

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

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

As technologies advance, so do the associated risks and threats. The controls and mitigations therefore need to respond accordingly. In line with this, during the year we introduced an updated Information Security Policy. We also introduced an updated risk register and control framework in accordance with ISO 27001.

EXTERNAL AUDIT

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

APPROACH TO COMPLIANCE

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

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

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

Key areas of focus for the board during the year included:

- The continued focus on the transformation plan and the ongoing execution of the ESG strategy
- The ongoing strengthening of IT controls, including an updated Information Security Policy, an updated risk register and control framework in accordance with ISO 27001
- The establishment of the DMTN programme and the successful first issuance
- Formally establishing and constituting a nominations committee with duly approved and independent terms of reference

CORPORATE GOVERNANCE DISCLOSURES IN ACCORDANCE WITH THE JSE DEBT LISTINGS REQUIREMENTS

As contemplated in paragraph 7.3(c)(ii) of the JSE Debt Listings Requirements, independence of directors is determined holistically, in accordance with the indicators provided in section 94(4)(a) and (b) of the Companies Act and King IV. The Group confirms that the audit committee has executed the responsibilities as set out in paragraph 7.3(e) of the JSE Debt Listings Requirements.

In accordance with paragraph 7.3(f) of the JSE Debt Listings Requirements, the Group follows an existing policy on the evaluation of the performance of its board of directors and that of its committees, its chair and its individual directors pursuant to the provisions of King IV. The Group's debt officer, as contemplated in paragraphs 639(a) and 7.3(g) of JSE Debt Listings Requirements, is Stephen Lucas (Financial Director).

The board duly considered and satisfied itself with the competence, qualifications and experience of Stephen Lucas before he was appointed as debt officer of the Group. The Group's board appointment and conflict of interest policy (Policies) are accessible at https://investor-relations.stor-age.co.za and https://bit.ly/conflictpolicy.

The Policies deal, *inter alia*, with:

i) the conflicts of interest of the directors and the executive management of Stor-Age and how such conflicting interests can be identified and managed or avoided; and

ii) the process for the nomination and appointment of directors of the Group.

Since publication there have been no amendments to the Policies. Recorded conflicts of interest and/or personal financial interests of the directors and/or the executive management of Stor-Age, as contemplated in the Policies and paragraphs 7.5 and 7.6 of the JSE Debt Listings Requirements (as read with section 75 of the Companies Act) as at 31 July 2024 are accessible at https://bit.ly/conflictpolicy.

AUDIT AND RISK MANAGEMENT REPORT

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

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

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

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

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

KEY RISKS AND EFFECTIVE MITIGATORS

Key risks	Mitigators	Risk trend (impact and likelihood)
1. Treasury risk Adverse interest rate movements could result in the cost of debt increasing.	• LTV of 31.4% with 85.5% of net debt subject to interest rate hedging. In our target range of 25 – 35% • Executive management reviews current and forecast projections of cash flow, borrowings, interest cover and covenants monthly • Stor-Age is highly cash generative and debt is serviced by strong operational cash flows • Details of hedging positions are set out in the Financial Review section from page 46	Stable
2. Weak/negative economic growth and the risk of persistently elevated levels of inflation Macroeconomic weakness could inhibit the self storage sector's growth, resulting in reduced demand and lower income. Conflicts such as those in Ukraine and Palestine could contribute indirectly to continued higher levels of inflation, which will negatively impact consumers in both markets.	• A needs-driven product for life-changing events which prevail in all economic cycles • A prime portfolio of well-located properties with high average occupancy levels • Focused on locations where growth drivers are strongest and barriers to competition are high • Strong operational management and platform • Continuing innovation to deliver high levels of customer service • Strong cash flow generation, high operating margins, low gearing and conservative hedging policies • 51 400 tenants spread across a geographically diversified South African footprint (developing market) and the UK (first-world market) • A proven acquisition and new development process that draws on internal analyses, more than a decade of experience, independent research, global trends and best practice • Short-term leasing model allows for the adjustment of higher input costs	Stable
3. Acquisition risk An inability to successfully integrate new acquisitions could result in lost income.	• Established internal work streams which discuss, consider, plan for and address challenges, as well as detailed growth strategies for our South African and UK operations • Managing leadership changes and inherited employees to ensure minimal disruption to the existing businesses is a critical area of focus when integrating acquisitions • Significant track record and experience of successfully integrating newly acquired properties	Decreasing
4. Operating in an offshore jurisdiction Storage King in the UK exposes the Group to currency, interest rate and tax risk that may impact or result in the variability of earnings.	• Hedging policies with respect to the repatriation of foreign earnings are in place • Consult with professional advisers to ensure ongoing HMRC compliance in the UK • UK management team remained in place post the acquisition and are still co-invested in Storage King • More than six years of successfully trading in the UK, demonstrating a successful track record	Stable
5. Property investment and development An inability to acquire or develop new self storage properties which meet management's criteria may impact the growth of the portfolio.	• Nine additional development opportunities have been secured in the pipeline in South Africa and the UK • UK-focused development JVs in place with Moorfield and Nuveen • South African-focused development JVs with Nedbank, Rabie Property Group and Garden Cities • Fragmented South African and UK self storage markets provide further acquisition opportunities	Decreasing

Key risks	Mitigators	Risk trend (impact and likelihood)
6. Valuation risk External market factors may lower our properties' values.	• Independent valuations are conducted by experienced independent, professionally qualified valuers • A diversified portfolio is let to a large number of tenants in South Africa and the UK • Low levels of gearing provide increased flexibility and significantly reduce the risk of a covenant breach • Self storage has traditionally been highly resilient in constrained economic environments • Occupied space in our South African and UK portfolios increased during the period • Conservative assumptions are used in valuations	Stable
7. Human resource risk Our people are critical to our success. Failure to recruit and retain employees with appropriate skills may lead to high employee turnover and loss of key personnel, and consequently, lower performance.	• Competitive remuneration packages and financial rewards • Learning and development programme with performance reviews to develop employees to their optimal potential • A culture where management is accessible at all levels and employees are encouraged to improve and challenge the status quo • Ongoing communication to ensure an engaged workforce • A succession planning strategy, including talent retention • A Conditional Share Plan for high performing employees was introduced in 2019, and includes more than 40 participants	Stable
8. Utility costs Significant increases in utility costs, particularly property taxes, electricity and energy costs, may put pressure on operating margins.	• Electricity and water usage is monitored monthly • We use external professionals to assist with monitoring and objecting to valuation revisions where necessary (property taxes) • We make use of energy-efficient lighting and collect and reuse rainwater for irrigation • Solar technology has been installed at 57 properties in South Africa and the UK, with over 6.0 million kWh in solar power generated to date • UK electricity prices fixed on a 12-month basis	Stable
9. Compliance risk Failure to comply with laws and regulations may result in penalties and sanctions, and reputational damage.	• Experienced, independent board in place • Executive management considered to be adequately qualified and experienced • Internal audits conducted • Experienced corporate advisers and auditors in place • Employees attend training on a regular basis • Significant rental agreement revisions reviewed by attorneys	Stable
10. REIT status Failure to comply with the REIT legislation in SA for the Group, and now also the UK for Storage King, could expose the Group to potential tax penalties or loss of its Group or UK level REIT status.	• Calculation for the 75% rental income test performed quarterly and included in Tax Compliance Report presented to the board • Consult with advisers on a regular basis to assess any potential or unforeseen impact on REIT status • Management closely monitors all compliance requirements and pre-emptively addresses any areas of concern	Increasing
11. Credit risk The Group is exposed to tenants' credit risk, which may result in a loss of income. This risk may be increased due to cost of living pressures for consumers.	• The majority of customers are required to pay a deposit on move-in in South Africa • Our diversified tenant base reduces material credit exposure risk • Collected over 99% of rental due in South Africa and the UK in FY24 • Clearly defined policies and procedures are in place to collect arrear rentals • A central team of collection specialists in South Africa assists each property with arrears	Stable

