

Extra Space Storage Inc.  
Form DEF 14A  
April 06, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  Filed by a Party other than the Registrant   
Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12  
Extra Space Storage Inc.  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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April 6, 2018  
2795 East Cottonwood Parkway, Suite 300  
Salt Lake City, UT 84121  
Dear Fellow Stockholder:

I am pleased to invite you to the 2018 Annual Meeting of Stockholders of Extra Space Storage Inc., which will be held on May 23, 2018 at 11:00 a.m. Mountain Time at the Extra Space Storage Inc. corporate offices located at 2795 East Cottonwood Parkway, Suite 300, Salt Lake City, Utah 84121.

2017 was a year of significant accomplishment at Extra Space. Our team grew year-over-year funds from operations, increased same-store net operating income and created significant value for our stockholders through accretive transactions. I am proud of what our experienced and dedicated teams have accomplished.

Your vote is important. Whether or not you plan to attend the meeting, I urge you to vote your shares electronically through the internet or, if you have requested and received a paper copy of the proxy statement, by completing, signing and returning the paper proxy card enclosed with the proxy statement according to the instructions.

Thank you for your continued support, interest and investment in Extra Space Storage.

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April 6, 2018

2795 East Cottonwood Parkway, Suite 300

Salt Lake City, UT 84121

Dear Fellow Stockholder:

As Extra Space Storage's Executive Chairman of the Board, I thank you for your interest in and support of Extra Space Storage. Our board of directors is committed to representing and protecting your interests by providing strategic oversight of the Company's management team, with a focus on long-term value creation. Our board is comprised of a highly-qualified and experienced group of leaders, each of whom brings unique skills and strategic oversight to the Company.

We are proud of what our Company has accomplished in 2017 and look forward to another strong year ahead of us. We believe that Joe Margolis and our management team will continue to drive Extra Space Storage to achieve great results for our stockholders.

Thank you for your interest, investment and support in the Company.

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PROXY SUMMARY

The following is a summary that highlights information contained elsewhere in this proxy statement. This summary does not contain all the information you should consider, and you are urged to read the entire proxy statement carefully before voting.

Meeting Information

<p>Date and Time:</p> <p>Wednesday, May 23, 2018, at 11:00 a.m., MT</p>	<p>Location:</p> <p>Extra Space Storage Inc. Corporate Offices 2795 East Cottonwood Pkwy, Suite 300 Salt Lake City, Utah 84121</p>	<p>This summary highlights information that should assist you in ensuring that your vote at the annual meeting is counted. On April 6, 2018, we sent a Notice of Internet Availability of Proxy Materials and provided access to our proxy materials over the internet. The notice also provides instructions on how you can request a paper copy of these documents if you desire, and how you can enroll in e-delivery. If you received your annual meeting materials via email, the email contains voting instructions and links to our annual report and proxy statement on the internet.</p>
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IN-PERSON INTERNET MAIL

<p>You may vote your shares in person at the annual meeting. Even if you plan to attend the annual meeting, we recommend that you submit the accompanying proxy card or voting instructions, or vote via the internet by the applicable deadline so that your vote will be counted if you later decide not to attend the</p>	<p>You may vote your shares through the internet by signing on to the website identified on the proxy card and following the accompanying procedures described on the website. Internet voting is available 24 hours a day until 11:59 ET on the day before the annual meeting. If you vote through the</p>	<p>If you choose to vote by mail, simply complete the accompanying proxy card, date and sign it, and return it in the postage-paid envelope provided.</p>
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annual meeting. internet,  
you should  
not return  
your proxy  
card.

Proposals & Voting Recommendations

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## 2017 Business Highlights

Our continued growth in 2017 reflects not only solid operating performance, but also accretive acquisitions, profitable joint ventures and third party management and an optimized balance sheet.

## Director Nominees

We are asking stockholders to elect seven directors to serve for a one-year term that will expire at the Company's 2019 annual meeting, or until their successors have been elected and qualified. Each director nominee is elected annually by the affirmative vote of at least a majority of the stockholders present in person or represented by proxy and entitled to vote for the election of directors.

## Nominees for Directors

The following table presents the name, age and the position(s) held by each person nominated as a director:

Name	Age	Title	Independent	Audit Committee	CNG Committee
Kenneth M. Woolley	71	Executive Chairman			
Joseph D. Margolis	57	Director and CEO			
Roger B. Porter	71	Lead Independent Director	X	X	X
Ashley Dreier	45	Director nominee	X		
Spencer F. Kirk	56	Director			
Dennis J. Letham	66	Director	X	X	
Diane Olmstead	65	Director	X	X	X

The board anticipates nominating Ms. Dreier to the Audit Committee and Mr. Letham to the Compensation, Nominating and Governance "CNG" Committee at the next board meeting.

Our director nominees bring a balance of experience and perspective. We believe that our board's expertise allows the board to effectively oversee management to ensure that the interests of the board of directors and management align with the interests of our stockholders.

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## Board Expertise and Diversity

	Risk Management	Real Estate Expertise	Financial Literacy	Finance and Capital Markets Transactions	Corporate Governance	Public Company Executive Experience	Public Company Board Experience*
Kenneth M. Woolley	X	X	X	X		X	X
Joseph D. Margolis	X	X	X	X	X	X	
Roger B. Porter	X		X	X	X		X
Ashley Dreier	X		X			X	
Spencer F. Kirk	X	X	X	X		X	X
Dennis J. Letham	X		X	X	X	X	X
Diane Olmstead	X	X	X	X	X		

\*excluding Extra Space Storage

In addition to the diversity of our directors' skills sets set forth above, our nominees for director come from diverse backgrounds including manufacturing, real estate, technology, academics and government. Our directors are also diverse in age and gender.

## Corporate Governance Highlights

We are committed to good corporate governance to promote the long-term interests of our stockholders, strengthen management accountability and help maintain public trust in the Company. The Corporate Governance section below describes our governance framework which includes the following highlights:

- Lead Independent Director
- Separate Chairman and Chief Executive Officer
- Anti-pledging policy for officers and directors
- Policy on recoupment of incentive compensation (claw-back policy)
- Director and executive officer stock ownership guidelines
- Regular succession planning
- No employment agreements with officers
- No stockholder rights plan (poison pill)
- Annual advisory vote to approve executive compensation
- Responsive to stockholder feedback
- Annual evaluations of our directors
- Annual election of all directors and majority voting in uncontested elections
- Stockholder ability to amend bylaws
- Proxy access provision in bylaws
- Oversight of risk by full board
- Majority voting for directors

#### Executive Compensation Highlights

We are requesting your non-binding vote to approve the compensation of our named executive officers (“NEOs”) as described in the "Executive Compensation" section of this proxy statement. The goals for our executive compensation program are to (i) attract, retain and motivate effective executive officers, (ii) align the interests of our executive officers with the interests of the Company and our stockholders and (iii) align market competitive compensation with our short-term and long-term performance. At the Company’s 2017 Annual Meeting of Stockholders, an advisory vote was held to approve executive compensation, thereby affording stockholders the opportunity to cast a vote on the compensation programs for our named executive officers. The result of these votes indicated 96% approval of the compensation paid to our named executive officers.

#### Executive Compensation

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#### Stockholder Outreach

After discussions with many of our stockholders, we decided to make several important changes to our charter documents and governance policies that we believe strengthen our governance framework, including amending our bylaws to implement proxy access and allow stockholders to amend the bylaws by a majority vote and adopting significant restrictions on the ability of our directors and executive officers to pledge their stock.

