



# **National Storage Group**

## **Remuneration Committee Charter**

Reviewed 16 June 2020

# Remuneration Committee Charter

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# Remuneration Committee Charter

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## 1 Definitions

In this charter:

**Board** means the board of directors of NSHL.

**Constitutions** means the NSHL constitution dated on or around 1 November 2013 (as amended or replaced from time to time) and the NSFSL constitution (as amended or replaced from time to time).

**Corporations Act** means the Corporations Act 2001 (Cwth).

**National Storage Group** means the stapled group comprising NSHL and its Subsidiaries and NSFSL as responsible entity of the Trust, the Trust and the entities which the Trust controls.

**National Storage REIT** means the stapled entity comprising NSHL and the Trust.

**NSFSL** means National Storage Financial Services Limited ACN 600 787 246 and AFSL 475 228.

**NSHL** means National Storage Holdings Limited (ACN 166 572 845).

**NS Stapled Entity** means NSHL and the Trust.

**Securityholder** means a holder of a stapled security in National Storage REIT.

**Subsidiaries** has the meaning given in the Corporations Act.

**Trust** means National Storage Property Trust ARSN 101 227 712.

**Trust Constitution** means the constitution of the Trust dated 23 September 2003, as amended or replaced from time to time.

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## 2 Purpose and Authority

### 2.1 Purpose

The purpose of this Remuneration Committee Charter is to specify the authority delegated to the Remuneration Committee ("**Committee**") by the Board and to set out the role, responsibilities, membership and operation of the Committee.

### 2.2 Authority

The Committee is a committee of the Board established in accordance with the Constitutions and is authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter and granted to it under any separate resolutions of the Board from time to time.

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## 3 Role of the Committee

### 3.1 Remuneration

The Committee assists and advises the Board on remuneration policies and practices for the Board, the Chief Executive Officer ("**Managing Director**"), other senior executives ("**Senior Executives**") as determined by the Board from time to time and other persons whose

activities, individually or collectively, affect the financial soundness of the National Storage Group. The policies and practices are designed to:

- (a) enable the National Storage Group to attract, retain and motivate directors, executives and employees who will create value for Securityholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
- (b) be fair and appropriate having regard to the performance of the National Storage Group and the relevant director, executive or employee; and
- (c) comply with relevant legal requirements.

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## 4 Remuneration responsibilities

### 4.1 General

- (a) The Committee is responsible for developing, reviewing and making recommendations to the Board on:
  - (i) the ongoing appropriateness and relevance of the remuneration framework for the Chairperson and the non-executive directors;
  - (ii) the National Storage Group's policy on remuneration for the Managing Director and Senior Executives, any changes to the policy and the implementation of the policy (including any Securityholder approvals required);
  - (iii) the total remuneration packages for the Managing Director and Senior Executives (including base pay, incentive payments, equity based awards, superannuation and other retirement rights, employment contracts), any changes to remuneration packages and recommending proposed awards after performance evaluation procedures;
  - (iv) the National Storage Group's recruitment, retention and termination policies for the Managing Director and Senior Executives and any changes to those policies;
  - (v) incentive schemes, if appropriate, for the Managing Director and Senior Executives; and
  - (vi) equity based plans, if appropriate, for the Managing Director, Senior Executives and other employees.
- (b) The Committee is also responsible for monitoring and providing input to the Board regarding:
  - (i) legislative, regulatory or market developments likely to have a significant impact on the National Storage Group and legislative compliance in employment issues;
  - (ii) the remuneration trends across the National Storage Group, including
    - (A) the trends in base pay for Senior Executives relative to that of all National Storage Group employees; and
    - (B) remuneration by gender; and

- (iii) major changes to employee benefits structures in the National Storage Group.

## 4.2 Incentive schemes and equity based remuneration

For any incentive schemes or equity based plans that are adopted, the Committee is responsible for:

- (a) reviewing their terms (including any performance hurdles);
- (b) overseeing their administration (including compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings);
- (c) considering whether Securityholder approval is required or desirable for the schemes or plans or for any changes to them; and
- (d) ensuring that payments or awards of equity are made in accordance with their terms and any Securityholder approval.

## 4.3 Structure of remuneration

In fulfilling these responsibilities, the Committee will ensure that:

- (a) a clear distinction is maintained between the structure of non-executive directors' remuneration and that of executive directors and Senior Executives;
- (b) a proportion of executive directors' and Senior Executives' remuneration is structured in a manner designed to link rewards to corporate and individual performance (reflecting short and long-term performance objectives appropriate to the National Storage Group's circumstances and goals);
- (c) any engagement of a remuneration consultant is approved by the Board or the Committee and the remuneration consultant must report its recommendation directly to either or both of the members of the Board (other than an executive director) or members of this Committee;
- (d) the Committee and the Board are satisfied with the arrangements put in place to ensure that any remuneration recommendation made by the remuneration consultant is made free from undue influence from any member of the key management personnel to whom the recommendation relates; and
- (e) the Committee will provide the Board with information sufficient to ensure that the Board makes an informed decision in relation to the Committee's recommendations.