Key risks	Mitigators	Risk trend (impact and likelihood)
12. Cyber security and information privacy An increase in cyber breach incidents as a result of the adoption of a hybrid remote working environment, which may result in the breach of customer data, reputational damage and financial loss.	• Daily backups are periodically restored to confirm the validity of the backup and that there was no data corruption • Through a formal and regular communication plan, a culture of awareness and best practice is promoted and reinforced across all employee levels in the organisation • Internal and external users are continuously monitored to ensure the most effective use of resources and to limit the opportunity to breach the Group's cyber defences • The Group has migrated its server to a cloud-based solution • Reputable cybersecurity providers are collaborated with to maintain the highest protection standards • Stringent perimeter firewall protocols to mitigate against remote work/access risks • Our suppliers and our network design are reviewed on a regular basis to stay abreast of leading best practice and to remain relevant in the use of technology • External specialists are appointed by the board when considered necessary	Increasing
13. Climate-related risks Climate-related risks such as increasing occurrences of flooding and fire, tighter regulations in the property sector and rising public and institutional pressure to place a greater focus on environmental sustainability, could negatively impact our ability to trade, and/or result in significant additional capital investment.	• Continue to successfully implement our ESG strategy and reporting framework • ESG strategy and reporting framework aligns our Vision and Core Values with relevant UN SDGs and takes guidance from the TCFD • Self storage is the lowest intensity user of electricity and water, and the lowest generator of greenhouse gas emissions of all commercial property sub sectors • Buildings designed to minimise carbon footprint and an emphasis on energy efficiency, renewable energy generation, rainwater harvesting, storm water management and through various other practices • To mitigate the risk of flooding, our construction and planning teams assess a wide range of climate-related risks before and during the planning of each of our developments, as well as during the due diligence process when reviewing acquisition opportunities • Emphasis on fire safety and prevention, with fire safety training for all operations staff • In South Africa, we run nationwide, same-day, same-time fire drills across all properties, including at the head office	Increasing
14. Unstable electricity supply An unstable electricity supply in South Africa will negatively impact our ability to trade, which may result in a loss of income. Added to this, an unreliable national electricity supply may create a security risk at our properties.	• All trading properties in South Africa are fitted with generators except for the three smallest properties measured by GLA which have battery storage backup solutions • In the event of an outage, power is seamlessly generated to support key systems at our properties • Each generator is serviced timeously to ensure limited mechanical faults • Roll-out of hybrid solar systems with battery storage to complement existing solar infrastructure and reduce the need for generator power. A total of 20 properties in South Africa are fitted with these hybrid systems	Stable

Key risks	Mitigators	Risk trend (impact and likelihood)
15. Civil unrest A risk of civil unrest in South Africa due to the lack of service delivery at a municipal level, increasing unemployment and the degradation of public infrastructure. This may result in damage to our properties, as well as reduced confidence in the prospects for the South African economy. This may ultimately lead to reduced income, profitability and property investment values.	• The business is diversified across South Africa and the UK, with a greater weighting of assets by value to the UK • The South African portfolio is concentrated in the four largest cities • Insurance cover is in place for our buildings, loss of revenue, and customer goods (subject to certain limitations) • Significant security infrastructure is in place across our portfolio • All properties in South Africa are third-party monitored	Stable
16. Global pandemic A global pandemic such as COVID-19 may result in increased risk of financial loss as a result of legislated risk mitigation measures and practices undertaken, the direct and indirect negative impact on the economy, as well as the risk of staff contracting the virus.	• Strong balance sheet position and mature occupancies across South African and UK portfolios. This position of strength remained throughout the period • No tenant concentration risk – 51 400 tenants • Our properties are not crowded environments and are typically low-intensity in their use relative to other real estate types • All head office employees have the means to work from home as required • Stable and continued operations under strict safety protocols ensure that all properties in South Africa and the UK are accessible in the event of nationwide lockdowns	Decreasing
17. Complete electricity grid failure A complete electricity grid failure in South Africa would have a significant impact on all areas across the business. This includes our ability to trade as well as the onset of increased security and fire risks.	• Crisis management team in place to manage such risks • Head office and all properties (except for the three smallest properties measured by GLA which have battery storage backup solutions) are supported with diesel generators • Continued roll-out of solar PV and BESS across the South African portfolio	Stable

INTERNAL AUDIT

In recent years the business has grown significantly, strengthening its sector-leading position in South Africa and successfully executing its growth strategy in the UK. Entering into strategic partnerships in the form of joint ventures with multiple partners in South Africa and the UK has been a key part of the growth strategy. Given the natural increase in risk as the business has grown, to strengthen internal controls and assist in mitigating the increased risk profile, during the prior year the board oversaw the finalisation of an internal audit charter, as well as the selection and appointment of an independent external assurance provider, GRIPP Advisory, to perform internal audit work.

In FY24, GRIPP Advisory performed several audits on key processes within the business. The board continues to engage positively with GRIPP to ensure that the Company's controls continue to evolve and be strengthened, in line with the ever-changing inherent risk factors in the economic and technological climate that we operate in.

The committee continues to be satisfied with the quality of work and the feedback that GRIPP has provided to date.

LOOKING AHEAD

As an outcome of the Group's risk management process, we identified material macro level risks that either do or could potentially impact the business materially. These include:

- Weak economic growth
- High levels of inflation
- Continued elevated interest rate levels
- The potential negative impact of ongoing conflicts in Europe and the Middle East
- The continued increase in climate-related risks
- The possible risk of a major power grid failure in South Africa

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

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

Kelly de Kock
Audit and risk committee Chair
31 July 2024

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 2024. Transparent and comprehensive reporting of directors' remuneration is an essential element of good corporate governance. This report provides a clear and concise summary of our performance, remuneration outcomes and changes in our policy.

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

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

THE YEAR IN REVIEW

As set out in the Chairman's Letter and other sections of the integrated report, the board is very pleased with Stor-Age's financial performance in FY24. Despite the well-documented macroeconomic conditions making this a particularly demanding trading year, the Group's performance is a credit to its dedicated executives and employees who remain committed to driving the Group's long-term success.

The Group delivered exceptionally strong trading results in South Africa, while the UK presented a more challenging environment compared to the last few years with high interest rates and inflationary pressures. Nonetheless, the business is well positioned from a strategic, financial and operational perspective in both markets. We also made excellent strategic progress during the year having opened or acquired 12 trading properties (four in South Africa and eight in the UK) in our JV partnerships. These partnerships and our capital-light strategy now comprise a meaningful component of our business in both markets.

The Group employs over 480 employees across South Africa and the UK. Trading in two jurisdictions with a large workforce brings not only challenges but also new opportunities. We remain steadfast in our belief that sector specialisation is the foundation of our long-term success and our ability to attract, retain and nurture the talent and skillsets required is of critical importance.

There is a growing trend of employees prioritising a comprehensive value proposition when evaluating employment opportunities. While remuneration and benefits remain key considerations, aspects such as diversity, equity, inclusion and a sense of belonging are gaining prominence. In response, employers are adjusting remuneration policies to attract, motivate, and retain employees and, more specifically, their key talent.

At Stor-Age, we are mindful of this evolving landscape. Our approach to remuneration, focusing on competitive, fair and market-related remuneration policies plays an important role in incentivising employees who are critical to achieving our long-term goals and aspirations. At the same time, we are cognisant of offering a compelling value proposition to our employees where we proactively engage and develop our people. We strive to build a culture of performance, collaboration, creativity and resourcefulness underpinned by our Core Values. A motivated and well-rewarded workforce is the foundation of our sustained success and we remain committed to fostering an environment that develops talent, encourages innovation and promotes inclusivity.

FOCUS AREAS DURING THE YEAR

During the year, the committee:

- Reviewed the current remuneration policy, structures and mix of the executive directors;
- Carefully considered shareholder feedback after the 2023 AGM and responded as necessary;
- Reviewed the FY24 remuneration outcomes in the context of the overall performance of the business;
- Reviewed and approved the short-term incentive ("STI") payments to the executive directors for FY24;
- Approved the allocation of the long-term incentive ("LTI") awards to participants;
- Approved the vesting of the FY22 LTI awards to the executive directors in respect of the three-year performance period ending 31 March 2024 (subject to satisfying the employment condition);
- Approved the STI performance measures for FY25;
- Reviewed executive directors' total remuneration and approved salary increases after considering Group and individual performance;
- Reviewed non-executive director remuneration (to be approved by shareholders) with the assistance of the executive directors; and
- Reviewed and approved the FY24 remuneration report.