#### Sustainability Initiatives

We believe in a commitment to being good corporate citizens. That includes our ongoing efforts to improve the sustainability of our operations by installing solar panels, retrofitting properties with high-efficiency lighting systems, and replacing fixtures with energy-saving bulbs. Our sustainability efforts have been recognized having received LEED Gold Certification at 16 of our stores, and we continue to look for ways to make our facilities more efficient. We are committed to using recycled materials in the products we sell in our stores - from cardboard boxes to packing supplies - and finding ways to reduce our carbon footprint.

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INFORMATION ABOUT THE  
BOARD OF DIRECTORS AND ITS COMMITTEES

Nominees for Directors

KENNETH M. WOOLLEY      JOSEPH D. MARGOLIS

AGE: 71

AGE: 57

EXECUTIVE CHAIRMAN  
OF THE BOARD

CEO AND DIRECTOR

Experience:

Experience:

Mr. Woolley is the founder of our Company, served as our Executive Chairman and CEO from our formation through March 2009, Chief Investment Officer from July 2012 to July 2013 and was formerly Chief Executive Officer of our predecessor. Mr. Woolley resigned from his position as Chairman and CEO of the Company effective April 1, 2009, to serve a voluntary three-year mission for his church, during which time he remained as a director. Mr. Woolley has been involved in the self-storage industry since 1977. He has been directly responsible for developing over 165 properties and acquiring over 625 self-storage properties throughout the United States. Early in his career he was a management consultant with the Boston Consulting Group. From 1979 to 1998, he was an Associate Professor, and later an Adjunct Associate Professor of Business Administration at Brigham Young University, where he taught undergraduate and MBA classes in Corporate Strategy and Real Estate. Mr. Woolley has also

Joseph D. Margolis has served as our Chief Executive Officer since January 1, 2017. Previously, he served as our Executive Vice President and Chief Investment Officer (“CIO”) from July 2015 until December 31, 2016. Mr. Margolis served as a member of our board of directors from February 2005 until July 2015. From 2011 until July 2015, he also was Senior Managing Director and Partner at Penzance Properties, a vertically integrated owner, operator and developer of office and other properties in the Washington, D.C. metro area. Previously, Mr. Margolis was a co-founding partner of Arsenal Real Estate Funds, a private real estate investment management firm, from 2004 through 2011. Before forming Arsenal in 2004, Mr. Margolis held senior positions from 1992 to 2004 at Prudential Real Estate Investors in portfolio management, capital

developed more than 13,000 apartment units through his Las Vegas entity, Nevada West Partners. He is also a partner in New York based Gaia Real Estate, which owns 16,500 apartment units and 600,000 square feet of office space. He has also founded several companies in the retail, electronics, food manufacturing and natural resources industries. Mr. Woolley currently serves as a trustee and a member of the compensation committee of American Homes 4 Rent. Mr. Woolley holds a B.A. in physics from Brigham Young University and an M.B.A. and Ph.D. in business administration from the Stanford Graduate School of Business.

Qualifications:  
Mr. Woolley was selected to serve as Executive Chairman based on his experience and knowledge of our Company and his extensive experience in the real estate and self-storage industry.

markets and as General Counsel. Before that, Mr. Margolis worked for The Prudential Insurance Company of America as in-house real estate counsel from 1988 through 1992, and as a real estate associate at the law firm of Nutter, McClennen & Fish from 1986 through 1988.

Mr. Margolis is a graduate of Harvard College and Columbia University School of Law. Qualifications:  
Mr. Margolis has been nominated to our board based on his knowledge of the Company and his extensive finance and real estate experience.

INFORMATION ABOUT THE BOARD OF DIRECTORS AND ITS COMMITTEES

ROGER B. PORTER

AGE: 71

ASHLEY DREIER

LEAD INDEPENDENT  
DIRECTOR

AGE: 45

COMMITTEES:

NOMINEE FOR DIRECTOR

Audit and  
CNG (Chairman)

Experience:

Mr. Roger B. Porter is the IBM Professor of Business and Government at Harvard University. Mr. Porter has twice served as a director for Harvard's Center for Business and Government. Mr. Porter served for more than a decade in various senior economic policy positions in the Ford, Reagan and George H.W. Bush White Houses. Under President George H.W. Bush, Mr. Porter served as Assistant to the President for Economic and Domestic Policy from 1989 to 1993. Mr. Porter is a director of Tenneco, Inc., Zions Bancorporation and Packaging Corporation of America. Mr. Porter served as a director of Pactiv Corporation from November 1999 through November 2010.

Mr. Porter holds a B.A. from Brigham Young University and was

Experience:

Ashley Dreier has served as the Executive Vice President, Chief Technology Officer and Chief Information Officer of HealthEquity, Inc., one of the nation's largest health savings account custodians, since 2013. Ms. Dreier is responsible for leading HealthEquity's technology initiatives and ensuring strategic alignment and execution of the platform strategy across the organization. Prior to joining HealthEquity, Ms. Dreier served as Vice President Technology and Product Development at Krames StayWell where she was responsible for strategy and the delivery of core product offerings. Her professional background also includes Director of Product Development at General Electric Company, Director of Software Project Management and Director of Information Systems at Wolters Kluwer and Sr. Financial Analyst at The Boeing Company. Ms. Dreier holds a B.S. in Accounting and an M.S. in

selected as a Rhodes Scholar and Woodrow Wilson Fellow, receiving his B.Phil. from Oxford University. He received his M.A. and Ph.D. from Harvard University. He has been a member of our board of directors since August 2004.

Qualifications:

Mr. Porter was selected to serve as our lead independent director, as a member of our board and as our CNG Committee chairman based on his unique perspective on broad economic issues and trends, strategic management, insight into government regulations and policy and his experience on several major public company boards.

Information Systems from the University of Utah.

Qualifications:

Ms. Dreier has been nominated to our board based on her technological expertise as well as her experience as an executive officer of a public company.



INFORMATION ABOUT THE BOARD OF DIRECTORS AND ITS COMMITTEES

SPENCER F. KIRK

AGE: 56

DIRECTOR AND FORMER CEO

DENNIS J. LETHAM

AGE: 66

DIRECTOR

COMMITTEES:  
Audit

<p>Experience:</p> <p>Mr. Spencer F. Kirk served as the Company's CEO from April 1, 2009 until his retirement on December 31, 2016. In addition, he has served as a director of the Company since its initial public offering in 2004, serving as the Company's Chairman from April 1, 2009 until July 1, 2012. Previously, Mr. Kirk served as the Company's President from September 2007 to April 2009 and as an Executive Vice President of the Company's predecessor from 1998 to 2004. As the owner of more than 2.8 million shares, Mr. Kirk is the Company's largest private individual stockholder. Before his involvement with the Company,</p>	<p>Experience :</p> <p>Dennis J. Letham served as Executive Vice President and Chief Financial Officer of Anixter International Inc. from 1995 until his retirement in June 2011, where he oversaw the company's finance, accounting, tax, legal, human resources and internal audit activities in 50 countries. Before assuming his role as Chief Financial Officer in 1995, Mr. Letham served as Executive Vice President and Chief Financial Officer of Anixter, Inc. the principal operating subsidiary of Anixter International Inc., which he joined in 1993. Previously, he had a 10-year career with National Intergroup Inc., where he was Senior Vice President and Chief Financial Officer, as well as Vice President</p>
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Mr. Kirk co-founded and Controller, Megahertz Corporation in 1985, which became the leading manufacturer of modems for laptop computers in the world. With Mr. Kirk serving as Chairman and CEO, Megahertz grew from a basement operation to the leading supplier of solution-oriented mobile data communications products. Megahertz went public in 1993 and in 1995 was acquired by US Robotics, which was later acquired by 3Com Corporation. Mr. Kirk holds a B.A. in finance and an M.B.A. from the University of Utah. Qualifications: Mr. Kirk was selected to serve as a member of our board based on his knowledge of the Company and the self-storage industry and his extensive experience in the management of public companies.