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# 5 Reporting and disclosure

The Committee will liaise with the Audit and Risk Committees in relation to the National Storage Group's remuneration related reporting in the financial statements and remuneration report required by the Corporations Act.

The Committee will approve an annual remuneration report containing information on the National Storage Group's remuneration policy, practices, attendance at and frequency of Committee meetings and make recommendations to the Board for the inclusion of the remuneration report in the NS Stapled Entity's annual report.

The Committee will make recommendations to the Board regarding the process for evaluating performance of the Board, its committees and the directors.

The Committee will ensure that all applicable governance, accounting and legal requirements regarding disclosure of remuneration, in all forms, are complied with.

The Committee Chairperson will attend the NS Stapled Entity's annual general meetings prepared to respond to any Securityholder questions on the Committee's activities.

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## **6 Delegation**

The Committee may delegate any of its powers and responsibilities as the Committee thinks appropriate for the administration of director, Senior Executive and employee share, option or other plans, to senior management.

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## **7 Membership**

### **7.1 Composition and size**

The Committee will consist of at least three members, the majority of whom are independent, non-executive directors.

Each member must be free from any interest, business or other relationship which, in the opinion of the Board, could, or could reasonably be perceived to, materially interfere with the exercise of his or her independent judgment as a member of the Committee.

Each member is expected to possess adequate remuneration, regulatory and industry knowledge to carry out his or her responsibilities as a member of the Committee.

The term of service of Committee members will be reviewed by the Chairperson at least annually, with a view to rotating members periodically, but without losing the continuity of experience and knowledge gained by the members of the Committee.

### **7.2 Chairperson**

The Chairperson of the Committee must be an independent non-executive director. The Chairperson of the Committee is appointed by the Board. If, for a particular Committee meeting, the Committee Chairperson is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a Chairperson for the meeting.

### **7.3 Secretary**

The Company Secretary is the secretary of the Committee.

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## **8 Committee meetings and process**

### **8.1 Meetings**

The meetings and proceedings of the Committee are governed by the provisions contained in the Constitutions for regulating the meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this charter.

Committee members may attend meetings in person or by electronic means.

## **8.2 Frequency and calling of meetings**

The Committee will meet as frequently as required to perform its functions. The Chairperson must call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor or the Chairperson of the Board.

## **8.3 Quorum**

Two directors constitute a quorum for meetings of the Committee.

## **8.4 Attendance by management and advisers**

The Committee Chairperson may invite the Managing Director and other Senior Executives, directors who are not members of the Committee and external advisers to attend meetings of the Committee.

## **8.5 Conflicts**

No member of the Committee will participate in the determination of their own remuneration or the specific remuneration policies that are applicable to them.

## **8.6 Notice, agenda and documents**

Unless otherwise agreed or considered necessary by the Chairperson, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting documentation, will be circulated by the secretary to each Committee member and any other individual invited to attend, not less than seven working days before the meeting.

## **8.7 Minutes**

The secretary will keep minute books to record the proceedings and resolutions of Committee meetings.

The Chairperson of the Committee, or delegate, will report to the Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

The Committee must refer any matter of significant importance to the Board for its consideration and attention.

## **8.8 Access to information and advisers**

The Committee has direct and unlimited access to all resources necessary to discharge its duties and responsibilities, including engaging counsel, accountants or other experts as it considers appropriate. This may include requesting management or engaging external remuneration consultants to provide information to the Committee.

The Committee also has the authority to conduct or direct any investigation required to fulfill its responsibilities.

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# **9 Committee's performance evaluation**

The Committee will review its performance at least annually or earlier if circumstances dictate, and whenever there are major changes to the management structure of the National Storage Group.

The performance evaluation will have regard to the extent to which the Committee has met its responsibilities in terms of this charter.

Committee members must be available to meet with external bodies if requested to do so in accordance with relevant laws, regulations or prudential standards.

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## **10 Review and publication of the charter**

The Committee will review its charter from time to time to keep it up to date and consistent with the Committee's authority, objectives and responsibilities and report to the Board any changes it considers should be made. The charter may be amended by resolution of the Board.

This charter will be available on the National Storage Group's website.

**Approved by the Board on 25 February 2015**

**Last reviewed by the Board on 16 June 2020**