FEEDBACK FROM 2023 ENGAGEMENT

At the AGM held in 2023, our remuneration policy and implementation report both achieved a non-binding advisory vote of 96.47% in favour. Accordingly, the committee elected to retain the structure and format of the existing remuneration policy with the exception of some refinements to the LTI as set out in this report.

Although not directly related to remuneration governance, shareholders recommended the introduction of a nominations committee given the growth of Stor-Age over the last few years. The board acted on this recommendation and the nominations committee was formally constituted in February 2024 comprising the same members as the remuneration committee.

The committee is also proposing to amend the basis of remuneration of the board chair for the year ahead. In FY24, the board chair was remunerated on an all-inclusive basis and received a fixed annual fee that was inclusive of all attendances at board and subcommittee meetings as well as other tasks performed on behalf of the Group. This caused some confusion amongst certain shareholders when benchmarking the board chair fee against other REITs. It is therefore proposed that the board chair be remunerated on the basis of a fixed annual retainer for the role as board chair and separate fees for participation in subcommittees on the same basis as other board members. Further details are set out in this report.

FOCUS AREAS FOR THE YEAR AHEAD

The committee does not anticipate any significant changes for FY25 but will continue to focus on the following areas:

Focus area	Action required
ESG principles	Over the past few years, sustainability, environmental and social issues have been well integrated into our business strategy through various ESG metrics in our STI and LTI.
Fair and responsible remuneration	Maintaining our commitment to ensuring remuneration is fair to both employees and the Company and addressing any remuneration gaps in pay and gender.
Employee value proposition	Reviewing components of our policy such as competitive remuneration, growth opportunities, a positive work culture, work-life balance, alignment with Company values and a clear career path.

CONCLUSION

In line with King IV, Stor-Age will table the remuneration policy and implementation report for two separate non-binding advisory votes at the 2024 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 and that the remuneration outcomes for the year are appropriate in the context of the overall performance of the business.

We remain focused on rewarding executives and employees in a fair, equitable and sustainable manner to achieve our objectives and which motivates employees to achieve outperformance. Our aim is to maintain a strong relationship with our shareholders, built on trust and transparency, which results in an objective assessment of our remuneration policies and governance through continued interaction. 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 5 September 2024.

Mntungwa Morojele
Remuneration committee chair

2 PART TWO THE REMUNERATION POLICY

This remuneration policy is subject to an advisory vote by shareholders at the AGM to be held on 5 September 2024.

REMUNERATION GOVERNANCE

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

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

The committee members are listed on page 72 and their meeting attendance on page 73. 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.

The policy also recognises that remuneration is one component of the employee value proposition. Other aspects include a positive work culture, inclusivity, diversity, work-life balance, and clear career path growth opportunities (such as skills development, training and educational bursaries) are equally important. Fair, responsible and transparent remuneration is the cornerstone of our remuneration policy.

EXECUTIVES' REMUNERATION STRUCTURE

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

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

BASIC SALARY (GUARANTEED PAY)

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

The basic salary is a pre-determined cash amount without any further benefits. The amounts paid to the executive directors is set out in note 27.4 of the annual financial statements. The basic salary is reviewed annually based on the Company's performance in the previous financial year, individual performance, inflation, affordability, benchmarking exercises and market surveys (if deemed necessary). Increases in the basic salary for the executive directors are effective from the commencement of the financial year once approved by the committee.

SHORT-TERM INCENTIVE ("STI")

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

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

Short-term incentive calculation

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

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

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

The maximum STI that can be paid is capped at 125% of guaranteed pay and is payable annually in cash after being approved by the committee post the release of the audited financial statements. The recipient must be in service on the date of payment. Malus and clawback provisions, as set out on page 94, are applicable to the award.

Financial performance conditions (70% weighting)

Financial Measures	Weighting	Hurdle level Threshold (75% payout)	Target (100% payout)	Stretch (150% payout)
1. Growth in distributable income per share	25.0%	95.0% of target	124 cents	105% of target
2. Same-store net operating income growth	25.0%	6.0%	7.5%	9.0%
3. Total return[1] vs WACC[2]	20.0%	TR < 1% variance	TR equal to targeted return	TR > +1% variance
4. Balance sheet management	10.0%	LTV 37.5% – 40.0%	LTV 32.5%-37.5%	LTV < 32.5%
		ICR – 2.0 times	ICR – 2.2 times	ICR – 2.5 times
5. Group bad debt ratio	7.5%	1.00%	0.75%	0.50%
Non-Financial Measures				
6. Number of portfolio management and expansion opportunities[3]	7.5%	2 properties	4 properties	6 properties
7. Renewable energy increase in installed capacity (MWp)	5.0%	15%	20%	25%
Total	**100.0%**			

Notes:

1. 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.

2. Same definition as LTI.

3. New development sites/acquisition of trading properties/new Management 1st contracts in line with the Group's property strategy.

4. Linear vesting will apply in the measurement of the actual outcomes.

Strategic objectives (30% weighting)

Strategic objective	KPIs	Weighting
Implementing the Group's operations strategy including the development and execution of the digital and technology strategy	Improve the performance of our staff through learning and development, engagement and upskilling to drive increased profitability Implement the digital strategy to increase enquiries, enhance the customer experience, and achieve economies of scale in our marketing spend Integrate technology solutions in operations processes and further the digitalisation of the business Occupancy and rental rate growth; management of arrears; improving expense ratios/cost control	25.0%
Display leadership behaviour in accordance with the Company's Core Values	Ensure fully committed and motivated team Maintain minimal staff turnover Adherence to Company's Core Values Adherence to risk management framework Promote core principles of fairness, accountability, responsibility and transparency	25.0%
Implementing international expansion strategy in accordance with the five-year strategic plan	Growth in UK property portfolio Implementation of Management 1st and Digital First strategy Develop existing and new JV relationships	25.0%
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	25.0%
Total		100.0%

LONG-TERM INCENTIVE ("LTI")

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

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

The salient features of the CSP are set out below:

Participants	All permanent employees are eligible to participate, subject to the discretion of the committee. To be considered for participation, an employee must have been employed by the Company for a minimum of 12 months (unless exceptional circumstances apply) and have achieved an above-average performance rating as part of the annual performance appraisal process.
Award components	Performance shares only – vesting subject to the satisfaction of performance conditions and continued employment for the vesting period
Plan limits	The original limit at inception of the CSP was 8 668 544 million shares and was increased by a further 8.0 million shares at the 2022 AGM. A total of 5 281 379 plan shares remain. The maximum number of shares which may be settled to any single participant is 3,467,417 (approximately 1.0% of shares in issue at the date of approval of the CSP by shareholders). An annual limit of 0.5% of shares in issue will apply to the awards made in any one period. This limit will be reviewed, and adjusted if necessary, by the committee on an annual basis.
Allocation policy	The committee will approve annual awards for participants based on each participant's total guaranteed pay ("TGP") using the following guidelines: Executive directors – Up to 2 x TGP Executive management – 100 – 150% Senior management – 60 – 70% Mid-level management – 40 – 60% Other staff – 20 – 40%
Performance conditions	Performance conditions include financial (75%), ESG (15%) and strategic measures (10%).
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 94.
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.