and Controller, Director of Corporate Accounting and Manager for Internal Audit. Mr. Letham began his career at Arthur Andersen & Co. in 1973 where he held progressive responsibilities in the Audit Department. Mr. Letham holds a bachelor's degree from Pennsylvania State University's Accounting Honors program. He also is a Certified Public Accountant. Mr. Letham was a director of Interline Brands, Inc. through August 2015. He currently serves as a director for Tenneco Inc. Qualifications: Mr. Letham was selected to serve as a member of our board based on his extensive experience in finance and service as an executive officer and director of public companies.

INFORMATION ABOUT THE BOARD OF DIRECTORS AND ITS COMMITTEES

DIANE OLMSTEAD

AGE: 65

DIRECTOR

COMMITTEES:

Audit and CNG

Experience:

Diane Olmstead is a managing partner at Haring Street Ventures where she provides clients with strategic planning and capital formation consulting. She was previously the Chief Investment Officer at Bridge Housing Corporation from 2016 to 2018.

Ms. Olmstead was responsible for balance sheet structure and management, capital formation and bridge lending through its Community Development Financial Institution and philanthropy.

Prior to Bridge Housing, Ms. Olmstead was Co-CEO of W3 Partners from 2009-2016 where she oversaw W3's real estate acquisitions, financing activities, fundraising and client relations. Prior to W3

Partners,

Ms. Olmstead was a principal at CIM Group from 2005 to 2009, where she headed acquisitions and development in Northern California and the Pacific Northwest and was a voting member of the investment committee. Prior to CIM Group, from 2000 to 2005,

Ms. Olmstead was an Executive VP of iStar and responsible for all activities in iStar's Western Region, including origination of structured finance transactions and acquisitions of triple net leases. From 1983 to 2000,

Ms. Olmstead worked in positions of asset management, lending, acquisitions and equity raising with Arthur Andersen LLP, USF&G Corporation, Cigna Corporation and Aetna, Inc.

Ms. Olmstead received an MBA from Pepperdine University. She serves on the board of Synedgen, Inc. and is a member of the Urban Land Institute and the Policy Advisory Board of the Fisher Center for Real Estate and Urban Development (UC Berkeley).

Qualifications:

Ms. Olmstead was selected to serve as a member of our board based on her experience in real estate investing, acquisitions and corporate finance.

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## CORPORATE GOVERNANCE

## Overview

The board of directors believes that the purpose of good corporate governance is to ensure that the board of directors is independent from management, adequately oversees management, and ensures that the interests of management and the board of directors align with the interests of our stockholders in order to maximize stockholder value in a manner consistent with all applicable legal requirements. Consequently, the Company has adopted corporate governance guidelines titled “Corporate Governance Guidelines,” which are available at [www.extraspace.com](http://www.extraspace.com) under Investor Relations—Corporate Governance.

NAME	AGE	TITLE	2017 Director	2018 Nominee	Independent	Audit Committee	CNG Committee
Kenneth M. Woolley	71	Executive Chairman	X	X			
Joseph D. Margolis	57	Director and CEO	X	X			
Roger B. Porter (1)	71	Lead Independent Director	X	X	X	X	X
Ashley Dreier	45	Director nominee		X	X		
Spencer F. Kirk	56	Director	X	X			
Dennis J. Letham	66	Director	X	X	X	X	
Diane Olmstead	65	Director	X	X	X	X	X
K. Fred Skousen (2)	75	Director	X		X	X	X

The board anticipates nominating Ms. Dreier to the Audit Committee and Mr. Letham to the CNG Committee at the next board meeting.

(1) Current CNG Committee Chairman.

(2) Current Audit Committee Chairman. Mr. Skousen is not standing for re-election at the 2018 annual meeting.

## Director Independence

In accordance with the New York Stock Exchange (“NYSE”) rules, the board of directors affirmatively determines the independence of each director and nominee for election as a director in accordance with the listing standards of the NYSE. We have not adopted any additional standards for independence outside those listed by the NYSE. The listing requirements of the NYSE require that a majority of the members of a listed company’s board of directors and that all members of its audit committee and compensation, nominating and governance committee be independent.

To determine which of its members are independent, the board of directors used the independence standards adopted by the NYSE for companies listed on such exchange. In addition, the board of directors considers whether a director has or had any other past or present relationships with the Company which created conflicts. Based on these standards, the board of directors has determined that all of the Company’s non-employee directors, with the exception of Spencer F. Kirk, are independent and have no relationship with the Company, except as a director and stockholder of the Company.

## Nomination of Directors

Nominees for director are selected by the CNG Committee. The board of directors has developed criteria that are designed to describe the qualities and characteristics desirable for the board of directors as a whole. In addition, the board of directors understands the importance of diversity among its directors. The CNG Committee's goal in the nominating process is to achieve an appropriate balance of knowledge and experience amongst its directors. The CNG Committee considers diversity of gender, age, experience, perspective and skills as important factors in choosing the most qualified candidates. In evaluating potential candidates to nominate to our board, the CNG Committee seeks diverse candidates who will best serve the Company and whose expertise align with the Company's long-term strategy to maximize stockholder value. The criteria and the effectiveness of our nomination policies are reviewed annually by the CNG Committee and the board of directors. In general, they require that each director or nominee:

- is committed to enhancing long-term stockholder value and possesses a high level of personal and professional ethics;
- has sound business judgment and integrity;
- has financial literacy or other business or professional experience relevant to understanding our business;

has the ability to think and act independently; and  
has demonstrated the capacity to work constructively with others.

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## CORPORATE GOVERNANCE

The CNG Committee will consider nominees recommended by stockholders. Stockholder recommendations of directors must be made in writing and include the candidate's written consent to be nominated and sufficient background information on the candidate to enable the committee to assess his or her qualifications. Stockholder recommendations should be addressed to the Company's Corporate Secretary at the following address:

Extra Space Storage Inc.

Attn: Corporate Secretary

2795 East Cottonwood Parkway, Suite 300

Salt Lake City, Utah 84121

Recommendations received from stockholders will be considered and processed subject to the same criteria as candidates nominated by the CNG Committee, as discussed above.

### Communications with the Board and its Committees

Any stockholder or other interested party may communicate with the board of directors, the independent board members, the Chairman, any of the committees of the board of directors, or one or more of its individual members, by directing correspondence to any such individual or group of individuals in care of the Corporate Secretary, Extra Space Storage Inc., 2795 East Cottonwood Parkway, Suite 300, Salt Lake City, Utah 84121 or by referring to the "Stockholder Communication Policy" at [www.extraspace.com](http://www.extraspace.com) under Investor Relations—Corporate Governance.