FY24 LTI AWARDS

The LTI awards granted to the executive directors in FY24 are subject to the performance conditions set out below which are to be measured over the three-year period 1 April 2023 to 31 March 2026. The amendments made to the awards in comparison to the prior year were as follows:

- A single total return performance measure with a weighting of 35% (FY23 – two total return measures with a weighting of 20% each);
- Balance sheet management (LTV and ICR metrics) with a weighting of 20% (FY23 – only an LTV measure with a weighting of 15%);
- ESG performance measures have a weighting of 15% (FY23 – 10%);
- Non-financial performance measures have a weighting of 10% (FY23 – 15%)

Financial measures – 75% weighting

Performance Condition	Weighting	Hurdle level Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)
Total return[1] (TR) measured against Stor-Age's targeted return of the risk-free rate[2] (three-year average) plus 200bps	35.0%	TR < -1% variance of targeted return over three years	TR equal to targeted return over three years	TR > +1% variance of targeted return over three years
Same store net operating income growth over three years (annualised average growth)	20.0%	6.0%	7.5%	9.0%
Balance sheet management vs target (LTV ratio and ICR)	20.0%	LTV 37.5% – 40.0% ICR – 2.0 times	LTV 32.5% – 37.5% ICR – 2.2 times	LTV < 32.5% ICR – 2.5 times
Total	**75.0%**			

ESG measures –15% weighting

Performance Conditions	Weighting	Rating Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)
B-BBEE rating improvement	5.0%	Maintain compliant status	Maintain and/ or improve the FY23 overall score achieved on the Amended Property Sector Code Scorecard	Attain 80 or more points on the Amended Property Sector Code Scorecard
New solar projects completed	5.0%	Complete 9 new solar PV projects over a three-year period	Complete 12 new solar PV projects over a three-year period	Complete 15 new solar PV projects over a three-year period
Reduction in electricity usage from Eskom	5.0%	More than 5% reduction calculated on a same-store basis	More than 10% reduction calculated on a same-store basis	More than 15% reduction calculated on a same-store basis
Total	**15.0%**			

1. *Total return = (closing tangible net asset value per share (TNAVPS) – opening TNAVPS) + DPS for the year/opening TNAVPS. The TNAV is calculated by subtracting intangible assets and goodwill and adding deferred tax liabilities to ordinary shareholders' equity using a constant foreign exchange rate. Leasehold assets are measured on a consistent basis at each reporting date assuming the lease is renewed on the same terms and conditions.*
2. *The average three-year bond yield (risk-free rate) will reference both South Africa and the UK, weighted for the exposure at each vesting or measurement period.*

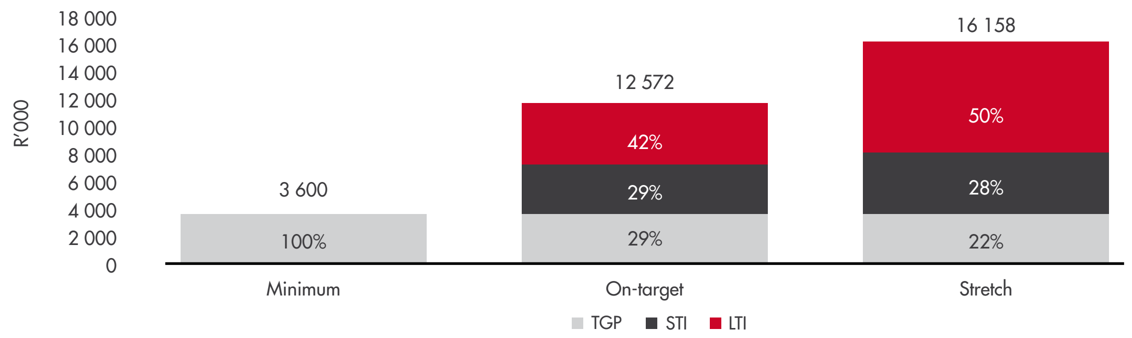
Non-financial measures – 10% weighting

Performance conditions	KPIs	Weighting
1. Determining strategy and providing strategic guidance throughout the Group in accordance with the Company's five-year strategic plan	Achievement of pre-defined strategic objectives Grow property portfolio in accordance with strict investment criteria	25.0%
2. Implementing international expansion strategy in accordance with the five-year strategic plan	Growth in UK property portfolio Implementation of Management 1st and Digital First strategy Develop existing and new JV relationships	25.0%
3. Identifying suitable investment and development opportunities and executing in accordance with the property strategy	Identify, negotiate and close acquisition opportunities in accordance with strict investment criteria Leading due diligence on transactions Implementing acquisitions seamlessly Managing development projects on time and within budget	25.0%
4. 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	25.0%
5. Managing the Group's capital structure and resources in a responsible and effective manner to enhance shareholder return by deploying capital prudently and optimising the cost of debt	Maintain conservative LTV within target Extend debt profile, refinance maturing facilities, ongoing negotiation with lenders Minimise funding costs Implement currency hedging strategy	25.0%
6. Displaying leadership behaviour in accordance with the Company's Core Values	Ensuring fully committed and motivated team Maintain minimal staff turnover Adherence to Company's Core Values Adherence to risk management framework Promote core principles of fairness, accountability, responsibility and transparency	25.0%
Maximum score x 10% weighting		150%

EXECUTIVE REMUNERATION PAY MIX AND REWARD SCENARIOS

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

The illustration below sets out the potential remuneration which can be earned at minimum, on-target and stretch reward scenarios in FY25.



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

The STI is formula-driven and based on achieving financial performance conditions and delivering on strategic objectives. The LTI (CSP awards) is granted at the committee's discretion with vesting subject to achieving financial, ESG and non-financial performance conditions. The above scenarios assume the CSP awards are made at the same level as FY24.

The on-target LTI forms 42% of the remuneration mix. On-target variable pay (STI and LTI) comprises 71% of the total remuneration. At a stretch, the variable pay comprises 78% of the total remuneration.

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

ALL EMPLOYEE REMUNERATION

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

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

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

Employees are provided with other benefits including a medical aid subsidy for those joining the Company's group scheme and matching Company contributions (subject to an annual limit) to retirement funding. The Company also contributes to a life cover policy for our lower income earners and, on a discretionary basis, provides financial assistance in the form of bursaries or interest free loans to deserving employees seeking to further their studies or obtain additional qualifications. In FY24 bursaries amounting to R244 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 considered when considering fair and responsible pay practices, such as sustainability and Stor-Age's strategic objectives. Our lower salaried employees are typically granted a higher annual salary increase relative to higher income earners in the Company. The Company contributes to a life and funeral cover policy for our lower income earners and provides financial assistance in the form of interest free loans in emergency and unforeseen circumstances.

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

The executive directors and committee support broad based equity participation by employees in the Company. In addition to the executive directors, a further 35 employees received CSP awards in FY24.

SERVICE AGREEMENTS, RETENTION STRATEGY AND TERMINATION ARRANGEMENTS

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

MINIMUM SHAREHOLDING REQUIREMENTS ("MSR")

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

Executive	Value of Shareholding as a % of TGP
Gavin Lucas	2 806%
Stephen Lucas	2 960%
Steven Horton	1 213%

Based on shareholding at 31 March 2024 and FY24 TGP. Assumes share price of R13.35.

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

MALUS AND CLAWBACK POLICY

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

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

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

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

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

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

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

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

The table below summarises the proposed fees for FY25, to be approved by shareholders at the AGM to be held on 5 September 2024. The proposed FY25 fees equate to a 6.0% increase compared to FY24.

Role	Approved remuneration 31 March 2024[1] R	Proposed remuneration 31 March 2025[2] R
Board chair (all-inclusive fee – FY24)	840 000	–
Board chair (fee for role of board chair – FY25)	–	623 280
Board member	315 000	333 900
Audit and risk committee chair	204 750	217 035
Audit and risk committee member	136 500	144 690
Social and ethics committee chair	94 500	100 170
Social and ethics committee member	63 000	66 780
Remuneration committee chair	94 500	100 170
Remuneration committee member	63 000	66 780
Nominations committee chair	–	100 170
Nominations committee member	–	66 780
Investment committee member	126 000	133 560

No distinction is made between the committee chair and members of the social and ethics, nominations and remuneration committees. The higher fee for the investment committee takes into consideration the additional meetings compared to the other three committees. No fees were payable in respect of the nominations committee in FY24 as the committee was only constituted in February 2024.

In FY24, the board chair received a fixed annual fee of R840 000 which was inclusive of all attendances at board and subcommittee meetings as well as other tasks performed on behalf of the Group. In other words, the board chair was not separately remunerated for participation in other subcommittees in FY24. The equivalent board chair fee for FY24, after adjusting for attendance at other subcommittees, equated to R588 000. For FY25, it is proposed that the board chair is remunerated on the basis of an annual retainer plus attendance at subcommittee meetings. The proposed board chair fee for FY25 is R623 280, a 6.0% increase on the comparable board chair fee of R588 000 in FY24.

Notes:

1. *Approved at the 2023 AGM.*
2. *Proposed adjustment to remuneration to be approved by shareholders at the forthcoming AGM.*

3 PART THREE THE IMPLEMENTATION REPORT

This implementation report is subject to an advisory vote by shareholders at the AGM to be held on 5 September 2024.

BASIC SALARY

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

An increase of 6.1% was approved by the committee for FY25.

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

Employees in South Africa received an average salary increase of 6.5% (effective 1 April 2024) with an additional 1.1% accounting for promotion increases. Lower-income earners received an average increase of 7.8%. In the UK, the average salary increase (effective 1 April 2024) was 3.0%.