### Claw-backs to Recoup Compensation

The Company has a Compensation Recovery Policy (claw-back policy) that covers all executive officers. If any executive officers are involved in fraudulent, willful or negligent misconduct that results in the Company being required to prepare an accounting restatement due to its material non-compliance with any financial reporting requirement, then the CNG Committee may require the executive officers to forfeit that portion of the unvested or unpaid incentive compensation (annual cash bonus and long-term equity incentive compensation) and/or recover that portion of the after-tax portion of any incentive compensation paid to such officers preceding the publication of the restated financial statement that the CNG Committee determines was in excess of the amount that such officers would have received had such compensation been calculated based on the financial results reported in the restated financial statements.

The CNG Committee may take into account any factors it deems reasonable in determining whether to seek recoupment of previously paid incentive compensation and how much incentive compensation to recoup from individual officers (which need not be the same amount or proportion for every officer), including any conclusion by the CNG Committee that an officer engaged in wrongdoing. The amount and form of the compensation to be recouped will be determined by the CNG Committee in its discretion, and recoupment of compensation paid as annual cash bonuses or long term incentives may be made, in the CNG Committee's discretion, through cancellation of vested or unvested restricted stock awards and/or cash payment. The CNG Committee intends to update the claw-back policy as necessary in the event that the Securities and Exchange Commission ("SEC") requires any such updates.

### Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics (the "Code") outlines the principles of conduct and ethics to be followed by our employees, officers and directors, including our principal executive officer, principal financial officer and principal accounting officer. The purpose of the Code is to:

- promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- promote avoidance of conflicts of interest, including disclosure to an appropriate person or committee of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- promote full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the SEC and in other public communications made by the Company;
- promote compliance with applicable governmental laws, rules and regulations;
- promote the prompt internal reporting to an appropriate person or committee of violations of the Code;
- promote accountability for adherence to the Code;
- provide guidance to employees, officers and directors to help them recognize and deal with ethical issues; and



provide mechanisms to report unethical conduct and help foster our longstanding culture of honesty and accountability.

A copy of the Code has been provided to, and signed by, each of our directors, officers and employees. A copy of the Code may be found on our website at <http://ir.extraspace.com> under Corporate Governance.

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## CORPORATE GOVERNANCE

### Whistleblowing and Whistleblower Protection Policy

The Audit Committee has established procedures for (1) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (2) the confidential and anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters. If you wish to contact the Audit Committee to report complaints or concerns relating to the financial reporting of the Company, you may do so by (a) calling the Compliance Hotline at 1-800-637-9894, (b) emailing the Company's Compliance Email Box at [whistleblower@extraspace.com](mailto:whistleblower@extraspace.com), or (c) delivering the report via regular mail, which may be mailed anonymously, to the Audit Committee, c/o Extra Space Storage Inc., 2795 East Cottonwood Parkway, Suite 300, Salt Lake City, Utah 84121.

### Bylaw Amendments

In February 2018, our board of directors amended our bylaws to implement proxy access. A stockholder or a group of up to 20 stockholders, owning at least 3% of our shares for three years, may submit nominees for up to 20% of the board, or one "nominee", whichever is greater, for inclusion in our proxy materials, subject to complying with the requirements contained in our bylaws. In addition, the board amended our bylaws to allow stockholders the right to amend the bylaws by the affirmative vote of a majority of the votes entitled to be cast on the matter.

### Stockholder Engagement

We encourage open communication and strong working relationships among the members of our board. Our directors have access to, and regularly meet with, senior management and other employees. We actively seek input from our stockholders through our stockholder engagement programs. In addition, stockholders may also contact members of our board or management through our website or by regular mail. We host quarterly earnings conference calls to which all stockholders have access. During the past three years we have adopted a number of significant governance changes as a result of outreach to our stockholders for their views. During each of the last three years, we have met or been in contact with a majority of our stockholders. Based on that outreach, we believe the combination of actions we have taken present an overall governance structure responsive to their views.

### Retirement Age or Term Limits

Rather than imposing arbitrary limits on service, the Company regularly (and at least annually) reviews each director's continued role on the board and the need for periodic board refreshment. Over the past four years, the board has nominated and stockholders have elected five new directors, including replacing three directors who had served since the Company's IPO.

### Pledging Limitations

The CNG Committee approved limitations on pledging transactions by our directors and senior executives. Such pledges are only allowed with respect to shares held in excess of stock ownership requirements and only after obtaining the written permission of the CNG Committee. The CNG Committee believes that allowing pledges in excess of the stock ownership requirements is unlikely to result in adverse effects to stockholders. The CNG Committee also recognizes that by allowing such pledging arrangements, directors and senior executives are able to pursue their respective business interests without the need to sell Company shares to raise additional capital.

### Social Engagement

Our greatest asset is our people. We strongly believe in training and retaining talented employees and having management at many levels engage with our board. Furthermore, we foster and encourage community engagement. Beginning in 2018, employees located at the corporate office can participate in our volunteer program that allows them to receive an amount of paid time off to use toward community service.

### Sustainability

Focusing on environmental sustainability is not only the right thing to do, it is the smart thing to do. Our goal is to be the provider of choice for energy efficient and sustainable self-storage facilities nationwide. Our board plays an active role in the oversight of the Company's sustainability practices, recognizing that sustainability and energy efficiency are central to Extra Space's business strategy. Our efforts in promoting sustainability and energy efficiency are backed by a record of action. Across our portfolio we focus on:

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Improving energy efficiency through lighting retrofits. Since we started this initiative, retrofits have been completed at 351 stores;

• Installing solar panels. Since we started this initiative, we have installed solar panels at 221 stores;

• Decreasing heating and air-conditioning expenses by controlling temperatures and updating to energy efficient systems;

• Reducing water consumption with efficient plumbing devices and irrigations systems; and

• Using recycled materials in the products we sell in our stores.

Our sustainability efforts have been recognized having received LEED Gold Certification at 16 of our stores.

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LEADERSHIP STRUCTURE, RISK OVERSIGHT, MEETINGS AND COMMITTEES OF THE BOARD

Leadership Structure

Independent directors and management have different perspectives and roles in strategy development and execution. Our independent directors bring experience, oversight and expertise from outside the Company and across various industries and disciplines, including the self-storage industry, finance, public company management and academics. Our Executive Chairman, CEO and our former CEO bring extensive company-specific experience and expertise to their roles.

Our board of directors has separated the positions of chairman of the board and chief executive officer. Mr. Woolley serves as the Company's Chairman, and Mr. Margolis serves as the Company's CEO and director. Our board of directors has determined that this leadership structure is appropriate at this time as it allows the CEO to focus on our day-to-day business, while allowing the Executive Chairman of the board of directors to lead the board in its fundamental role of providing advice to and independent oversight of management.