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

EXECUTIVE DIRECTOR REMUNERATION

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

31 March 2024	Basic salary R'000	STI R'000	Value of FY22 LTI R'000	Total R'000
Gavin Lucas	3 392	3 889	7 510	14 791
Steven Horton	3 392	3 889	7 510	14 791
Stephen Lucas	3 392	3 889	7 510	14 791
Total	10 176	11 667	22 530	44 373

The FY22 LTI award will vest on or after 1 September 2024 (subject to the employment condition) and relates to the three-year performance period ending 31 March 2024. For the purpose of the single-figure disclosure, the estimated value of the award is included in the table above. Further detail is set out on page 106.

31 March 2023	Basic salary R'000	STI R'000	Value of FY21 LTI R'000	Total R'000
Gavin Lucas	3 200	3 529	6 940	13 669
Steven Horton	3 200	3 529	6 940	13 669
Stephen Lucas	3 200	3 529	6 940	13 669
Total	9 600	10 587	20 820	41 007

The share price at the vesting date was R13.13.

SHORT-TERM INCENTIVE

STI awards are conditional upon meeting set performance objectives and targets (financial and strategic) as approved by the board. The performance conditions for FY24 and the outcomes are set out below:

FINANCIAL PERFORMANCE CONDITIONS AND OUTCOMES (70% WEIGHTING)

Measure	Weighting	Threshold (75% payout)	Target (100% payout)	Stretch (150% payout)	Actual performance	Performance factor	Result
Financial measures							
1. Distribution growth per share	25.0%	95.0% of target	118 cents	105% of target	118.17 cents	101.4%	25.4%
2. Same-store net operating income growth	25.0%	6.0%	7.5%	9.0%	7.9%	111.9%	28.0%
3. Total return to equal or exceed internal benchmark	20.0%	10.0%	11.5%	13.0%	13.0%	150.0%	30.0%
4. Loan-to-value ratio	10.0%	35 – 40%	30 – 35%	< 30.0%	31.4%	100.0%	10.0%
5. Group bad debt ratio	7.5%	1.00%	0.75%	0.50%	0.59%	118.0%	8.9%
Non-financial measures							
6. Number of portfolio management and expansion opportunities	7.5%	2 properties	4 properties	6 properties	6 properties	150%	11.3%
7. Renewable energy increase in installed capacity (MWp)	5.0%	15%	20%	25%	41%	150%	7.5%
Total	100.0%						120.9%
Final outcome (Result x 70% weighting)							84.7%

STRATEGIC OBJECTIVES AND OUTCOMES (30% WEIGHTING)

Strategic objective	KPIs	Weighting	Result
Implementing the Group's operations strategy including the development and execution of the digital and technology strategy	Improve the performance of our staff through learning and development, engagement and upskilling to drive increased profitability Implement the digital strategy to increase enquiries, enhance the customer experience, and achieve economies of scale in our marketing spend Integrate technology solutions in operations processes and further the digitalisation of the business Occupancy and rental rate growth; management of arrears; improving expense ratios/cost control	25%	25%

Assessment

Year-on-year occupancy in our owned portfolio of 80 properties grew by 10 700 m² (an increase of 8 700 m² and 2 000 m² in SA and the UK respectively). In SA, same-store occupancy increased by 7 500 m². The closing rental rate was up 9.0% and 4.5% year-on-year in SA and the UK respectively. Cost ratios remained constant at c.39%. Bad debt as a percentage of rental income as 0.59%.

Designed and delivered 65 new online courses on Edu-Space (online training platform) in FY24 = 3 200+ hours of online training completed by staff.

Edu-Space highlights: 3 000+ successfully completed modules; 93%+ pass rate achieved.

Face-to-face training highlights: 70+ courses delivered; 180+ employees received in-person training; 4.8 average employee rating out of 5 for our in-person learning courses.

Study support programme – assists employees with career development at accredited institutions. Financially supported nine staff members in 2023, with a further eight study bursaries awarded for the 2024 academic year.

We continue to innovate and improve the customer experience by continuously reviewing and refining our digital and in-store customer touchpoints. This has created a cohesive brand experience for our customers, cemented loyalty and increased sales.

Leveraged technology and used data analytics, AI and automation tools to optimise pricing strategies and marketing campaigns. The ongoing advancement of online and mobile platforms has transformed the way we connect with our customers, offering a broad and growing base of digital channels to source new leads. Our digital enquiry skillset provides a key competitive advantage in capturing and converting demand.

Ongoing management and optimisation of our online platforms maintained our leading rankings for the most popular search terms related to self storage in South Africa and the UK in FY24. We continued to tailor our messaging to specific platform audiences to improve engagement and conversion opportunities. This relevancy-based and targeted strategy enabled us to continue creating bespoke advertising media (both static and rich media) that directed users to customised landing pages. The messaging in each of these adverts was curated to be relevant to targeted audiences (in different life stages) that typically drive demand for self storage.

We updated our interactive and responsive websites taking careful consideration of the ever-shifting customer journey. This enabled ongoing traction and encouraged web prospects to enter into our digital sales funnels and be converted into a sale. Key to understanding the user journey was our interpretation of Google Analytics and Google Ads data overlayed with our understanding of the self storage market.

Improvements to our web platforms in FY24 included the ongoing refinements to the user experience in both markets, as well as additional security enhancements and continued deeper integration of our South African and UK platforms. Our websites are designed to be simple and uncluttered so that they are easy to navigate, especially for the significant proportion of visitors that originate from mobile devices.

Our e-commerce platform comprises an online reservation system, live customer engagement and a real-time pricing module. This enabled online customers to transition from getting a quote to moving in seamlessly, enhancing their experience, reducing move-in time and improving productivity. Our revenue management tool is fully integrated into our operating system to further streamline our pricing management process. It uses multiple signal modelling, which assisted us in making pricing adjustments as required.

Our ongoing commitment to improving customer communication drove enquiry generation and sales conversion. Cloud-based customer service software enabled a single centralised customer communication platform that incorporates Facebook messenger, WhatsApp Business API, Google Business Platform messaging and our website live chat.

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

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

We continued to digitalise existing processes throughout the business, using the built-in tools and capability of the Microsoft Azure Cloud platform, thus ensuring that we continue to operate in an increasingly low-code environment.

Strategic objective	KPIs	Weighting	Result
Display leadership behaviour in accordance with the Company's Core Values	Ensure fully committed and motivated team Maintain minimal staff turnover Adherence to Company's Core Values Adherence to risk management framework Promote core principles of fairness, accountability, responsibility and transparency	25%	25%

Assessment

Examples of leadership behaviour include:

- Encouraging and supporting employees to adopt sustainable practices both at work and in their personal lives;
- Remaining informed about industry trends and emerging technologies to ensure that Stor-Age remains relevant and competitive;
- Promoting ongoing learning and professional development among employees;
- Embracing innovation and fostering a culture of creativity and forward-thinking; and
- Spend significant time at the properties and remain accessible to all employees.

Our L&D and training programme continued to include targeted groups of executives, senior, middle and junior managers, with a focus on staff development, retention and future roles within the business.

Forming part of our skills development and succession planning strategy, a range of in-person workshops were also held throughout the year. These included annual and half-year workshops to foster and support improved planning and alignment by the executives and senior management teams, as well as multi-day workshops for senior operations staff, management development workshops for middle managers at the head office, and also train-the-trainer workshops to bring through the next generation of operations trainers.

Our year-end review in both South Africa and the UK presents opportunities to learn from peers in the business and develop and enhance our business culture. In 2024 we held our second in-person event in South Africa following the virtual events held in 2021 and 2022 as a result of the COVID-19 pandemic. In December 2023, we held our first-ever such event in the UK. These events were a great success, where we brought together all employees in each respective market in engaging, informative and interactive sessions and they remain a key contributor to the ethos and personality of the business.

The highlight of these events were the national staff awards, where we recognised those staff who had outperformed, achieved excellent results, shown the most promise or demonstrated significant improvement. Special awards were also made to those staff who had demonstrated through their actions, that they were worthy of receiving a prestigious Core Values Award, representing one of the four Core Values, being – Excellence, Sustainability, Relevance and Integrity.