The board has a governance structure that includes regular meetings of the independent directors in executive session and with the Company's internal auditors, external auditors and other consultants. Our lead independent director helps to facilitate and strengthen the role of the independent directors. The specific responsibilities of the lead independent director are currently as follows:

- Executive Sessions/Committee Meetings
  - Presides at all meetings of the board at which the chairman is not present, including executive sessions of the independent directors (generally held at every regular board meeting)
  - Attends meetings of the various board committees regularly
- Meetings of Independent Directors
  - Has the authority to call meetings of the independent directors and set the agenda
- Board Evaluations
  - Oversees annual evaluations of the board, board committees and individual directors, including an evaluation of the chairman's effectiveness as the chairman
- Liaison with Chairman and CEO
  - Serves as liaison between the independent directors and the chairman
  - Meets regularly between board meetings with the chairman and CEO
- Board Processes and Information
  - Helps ensure the quality, quantity, appropriateness and timeliness of information provided to the board and meeting agendas
  - Ensures feedback is properly communicated to the board and chairman
- Retention of Outside Advisors and Consultants
  - Has authority to retain outside advisors and consultants who report directly to the board
- Communications with Stockholders
  - Responds to stockholder inquiries when appropriate, following consultation with the chairman and CEO
  - Communicates with stockholders when appropriate, following consultation with the chairman and CEO

Risk Oversight

The board of directors believes that an important part of its responsibilities is to oversee and coordinate with management to assess the major risks that we face and to review our options for monitoring and controlling these risks. At board meetings, management discusses with the board of directors matters of particular importance or concern, including any significant areas of risk meriting board attention. The Board considers cybersecurity an important risk and receives regular updates on cyber risks specific to the Company. The Audit Committee has specific responsibility for discussing and reviewing policies with respect to risk assessment and risk management, including setting guidelines and policies to govern the process by which risk assessment and risk management is undertaken. The Audit Committee takes an active role in this process and communicates the results to the full board of directors. The CNG Committee oversees risks relating to our compensation policies and practices, as well as CEO and executive officer succession, and provides reports to the full board of directors. The CNG Committee works with a compensation risk analysis committee that is comprised of members of management, which has the responsibility to review our compensation policies as they relate to risk management practices and risk-taking incentives. We have conducted a risk assessment of our compensation programs and policies from a legal and human resources perspective

and reviewed and discussed this assessment with the CNG Committee. Based on this assessment, we concluded that we do not have any compensation programs or practices that would reasonably be likely to have a material adverse effect on our Company.

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## LEADERSHIP STRUCTURE, RISK OVERSIGHT, MEETINGS AND COMMITTEES OF THE BOARD

### Attendance at Meetings of the Board and its Committees

The board of directors holds at least four regularly scheduled meetings per year and additional special meetings as necessary. Each director is expected to attend all regularly scheduled and special meetings, unless unusual circumstances make attendance impractical. The board of directors may also take action from time to time by written or electronic consent. For the year ended December 31, 2017, our board and its committees maintained strong oversight over our management and business in holding a total of eight meetings on financial and operational results, governance, compensation and other topics. Each director attended at least 75% of the meetings of the board of directors and of any committees on which he or she served during this period.

### Committees of the Board of Directors

The board of directors has two standing committees: the Audit Committee and the CNG Committee. The committees on which each director serves are listed above in “Information about the Board of Directors and its Committees—Nominees for Directors.”

### AUDIT COMMITTEE

The Audit Committee has direct responsibility for the appointment, compensation, retention and oversight of the independent auditors for the Company, and sole authority to establish pre-approval policies and procedures for audit and non-audit engagements with the independent auditors. The Audit Committee also oversees the operation of a comprehensive system of internal controls designed to ensure the integrity of the financial statements and reports and compliance with laws, regulations and corporate policies of the Company. Additionally, the Audit Committee oversees the independent auditor’s qualifications, performance and independence; monitors communications with the independent auditor; and monitors the performance of the internal audit function at the Company. A copy of the Audit Committee’s charter is available at the Company’s website <http://ir.extraspace.com> under Corporate Governance. In accordance with the rules of the NYSE, the board of directors has determined that each of the current members of the Audit Committee is independent as defined by the Audit Committee’s charter and Section 303A of the NYSE Listing Standards.

As set forth in the Audit Committee’s charter, management of the Company is responsible for the preparation, presentation and integrity of the Company’s financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies, and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The internal auditors are responsible for independently assessing the principles, policies, internal controls and procedures surrounding the financial statements as well as monitoring management’s follow-up to any internal audit reports. The external auditors are responsible for planning and carrying out a proper audit of the Company’s annual financial statements, reviews of the Company’s quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q, and annually auditing the effectiveness of the Company’s internal controls over financial reporting and other procedures. The members of the Audit Committee are not full-time employees of the Company and are not performing the functions of auditors or accountants. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures or to set auditor independence standards. The board of directors has designated Mr. Skousen as an “audit committee financial expert” as defined in the SEC’s Regulation S-K, Item 407(d)(5).

### REPORT OF THE AUDIT COMMITTEE

The Audit Committee assists the board of directors in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the Company, as well as the Company’s compliance with corporate policies and legal and regulatory requirements, including the Sarbanes-Oxley Act of 2002. During fiscal year 2017, the Audit Committee met eleven times, and discussed with the CEO, Chief Financial Officer (“CFO”), Principal Accounting Officer, internal auditors and independent registered public accounting firm (external auditors), the SEC filings that contained financial information, prior to their public release. The Audit Committee’s meetings include executive sessions with the Company’s external and internal auditors, in each case without the presence of the Company’s management.

In discharging its oversight responsibility, the Audit Committee received from the external auditors a formal written statement describing all relationships between the external auditors and the Company that might bear on the external auditors' independence and discussed with the external auditors their independence and any relationships that may impact their objectivity and independence. The Audit Committee also discussed with management, internal auditors and external auditors the quality and adequacy of the Company's internal controls and the internal audit function's organization and responsibilities. The Audit Committee reviewed both with the external and internal auditors their audit plans, audit scope and identification of audit risks.

In carrying out its responsibilities, the Audit Committee, among other things:

- monitors preparation of quarterly and annual financial reports by the Company's management;

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## LEADERSHIP STRUCTURE, RISK OVERSIGHT, MEETINGS AND COMMITTEES OF THE BOARD

supervises the relationship between the Company and its external auditors, including: having direct responsibility for their appointment, compensation and retention; reviewing the scope of their audit services; approving audit and non-audit services; and confirming the independence of the external auditors; oversees management's implementation and maintenance of effective systems of internal and disclosure controls, including review of the Company's policies relating to legal and regulatory compliance, ethics and conflicts of interests and review of the Company's internal auditing program; and reviews, approves and/or ratifies related-party transactions for which such approval is required under applicable law, including SEC and NYSE rules.

During fiscal year 2017, management advised the Audit Committee that each set of financial statements reviewed and discussed by management with the committee had been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). In addition, management reviewed significant accounting and disclosure issues with the Audit Committee. These reviews included discussion with the external auditors of matters required to be discussed pursuant to AS 1301 (Communications with Audit Committees), as adopted by the Public Company Accounting Oversight Board ("PCAOB") including the quality of the Company's accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee also discussed with Ernst & Young LLP matters relating to its independence, including a review of audit and non-audit fees and the written disclosures and letter from Ernst & Young LLP to the Audit Committee pursuant to Rule 3526 of the PCAOB (Communication with Audit Committees Concerning Independence).

In addition, the Audit Committee reviewed key initiatives and programs aimed at strengthening the effectiveness of the Company's internal and external disclosure control structure. As part of this process, the Audit Committee met privately with the Company's Director of Internal Audit and continued to monitor the scope and adequacy of the Company's internal auditing program, reviewing internal audit department staffing levels and steps taken to implement recommended improvements in internal procedures and controls. The Audit Committee conducted a performance self-evaluation for review with the board of directors that included a comparison of the performance of the Audit Committee with the requirements of its charter.

Taking all of these reviews and discussions into account, the Audit Committee members listed below recommended to the board of directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, for filing with the SEC.