Employee wellness initiatives –

- Focus on encouraging our employees to practice and improve their habits to attain better physical and mental health. As part of this initiative, we facilitated an annual wellness day in South Africa that includes a Company funded health assessment that encourages staff to check their key indicators. We also facilitated numerous Company events that contribute towards building an interactive team environment.
- In South Africa we continued to provide fully funded life, disability and funeral assistance cover through an insurance policy to all our store-based employees and select skilled technical staff. Our internally facilitated Medical Aid Scheme (Momentum Health) and our Group Retirement Annuity (Allan Gray) continue to grow in participation. During the year we also introduced the Momentum Health4Me insurance product (targeted at generic day-to-day cover) for our staff to participate in.
- In the UK we provide a Group Life Assurance benefit to all staff equal to four times their basic annual salary.

Our FY24 annual anonymous employee survey provided a platform for our staff to voice their opinions by responding to key questions on how their job aligns with the Stor-Age Vision and Mission, remuneration and work life balance. Feedback obtained assisted us in continuing to strive to create a positive workplace environment and to ensure that our employees' days are more productive and rewarding. Highlights from our FY24 survey include – 93% of our staff are proud to be a part of the Stor-Age team, our FY24 Net Promoter Score, a measure of employee satisfaction and loyalty, was 10, and 47% of our workforce (SA) has worked for Stor-Age for five years or more, demonstrating healthy retention and a wealth of self storage experience.

Strategic objective	KPIs	Weighting	Result
Implementing international expansion strategy in accordance with the five-year strategic plan	Growth in UK property portfolio Implementation of Management 1st and Digital First strategy Develop existing and new JV relationships	25%	25%

Assessment

Completed new developments in Bath, Heathrow, West Bromwich and Canterbury in the Moorfield JV.

Acquired the four-property Easistore portfolio in a JV with Nuveen, as well as acquired a property in Leyton for development.

Entered into a management agreement with a private investor, to manage their recently completed property in Bayswater (London, zone 1).

Number of Digital First clients increased from 23 (representing 96 properties), to 29 (126 properties).

Strategic objective	KPIs	Weighting	Result
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	25%	25%

Assessment

Stor-Age remains a B-BBEE compliant business (Level 5 contributor status in FY23 and FY24 under audit at the time the STI was approved)[1], with 44.65% black ownership reflected on our share register at the time of conducting our 2023 empowerment scorecard review[2].

We continued to partner with the Skills Development Corporation (SDC), an accredited learning institution based in Johannesburg, to provide a 12-month Business Administration Services learnership programme to 12 unemployed learners from previously disadvantaged backgrounds. In 2023, 11 candidates successfully completed the SDC Business Administration Services learnership programme. In 2024, we are supporting a further 12 learners. This partnership provides Stor-Age with a sustainable means of supporting economic transformation in South Africa at a local level.

With a view to preparing staff for junior and middle management and leadership roles in the future, seven employees in South Africa started a management learnership programme with the SpecCon Group in 2023. In 2024 we enrolled an additional six staff in a Contact Centre (NQF 2) learnership over 12-months with SpecCon, with the aim of enhancing existing customer service skills.

We continue to recognise the importance of being an active member of our local communities, and we encourage employees at the property level to develop close links with charities, schools, sports clubs and local interest groups. Our support typically includes providing complimentary storage space, with additional support provided to certain projects in the form of:

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

Charities and NPOs supported:

We continued to provide complimentary self storage space to a number of charities and NPOs. This year, these included the Santa Shoebox Foundation, South African Red Cross, JAG Foundation, Gary Kirsten Foundation, JOG Trust, Helping Hands SA and The Ed Bham Foundation.

In FY24 we provided 32 complimentary self storage units, representing approximately 480m² per month and equating to R600 000+ in rental value under our "community investment" programme. Through our social media platforms and positive brand association/endorsement, we also continued to assist further by creating heightened awareness about these organisations, encouraging additional support from the public and local business sector.

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

1. On 31 July 2024 the Company was confirmed as a Level 4 Contributor to B-BBEE.
2. On 31 July 2024 the Company received its Broad-Based Black Economic Empowerment Verification Certificate showing exercisable voting rights in the entity in the hands of Black people as 68.24%.

Strategic objective	KPIs	Weighting	Result

Assessment (continued)

We continued to address sustainable practices in both markets 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. We continued to monitor electricity and water usage across the portfolio and continued to successfully reduce our carbon footprint. Further details are set out in the integrated report.

We continued to see the trend of reduced electricity consumption across the portfolio with improved contribution of solar PV installations, improved staff behaviour, and various additional energy reduction initiatives.

PV systems:

- To date Stor-Age has invested approximately R64 million in renewable energy (FY23 R22 million).
- The total number of properties with solar capacity is now 57 (2023: 36), representing c. 58% of the portfolio, and an increase of 21 additional properties.
- Total solar power generated to date is now 6.0 million kWh (2023: 4.3m kWh), rendering electricity consumption savings broadly in line with forecasts.
- We have identified an additional 17 properties to be fitted with such systems in FY25.

We successfully installed battery energy storage systems (BESS) at additional properties during FY24, taking the total number of properties with these installations to 20. We plan to install BESS alongside any new solar PV installation and to retrofit all existing solar PV stores with these systems over the three-year period FY24 to FY26.

We remain committed to developing a net zero carbon pathway. This involves setting science-based targets using the Science-Based Targets initiative (SBTi) methodology. The SBTi methodology follows a process of setting a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions and drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets. SBTi defines and promotes best practice in emissions reductions and net zero targets in accordance with climate science.

During FY22, the Company entered into a 7-year Sustainability-Linked Loan (SLL) with Aviva, aligned with their Real Estate Debt Sustainable Transition Loan Framework, which sets key sustainability targets such as energy efficiency and green initiatives, including on-site renewables. Since finalising the SLL with Aviva, Stor-Age has made good progress in achieving the environmental KPIs. This includes the installation of solar PV at selected properties to achieve our reduction targets. During the year, the assets linked to the loan security achieved an aggregate 75.66% total carbon reduction from the measured baseline.

In FY24, four properties in our Moorfield JV which are included in a separate SLL facility with Aviva achieved an average carbon reduction of 75% – 100% against the FY22 baseline. This decrease resulted in a loan margin reduction of 5bps.

The Moorfield JV also obtained a green loan from HSBC to finance the development of five properties (including the current Acton property). The facility recognises the level of energy efficiency and BREEAM[1] ranking of the assets. The BREEAM third-party certified standards set out to improve the asset performance at every stage, from design and construction to use and refurbishment.

Similar Green Loan terms with HSBC for the Leyton development in the Nuveen JV have been agreed.

1. Building Research Establishment Environmental Assessment Method.

SA carbon footprint:

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

The report summarises the outcomes of the Greenhouse Gas (GHG) emission inventory for our portfolio for the FY24 period. Since the start of FY18, a total of 3 836 tonnes of CO_2 equivalent emissions have been avoided through the consumption of on-site solar PV renewable electricity at our South African properties. We generated and consumed more than 1.3 million kWh of renewable electricity at our properties during FY24.

Across the portfolio, renewable electricity use in FY24 resulted in 1 394 tCO_2e[1] (FY23: 1 094 tCO_2e) of avoided greenhouse gas emissions, which would otherwise have been reported as part of our Scope 2 carbon footprint for the reporting period. Through the use of renewable electricity, the Company achieved a 19% reduction (FY23:19%) in its Scope 1, 2 and 3 carbon footprint.

1. tCO_2e – tonnes (t) of carbon dioxide (CO^2) equivalent (e).

Total	100.0%
Final outcome (Result x 30% weighting)	30.0%

STI OUTCOME

The performance outcome under the STI scheme for FY24 is set out below:

	TGP R'000	Financial outcome	Strategic outcome	Total outcome	Total STI R'000
Executive					
Gavin Lucas	3 392	84.7%	30.0%	114.7%	3 889
Stephen Lucas	3 392	84.7%	30.0%	114.7%	3 889
Steven Horton	3 392	84.7%	30.0%	114.7%	3 889

LONG-TERM INCENTIVE

The three-year performance period for the awards granted in FY22 ended on 31 March 2024. The awards will vest on or after 15 September 2024 subject to the employment condition. The outcomes are set out in the table below.