Submitted by the Audit Committee,

K. Fred Skousen, Chairman

Dennis J. Letham

Diane Olmstead

Roger B. Porter

## COMPENSATION, NOMINATING AND GOVERNANCE COMMITTEE

The CNG Committee operates under a written charter adopted by the board of directors, a copy of which is posted on the Company's website at [www.extraspace.com](http://www.extraspace.com) under Investor Relations—Corporate Governance. The CNG Committee assesses the adequacy of its charter annually. The charter, which reflects the standards set forth in the SEC and NYSE rules and regulations, identifies the CNG Committee's primary duties and responsibilities as follows:

• set corporate governance principles;

• adopt a code of ethics;

• monitor the Company's compliance with corporate governance requirements of federal and state law and the rules and regulations of the NYSE;

• review and determine the desirable balance and diversity of experience, qualifications and expertise among members of the board of directors;

• review possible candidates for membership on the board of directors (including recommendations proposed by stockholders) and recommend a slate of nominees for election as directors at the Company's annual meeting of stockholders;



- review the function and composition of the committees of the board of directors and recommend membership on such committees;
- oversee the board of directors' evaluation of itself and its committees;
- examine periodically the philosophy and structure of the Company's compensation programs; and
- oversee and act on behalf of the board of directors with respect to the benefit and compensation plans of the Company.

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## LEADERSHIP STRUCTURE, RISK OVERSIGHT, MEETINGS AND COMMITTEES OF THE BOARD

The CNG Committee's primary responsibilities with respect to compensation are to:

- establish the Company's total compensation philosophy, and ensure that the compensation programs of the Company reflect that philosophy;
- evaluate the CEO's performance in light of clearly established goals and objectives and establish the compensation of the CEO;
- review and approve the CEO's compensation recommendations with respect to other executives;
- monitor awards under the Company's equity compensation plans; and
- report to the board of directors in its meetings and executive sessions.

The CNG Committee regularly reviews communications from stockholders and responds directly or through the Chief Legal Officer. In performing its duties, the CNG Committee has the authority to take such action as it deems appropriate to implement the purposes of the CNG Committee. The CNG Committee may retain legal, accounting or other consultants, and meet in separate executive sessions with the Company's management and employees and its compensation consultant.

The CNG Committee has retained Mercer as its independent compensation consultant to advise the CNG Committee in connection with matters pertaining to director and executive compensation, including advising as to market levels and practices, plan design and implementation, peer group, consulting best practices and governance principles. Mercer also provides other services to the Company. Fees paid to Mercer during 2017 for director and executive compensation consulting services totaled \$63,310. Fees paid to Mercer for healthcare administration services in 2017 totaled \$49,000. The CNG Committee has determined, and Mercer has affirmed, that Mercer's work does not present any conflicts of interest and that Mercer is independent. In reaching these conclusions, the CNG Committee considered the factors set forth in Exchange Act Rule 10C-1 and NYSE listing standards. During 2017 the CNG Committee held five meetings.

### COMPENSATION, NOMINATING AND GOVERNANCE COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

All members of the CNG Committee are independent under NYSE listing standards. During 2017, none of the executive officers of the Company served on the board of directors or compensation committee of any entity whose officers served either on the board of directors of the Company or on the CNG Committee of the board of directors. No member of the CNG Committee has ever been an officer or employee of the Company or any of its subsidiaries.

### POLICY REGARDING BOARD ATTENDANCE AT STOCKHOLDERS MEETINGS

We encourage attendance at stockholders meetings by members of the board of directors and senior executives so that stockholders will have the opportunity to meet our directors and senior executives. All of our then-current board members attended the 2017 annual meeting of stockholders, with the exception of Roger B. Porter who was unable to attend due to a family emergency.

## DIRECTOR COMPENSATION

All non-employee directors receive an annual board retainer fee of \$65,000 to be paid in cash, and an award on the date of each annual meeting of shares of common stock equivalent in value to \$100,000 (to the nearest share), with the number of shares determined by the closing price of our common stock on the date of the annual meeting. The lead independent director receives an additional annual retainer fee of \$10,000. Directors who serve as the chair of the Audit Committee and CNG Committee receive an annual committee retainer fee of \$20,000. Directors who serve on the Audit Committee and CNG Committee receive an annual committee retainer fee of \$7,500. The Company does not pay any meeting fees to its directors. The following table presents the compensation paid to the Company's non-employee directors in 2017:

Name	Fees earned or paid in cash	Stock awards (1)	Total
Karl Haas (2)	\$ 16,250	\$ —	\$ 16,250
Spencer F. Kirk	65,000	100,000	165,000
Dennis Letham	72,500	100,000	172,500
Diane Olmstead	80,000	100,000	180,000
Roger B. Porter	102,500	100,000	202,500
K. Fred Skousen (3)	92,500	100,000	192,500
Total	\$ 428,750	\$ 500,000	\$ 928,750

Each non-employee director received 1,318 shares of vested common stock on May 18, 2017. Dollar amounts represent grant date fair value of such grants as determined in accordance with Accounting Standards Codification (1) 718, "Stock Compensation" ("ASC 718") using the assumptions to value such awards reported in the notes to the Company's financial statements in its Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on March 1, 2018. None of our non-employee directors held any unvested stock awards or stock options as of December 31, 2017.

(2) Mr. Haas served on the board of directors through May 18, 2017. The cash fees paid are a pro-rated amount for his service from January 1, 2017 through May 18, 2017.

(3) Mr. Skousen is not standing for re-election at the 2018 Annual Meeting.

During 2017, Mr. Margolis and Mr. Woolley served as directors and were also executive officers of the Company (although Mr. Woolley is not a named executive officer for 2017 and, thus, does not appear in the compensation tables included elsewhere in this proxy statement). As employees, they did not receive any additional compensation for their services as directors. In accordance with SEC rules, we have excluded Messrs. Margolis and Woolley from the table above.

#### Stock Ownership Guidelines for Directors

We have stock ownership guidelines that require each of our non-employee directors, within five years after appointment to the board, to hold shares of our common stock, restricted stock or stock options (whether or not vested) with a value equal to the sum of five times the annual cash portion of the board retainer. These stock ownership guidelines align our directors' interests with those of our stockholders by ensuring non-employee directors hold equity in the Company. Each non-employee director has met these guidelines as of December 31, 2017.

EXECUTIVE OFFICERS

Information for Joseph D. Margolis and Kenneth M. Woolley is contained previously under the heading “Information about the Board of Directors and its Committees—Nominees for Directors.” Information with regard to our other executive officers is presented below. All of our executive officers are elected as officers at the annual organizational meeting of the board of directors held following each annual meeting of stockholders.

SCOTT STUBBS

AGE: 50

TITLE:

Executive Vice President and Chief Financial Officer

Scott Stubbs has served as our Chief Financial Officer since December, 2011. He served as the Company’s Senior Vice President Finance and Accounting since our inception, and the Corporate Controller of our predecessor beginning in December 2000. Prior to joining our predecessor, Mr. Stubbs served as Chief Financial Officer of the Lyon Company from June 2000 through December 2000. From 1995 through 2000, he served as the U.S. Controller of Critchley Inc. and from November 1992 through June 1995, he worked at Neilson, Ellgren, Durkin & Co. as a consultant. Mr. Stubbs is a licensed CPA and holds a B.S. and a Masters in Accountancy from Brigham Young University. Mr. Stubbs currently serves as a member of the board of directors of ZAGG Inc. and as the audit committee chairman.

JAMES L. OVERTURF

AGE: 51

TITLE:

Executive Vice President and Chief Marketing Officer

James L. Overturf has served as Chief Marketing Officer (“CMO”) since May 2014. Previously, he held senior leadership positions with the Company in marketing and investor relations from August 2004 to May 2014 under various titles including Senior Vice President of Marketing and Senior Vice President of Investor Relations. Mr. Overturf also served as Vice President of Marketing for our predecessor from February 1999 to August 2004. Prior to joining our predecessor, he was Director of Marketing at 3Com Megahertz Corporation from November 1997 to February 1999. From May 1994 to August 1997, he served as Marketing Manager at Fidelity Trust Company, a subsidiary of Fidelity Investments. Mr. Overturf holds a B.S. in marketing from Montana State University.

GWYN G. MCNEAL

AGE: 49

TITLE:

Executive Vice President and Chief Legal Officer

Gwyn G. McNeal has served as Chief Legal Officer since July 2013. Ms. McNeal has been with the Company since 2005. Prior to her current role she was the Vice President and Associate General Counsel of the Company, providing legal support to the Company’s operations team along with overseeing litigation, employment law matters and intellectual property. Ms. McNeal began her career practicing law with Latham & Watkins LLP, San Diego from 1992 to 2000. She then served as General Counsel for 3form, Inc. from 2000 to 2003. Prior to joining the Company, Ms. McNeal represented the Company as external counsel with Nelson Christensen & Helsten. Ms. McNeal holds a B.A. from Brigham Young University and a J.D. from the University of Southern California.

SAMRAT SONDHI

AGE: 43

TITLE:

Executive Vice President and Chief Operations Officer

Samrat Sondhi has been a member of the Company’s senior management team since 2008 and with the Company since 2003. He has served in various roles including Divisional Vice President, covering core markets across the United States, and Senior Vice President Revenue Management, playing a key role in the evolution of pricing strategy and execution for the self-storage industry. Prior to joining the Company, Mr. Sondhi served as the Vice President Revenue Management for Storage USA for two years. Prior to joining Storage USA, Mr. Sondhi worked as a consultant with Deloitte Consulting from 2001 to 2002. Mr. Sondhi holds an M.B.A. degree from Carnegie Mellon University and a B.S. in electronics from Pune University, India.

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## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### GENERAL PHILOSOPHY

The philosophy underlying our executive compensation policies is to align management's incentives with the long-term interests of stockholders and to be competitive with comparable employers. Accordingly, we have structured the executive compensation program around the following guiding principles and objectives:

• Pay for performance;

• Market-based approach for evaluating and reviewing executive pay;

• Caps on annual and long-term incentives;

• No employment agreements for executive officers;

• Claw-back policy on compensation;

• Stock ownership requirements for executives; and

• 50% of long-term incentive awards include performance based units subject to three-year performance periods to ensure long-term performance is assessed.

#### SETTING EXECUTIVE COMPENSATION

Based on our philosophy underlying executive compensation policies, we place significant emphasis on annual and long-term performance-based incentive compensation, including, in addition to base salaries for our executives, annual cash incentives, and long-term equity based incentive awards, which are all designed to reward our executives based on the achievement of predetermined company and individual goals. We also consider historical compensation levels as well as other industry conditions and the overall effectiveness of our compensation program.

In order to ensure the fulfillment of the general philosophy as outlined above and to assist in establishing the Company's aggregate level of compensation, the CNG Committee engages a nationally recognized compensation consulting firm, Mercer, which reports directly to the CNG Committee.

Working with Mercer for the purpose of evaluating and setting 2017 compensation for our NEOs, the CNG Committee developed a list of 16 comparable real estate investment trusts ("REITs") that are similar to the Company in enterprise value, number of employees, number of properties, and total revenue. The CNG Committee also took into consideration such elements as joint venture properties and unconsolidated revenues. The companies used in the comparator group, which was unchanged from 2016, are:

- American Campus Communities
- Duke Realty Corporation
- Apartment Investment and Management Company
- Equity Lifestyle Properties, Inc.
- AvalonBay Communities, Inc.
- Essex Property Trust, Inc.
- Camden Property Trust
- Liberty Property Trust
- Life Storage, Inc.
- CubeSmart
- Mid America Apartment Communities Inc.
- Public Storage
- Regency Centers Corporation
- Taubman Centers, Inc.
- UDR, Inc.
- Weingarten Realty Investors

The group includes three direct competitors: Public Storage, Life Storage, Inc. and CubeSmart. The remaining companies represent publicly traded REITs with market capitalizations comparable to Extra Space and that generally recruit individuals to fill senior management positions who are similar in skills and background of those recruited by us.

The CNG Committee attempts to design programs that deliver total compensation for executives that approximates the 50th percentile of the comparator group for the achievement of "at target" performance. Actual payouts may be above or below the 50th percentile depending on actual performance compared to the target and based on individual performance related goals. Mercer prepares market data based on our comparator group regarding salary, annual cash

incentive award targets, and long-term incentive compensation awards.

Mercer also provides advice directly to the CNG Committee as it makes decisions with respect to compensation for the CEO. Our CEO reviews and recommends to the committee the annual salary, incentive plan target and long-term stock-based compensation for each of our executive officers. The committee reviews those recommendations and makes a final determination with respect to such compensation. The compensation that is developed for each of these officers is based on competitive market data and on the CEO's

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## EXECUTIVE COMPENSATION

recommendations regarding the executive's overall contributions, past performance and anticipated future contributions. The committee reviews separately and sets the compensation of the CEO based on competitive market data as well as the committee's assessment of his performance and anticipated future contributions. The CNG Committee does not have a pre-established policy for the allocation of compensation between cash, non-cash compensation and long-term incentive compensation. None of the executive officers are present during CNG Committee deliberations or decisions regarding such executive's compensation.

The following describes each element of our executive compensation program, along with a discussion of the decisions made by the CNG Committee with respect to that aspect of compensation for 2017.

### ELEMENTS OF EXECUTIVE OFFICER COMPENSATION AND BENEFITS FOR 2017

In 2017, named executive officers' total compensation was comprised of the following elements designed to complement each other:

- base salary;
- annual incentive bonus;
- long-term incentives through restricted stock and performance based unit awards; and
- other benefits.

### BASE SALARY

Base salary is a critical element of executive compensation as it provides executives with assured monthly cash compensation. In determining base salaries, the CNG Committee based its evaluation on a variety of factors, including:

- the executive's qualifications, experience and past performance;
- the nature and responsibility for the position;
- the salaries paid to the position within the comparator peer group; and
- the relative position of base salaries among executives.

2017 Increases. Effective January 1, 2017, the CNG Committee took the following actions with respect to the base salaries for the NEOs:

- Mr. Margolis became CEO on January 1, 2017 and received a salary increase from \$500,000 to \$750,000; and
- no salary increase was given to the other NEOs for 2017.

In making each of the salary decisions described above, the CNG Committee reviewed changes in job responsibility and title, historical salary levels, performance and contributions made to the Company, the impact on total compensation, competitive conditions and the relationship of compensation to that of other of the Company's officers and determined the compensation awarded was appropriate to reward performance, ensure retention and maintain appropriate compensation differentials among the Company's officers. The CNG Committee increased Mr. Margolis' compensation package for 2017 as a result of his promotion to CEO on January 1, 2017.