FINANCIAL PERFORMANCE CONDITIONS AND OUTCOMES (75% WEIGHTING)

Performance condition	Weight	Hurdle level Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)	Actual performance	Vesting of performance shares
Total return (TR) to exceed WACC	20.0%	Equal to WACC	10% out-performance	20% out-performance	TR = 15.8% (> 20% out-performance)	30.0%
Total return to be equal to, or exceed, a specified internal benchmark	20.0%	10.0%	11.5%	13.0%	15.8%	30.0%
Same store net operating income growth over three years (CAGR)	20.0%	5.0%	6.5%	8.0%	11.7%	30.0%
Loan-to-value ratio	15.0%	35% – 40%	30% – 35%	Less than 30%	29.4%	22.5%
	75.0%					112.5%

ESG PERFORMANCE CONDITIONS AND OUTCOMES (10% WEIGHTING)

Performance condition	Weight	Hurdle level Threshold (50% vesting)	Target (100% vesting)	Stretch (150% vesting)	Actual performance	Vesting of performance shares
B-BBEE rating improvement	5.0%	Maintain compliant status	Improve rating by one level per year	Attain B-BBEE level 4 status	Level 5 (target achieved)	5.0%
New solar projects completed	5.0%	Complete nine new solar PV projects over a three-year period	Complete 12 new solar PV projects over a three-year period	Complete 15 new solar PV projects over a three-year period	15+	7.5%
	10.0%					12.5%

NON-FINANCIAL PERFORMANCE CONDITIONS AND OUTCOMES (15% WEIGHTING)

Performance condition	Weight	Rating
Measures set out below (maximum score of 150%)	15.0%	22.5%
Total performance factor (financial outcomes + ESG outcomes + non-financial outcomes)		**147.5%**

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

	Result
1. *Determining strategy and providing strategic guidance throughout the Group in accordance with the Company's five-year strategic plan* The committee is satisfied that the executive directors successfully executed the Group's strategy over the performance period: • The Group achieved its core objective to deliver real and sustainable growth to shareholders driven by occupancy and revenue growth, acquisitions and new developments, and leveraging the economies of scale that its market-leading operating platform provides. • The Group's strategy was implemented in a disciplined manner in line with a clearly defined vision. • The executive directors continuously provide strategic guidance in all key functional areas and take full responsibility for challenges and opportunities that may arise. • Ranked 30th out of the top 100 in the inaugural FT annual ranking of Africa's Fastest Growing Companies in June 2022. • Further detail of the execution of Stor-Age's strategy is set out in the integrated report.	25%
2. *Implementing international expansion strategy in accordance with the five-year strategic plan* Increase in UK investment property from £142.7 million at March 2021 to £470.9 million at March 2024. Completed 4 new developments with Moorfield. Entered into a new JV with Nuveen for the Easistore acquisition (4 properties) and a new development in Leyton. Significant growth in Digital First – 29 independent operators comprising 126 properties have contracted for this service.	25%
3. *Identifying suitable investment and development opportunities and executing in accordance with the property strategy* Successfully identified, negotiated and executed 16 acquisitions (SA – 3; UK – 13), completed 11 new developments (SA – 7; UK – 4), four properties under construction (SA – 2; UK – 2). Conducted extensive due diligence on all acquisition and development transactions. Achieved pre-defined acquisition and development targets in accordance with property strategy.	25%

		Result
4.	*Implementing the Group's operations strategy including the development and execution of the digital and technology strategy*	
	Strong operating performance as reflected in net property operating income growth over the three-year performance period despite challenging macro conditions with consistent growth in occupancy and rental rates. Significant majority of new customers in South Africa and the UK are onboarded digitally (e-leasing and e-signing), resulting in improved productivity and an enhanced customer experience. The Stor-Hub (bespoke CRM) platform was enhanced to integrate directly with the tenant management system (TMS) in operation in the UK, over and above the in-place TMS in operation in South Africa. FY24 learning and development highlights – designed and delivered 65 new online courses on Edu-Space (online training platform); 3 200+ hours of online training completed by staff. Edu-Space highlights: 3 000+ successfully completed modules; 93%+ pass rate achieved. 70+ courses delivered; 180+ employees received in-person training; 4.8 average employee rating out of 5 for our in-person learning courses. Leveraged technology and used data analytics, AI and automation tools to optimise pricing strategies and marketing campaigns. The ongoing advancement of online and mobile platforms has transformed the way we connect with our customers, offering a broad and growing base of digital channels to source new leads. Our digital enquiry skillset provides a key competitive advantage in capturing and converting demand. Ongoing management and optimisation of our online platforms maintained our leading rankings for the most popular search terms related to self storage in South Africa and the UK. We updated our interactive and responsive websites taking careful consideration of the ever-shifting customer journey. This enabled ongoing traction and encouraged web prospects to enter into our digital sales funnels and be converted into a sale. Key to understanding the user journey was our interpretation of Google Analytics and Google Ads data overlayed with our understanding of the self storage market. The addition of user journey recording and heatmapping during the year assisted us in analysing and improving our online sales funnel. This unlocked cost efficiencies and assisted in improving our lead generation. Improvements to our web platforms included the ongoing refinements to the user experience in both markets, as well as additional security enhancements and continued deeper integration of our South African and UK platforms. Our websites are designed to be simple and uncluttered so that they are easy to navigate, especially for the significant proportion of visitors that originate from mobile devices. Our e-commerce platform comprises an online reservation system, live customer engagement and a real-time pricing module. This enabled online customers to transition from getting a quote to moving in seamlessly, enhancing their experience, reducing move-in time and improving productivity. Our revenue management tool is fully integrated into our operating system to further streamline our pricing management process. It uses multiple signal modelling, which assisted us in making pricing adjustments as required. Ongoing commitment to improving customer communication increased enquiry generation and sales conversion. Cloud-based customer service software enabled a single centralised customer communication platform that incorporates Facebook messenger, WhatsApp Business API, Google Business Platform messaging and our website live chat. Social media remained a key advertising, consumer engagement and CRM medium for the Group. We continued to be active on Facebook, Instagram, Twitter, TikTok, LinkedIn and YouTube. The Stor-Age Facebook page ranks as one of the most followed self storage businesses in the world. Through specific call-to-action buttons, we engaged with our customers in real time. Constant testing and access to resources via our Meta accredited partnership status, allowed for enhanced performance on Facebook and Instagram, resulting in improved enquiry generation. We also continued to use LinkedIn to increase enquiry generation from our growing commercial customer segment, and to attract talent for the business. We continued to digitalise existing processes throughout the business, using the built-in tools and capability of the Microsoft Azure Cloud platform, thus ensuring that we continue to operate in an increasingly low-code environment.	25%

		Result
5.	*Managing the Group's capital structure and resources in a responsible and effective manner to enhance shareholder returns by deploying capital prudently and optimising cost of debt*	
	Prudently managed the balance sheet with conservative LTV levels and compliance with all debt covenants. Executed R575m oversubscribed capital raise in FY22. Capital allocation decisions are made carefully after due consideration of risks and shareholder returns. Finalised the GBP debt restructuring in December 2021 with UK lenders at a competitive cost of capital which provides capacity to support growth in the UK, diversifies the funding sources across a number of lenders, and provides for greater flexibility in the use of the facilities. Maintained an effective interest rate hedging policy with 75%+ of borrowings hedged on a net debt basis. Executed an effective currency hedging policy for GBP earnings at favourable rates and reduced the use of cross currency interest rate swaps. Initiated the DMTN programme in FY24 with a successful placing in April 2024.	25%
6.	*Displaying leadership behaviour in accordance with the Company's Core Values*	
	Senior management spends significant time at the properties and is accessible to all employees. Implemented employee wellness initiatives to encourage employees to practice and improve their habits to attain better physical and mental health. We also facilitated numerous Company events that contribute towards building an interactive team environment. Encouraged and supported employees to adopt sustainable practices both at work and in their personal lives. Stayed informed about industry trends and emerging technologies to ensure that Stor-Age remains relevant and competitive. Encouraged and supported ongoing learning and professional development among employees. Embraced innovation and fostered a culture of creativity and forward-thinking. Our L&D and training programme continued to include targeted groups of executives, senior, middle and junior managers, with a focus on staff development, retention and future roles within the business. Forming part of our skills development and succession planning strategy, a range of in-person workshops were also held throughout the year. These included annual and half-year workshops to foster and support improved planning and alignment by the executives and senior management teams, as well as multi-day workshops for senior operations staff, management development workshops for middle managers at the head office, and also train-the-trainer workshops to bring through the next generation of operations trainers. Anonymous employee 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. Feedback obtained assisted us in continuing to strive to create a positive workplace environment and to ensure that our employees' days are more productive and rewarding. Highlights from our FY24 survey include – 93% of our staff are proud to be a part of the Stor-Age team, our FY24 Net Promoter Score, a measure of employee satisfaction and loyalty, was 10, and 47% of our workforce (SA) has worked for Stor-Age for five years or more, demonstrating healthy retention and a wealth of self storage experience. We recognise the importance of being an active member of our local communities, and we encourage employees at the property level to develop close links with charities, schools, sports clubs and local interest groups. Our support typically includes providing complimentary storage space, with additional support provided to certain projects in the form of: • Leveraging our digital marketing platform to promote local businesses and NPOs • Generating exposure via branding on Company vans and billboards • Vehicles and the use of our properties as drop-off/collection points • Financial contributions • Provide complimentary self storage space to a number of charities and NPOs	25%
	Total	**150%**

VESTING OF LTI AWARD

For the purposes of the single-figure remuneration table set out on page 91, the estimated value of the FY22 LTI awards for the executive directors (in respect of the performance period ending 31 March 2024), are set out below. The awards will vest on or after 1 September 2024 subject to the employment condition.

	Number of shares	Performance factor	Performance adjusted number of shares	Share price*	Value of shares included in single figure table (R'000)
Director					
Gavin Lucas	381 388	147.5%	562 547	13.35	7 510
Stephen Lucas	381 388	147.5%	562 547	13.35	7 510
Steven Horton	381 388	147.5%	562 547	13.35	7 510

* *For the purposes of the single figure table, an estimate of R13.43 per share was used at the date of vesting to determine the value of the awards.*

Details of the unvested awards made to the executive directors (excluding the FY22 awards) are set out below:

GAVIN LUCAS

Date of award	Vesting date	On-target grant (number of shares)	Indicative value R'000	Performance period
15 Mar 23	1 Sep 25	381 388	5 092	3-years ending 31 March 2025
19 Mar 24	1 Sep 26	400 000	5 340	3-years ending 31 March 2026

STEPHEN LUCAS

Date of award	Vesting date	On-target grant (number of shares)	Indicative value R'000	Performance period
15 Mar 23	1 Sep 25	381 388	5 092	3-years ending 31 March 2025
19 Mar 24	1 Sep 26	400 000	5 340	3-years ending 31 March 2026

STEVEN HORTON

Date of award	Vesting date	On-target grant (number of shares)	Indicative value R'000	Performance period
15 Mar 23	1 Sep 25	381 388	5 092	3-years ending 31 March 2025
19 Mar 24	1 Sep 26	400 000	5 340	3-years ending 31 March 2026

Indicative value is based on a share price of R13.35 applied to on-target number of share awards.

NON-EXECUTIVE DIRECTOR REMUNERATION

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

	2024 R'000	2023 R'000
GA Blackshaw	840	800
JAL Chapman	441	420
KM de Kock	583	555
AC Menigo	441	80
P Mbikwana[1]	546	520
MPR Morojele	546	520
A Varachhia	504	480
Total	3 901	3 375

[1] *Resigned on 31 March 2024.*

The remuneration to be paid to the non-executive directors for the year ending 31 March 2024 to be approved by shareholders at the forthcoming AGM is set out on page 97 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 2024 financial year."

SOCIAL AND ETHICS COMMITTEE REPORT

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

The committee has all the functions and responsibilities provided for in the Companies Act. The committee members are set out on page 72 and attendance at meetings is shown on page 73.

FOCUS AREAS OF THE COMMITTEE DURING THE YEAR

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

TRANSFORMATION PLAN

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

The main objectives of the plan include:

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

Consistent with the Company's transformation strategy, Stor-Age remains focused on maintaining and improving its Level 4 B-BBEE compliance status.

ESG STRATEGY AND IMPLEMENTATION

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

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

Stor-Age's properties act as business incubators for many, assisting local businesses to grow, creating jobs and increasing their contribution to local economies. A recent customer survey indicated that business customers have on average created more than eight jobs[1] since starting to store with the Company. When considering that we had over 8 800 commercial tenants at year end, Stor-Age's indirect positive contribution to sustainable job creation in South Africa is significant.

The Stor-Age Business Hub initiative helps commercial customers and charitable organisations to promote their products or services to local markets. Many of these commercial customers are SMMEs, which are critically important for South Africa's economy as they promote sustainable job creation and economic development. More information on the Business Hub is available on page 66.

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

Highlights from the year included:

- Installing new solar PV technology at an additional 21 properties (SA: 9; UK: 12)
- Over 6.0 million kWh of renewable energy generated to date
- Supporting over 15 NPOs by sponsoring on average more than 480 m^2 of space per month, representing in excess of R600 000 (of rental value) for the period of community investment
- Partnering with the Gift of the Givers Foundation in their community upliftment initiatives
- In support of local economic transformation, for the third year in a row the Group sponsored a 12-month learnership programme for 12 previously disadvantaged learners in January 2023, with a fourth group of learners commencing in January 2024. The learnership programme assists youth with becoming qualified in areas that fall within the ambit of scarce and critical skills of South Africa

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

During the year, the Company also concluded its second annual Carbon Footprint Report, which was completed by an independent sustainability consultant. The results of the report show that more than 3 769 tCO_2e (tonnes of carbon dioxide equivalent) of greenhouse gas emissions have been avoided as a result of the Company's renewable electricity infrastructure and various other sustainability initiatives. Read more about the Carbon Footprint Report on page 64 and more about our broader ESG strategy from page 109.

TERMS OF REFERENCE

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

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

The committee is further tasked with:

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

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

Phakama Mbikwana, the former Chair of the Social and Ethics Committee, resigned from the board effective 31 March 2024. John Chapman, an independent non-executive director, joined the committee on 4 April 2024.

Graham Blackshaw
Social and ethics committee Chair
31 July 2024

INVESTMENT COMMITTEE REPORT

KEY FUNCTIONS AND RESPONSIBILITIES

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

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

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

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

Graham Blackshaw
Investment committee Chair
31 July 2024

NOMINATIONS COMMITTEE REPORT

During the year, in line with the increasing maturity of the business and aligned to the Company's commitment to continuously strengthen corporate governance structures, the board established and constituted a nominations committee.

The nominations committee, with duly approved and independent terms of reference, assists the board with ensuring that its composition will continue to remain appropriate, that directors continue to be formally nominated and appointed, and that the induction, training and development of directors continues to take place in a structured manner.

The formalisation of this committee enhances the sustainability of the board and supports it's ongoing effectiveness as the business continues to grow and mature.

KEY FUNCTIONS AND RESPONSIBILITIES

The purpose of the nominations committee is to ensure that the composition and structure of the board, its committees and the executives are appropriate and perform optimally to support the business and its stakeholders.

It is responsible for ensuring that the board's composition aligns with the recommendations of King IV, which advocates for a mix of executive, non-executive and independent directors. The committee is also responsible for selecting the best candidates for each seat on the board.

While guided by the chairman of the board, the committee will ensure that board members lead ethically and are committed to good corporate citizenship, aligning with the principles of King IV and promoting sustainable value creation.

FOCUS AREAS OF THE COMMITTEE

Since inception in February 2024, the committee has held one formal meeting and overseen the following areas:

- The development and adoption of duly approved and independent terms of reference
- Assumed responsibility for the board's composition by approving the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity and independence
- Ensured that the board has an appropriate composition to execute its duties effectively
- Oversaw the appointment of Akua Koranteng, an independent non-executive director, to the board on 15 May 2024

The members of the committee are:

- Mntungwa Morojele (chair)
- Graham Blackshaw
- Kelly de Kock

The board comprises ten directors, of which seven are non-executive and three are executive directors. With a diverse range of qualifications and experience, the board members each contribute meaningfully to the Group.

The committee is satisfied that the board is made up of individuals with the right experience, skillset, knowledge and independence to effectively fulfil its role and responsibilities. Ultimately this composition promotes better decision-making and effective governance.

Mntungwa Morojele
Nominations committee Chair
31 July 2024