### ANNUAL INCENTIVE BONUS

We pay annual incentives to drive the achievement of key business results and to recognize individuals based on their contributions to those results. The CNG Committee believes that this feature of compensation motivates executive officers to strive to attain our annual goals with 50% of these performance-based goals tied to the financial operating performance of the Company and 50% are tied to the senior executive's achievement of specific management goals, outlined below.

The financial performance goals set for 2017 were based on the Company's achievement of a specific target (the "FFO Target") related to the Company's Core FFO. The FFO Target is defined and approved annually by the board of directors. The portion of bonus based on the FFO Target could incrementally increase or decrease based on meeting, exceeding, or failing to meet the FFO Target. The FFO Target is based on the Company's Core FFO, with additional adjustments agreed to by the board of directors in order to consistently review the performance of management as it relates to Core FFO. Core FFO provides relevant and meaningful information about our performance and is the primary measure that we use to assess our operating performance. For 2017, Core FFO was defined as FFO excluding revenues and expenses not core to our operations and non-cash interest. For annual bonus determination purposes for 2017, Core FFO was further adjusted to remove the impact of depreciation above or below a budgeted amount based on the Company's projections. FFO and Core FFO are non-GAAP measures and a reconciliation of those measures to



GAAP net income attributable to common stockholders is attached to this proxy statement as Appendix A. The FFO Target established for 2017 was \$4.24 of Core FFO per share. For annual bonus determination purposes for 2017, Core FFO was \$4.38 per share, resulting in the payment of 128% of the portion of the bonus related to the achievement of the FFO Target pursuant to the annual incentive plan, which provides that the financial performance portion of executive officers' bonuses may be reduced or increased based upon the percent of FFO Target earned, with a maximum bonus payout of 150% in the event that the FFO Target is greater than 105% and a minimum payout of 0% in the event that the FFO Target is less than 95% of the FFO Target.

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## EXECUTIVE COMPENSATION

Notwithstanding the foregoing, the CNG Committee may, in its sole discretion, exclude or adjust significant non-budgeted or non-controllable amounts, gains, or losses from actual financial results in order to properly measure the Company's performance. In addition, the CNG Committee may adjust the Company's overall FFO targets and gradations used to determine percentage of FFO target to appropriately implement the intent of the annual incentive plan. The CNG Committee did not make any such additional exclusions or adjustments for 2017 bonus determination purposes.

The management goals established for 2017 for our named executive officers are summarized as follows:

- maximize core property performance by increasing Core FFO, same store revenue, net operating income, tenant insurance penetration and controlling expense growth;
- succession plan in place for all key professionals;
- maintain an efficient and agile financial and balance sheet strategy; and
- grow the portfolio through acquisitions and additional third-party management business.

The CNG Committee did not set quantifiable objectives for the foregoing management goals and assigned no specific weighting to these management goals. The CEO presented to the CNG Committee his assessment of each NEO's performance (other than his own) in achieving the management goals, and recommended to the CNG Committee that the CFO, CMO, COO and CLO be paid between 94-96% of the portion of the bonus related to these goals. After their evaluation of Mr. Margolis's performance relative to the above management goals, the CNG Committee determined to approve achievement levels of 96% for Mr. Margolis for the portion of the bonus related to the achievement of the management goals.

The annual bonuses paid to the named executive officers for 2017 are reflected in the "Summary Executive Compensation Table" below.

## LONG-TERM INCENTIVES FOR 2017

The Long-Term Incentive Program allows for grants of restricted stock and performance-based stock awards. Prior to 2017, stock options were also a part of the Long-Term Incentive Program. The goals of the Company's equity awards are to: (1) align the interests of each executive officer with those of our stockholders by providing each individual with a significant incentive to manage the Company from the perspective of a stockholder with an equity stake in the business, and (2) encourage long-term retention of key employees by virtue of vesting conditions imposed on typical equity awards. Employees must remain employed by the Company for a fixed period of time in order for the equity awards to vest fully. Vesting ceases upon termination of employment and unvested grants of restricted stock and performance-based units are cancelled upon termination of employment. During the vesting period, restricted stock awards and performance-based units may not be sold, transferred or pledged.

Commencing in 2017, the NEOs of the Company receive 50% of their long-term incentive awards in the form of restricted stock grants. Typically, grants of restricted stock vest over a four-year period at the rate of 25% per year. The restricted stock grants may be voted and receive the payment of nonforfeitable dividends.

Commencing in 2017, the NEOs of the Company receive the remaining 50% of their long-term incentive awards in the form of performance-based units that vest after a three-year performance period. For the awards granted in 2017, this three-year performance period will end on December 31, 2019. These awards have two financial performance components, each weighted 50%, that are measured at the end of a three-year performance period. At the end of the performance period and to the extent performance goals are achieved, the performance-based units will then be converted into common shares and paid out after the end of the performance period. In addition, the award recipient will receive a cash payment equivalent to the dividends that would have been paid on such stock during the performance period on the vesting date.

The first financial component of the performance-based units measures our total stockholder return (measured by reference to the change in our share price plus dividends) as compared to the total stockholder return of a peer group consisting of all REITs tracked within the MSCI US REIT Index. If the Company achieves a total stockholder return at the 50th percentile of its peer group, then the performance-based units will be paid out at 100% of the target units related to the total stockholder return metric. The second financial component of the performance-based units measures the Company's average annual growth in Core FFO, per share. The CNG Committee has set a three-year Core FFO target which, if achieved, will result in a payout of 100% of the target units related to the FFO metric. With

respect to both measurements, the NEOs have the ability to be paid out at a range of 0% to 200% of the target units depending on the Company's performance with respect to both metrics.

Grants of restricted shares and performance-based units are discussed and reviewed at regularly scheduled meetings of the CNG Committee. By taking such actions at regularly scheduled meetings, the CNG Committee seeks to avoid any possible appearance that the grant timing was manipulated to affect the value of the awards. We do not have any program, plan or practice to coordinate any equity awards with the release by us of material non-public information or any other investor relations activities.

The CNG Committee awarded both restricted stock grants and performance-based units to all of the named executive officers in 2017, which awards are shown in the "Grants of Plan-Based Awards" table below. The values of the restricted stock grants and performance based units were determined by the CNG Committee based on the recommendation of the CEO taking into consideration the total executive compensation at the comparator group of companies.

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## EXECUTIVE COMPENSATION

The equity awards granted to the named executive officers are eligible for accelerated vesting under certain circumstances as described below under “Executive Compensation Tables -- Severance and Change in Control Arrangements with Named Executive Officers.”

## OTHER COMPENSATION ELEMENTS

We provide benefits and perquisites to our named executive officers and other employees, such as medical and life insurance, 401(k) plan, and severance pursuant to the terms of the Company’s change in control plan.

**Medical Insurance.** The Company makes available to each NEO and their spouses and children such health, dental and vision insurance coverage as the Company may from time to time make available to its other corporate employees. A portion of the insurance coverage is paid by the Company.

**Life Insurance.** The Company provides each named executive officer such life insurance as the Company may from time to time make available to its other corporate employees.

**Retirement Benefits.** Our executive officers are eligible to participate in our 401(k) defined contribution plan on the same basis as other eligible employees. The Company currently matches 100% of the first three percent of an employee’s compensation contributed by each employee, and 50% of the next two percent of an employee’s compensation contributed.

A description of the severance arrangements we maintain with our named executive officers can be found under “Severance and Change in Control Arrangements with Named Executive Officers.” below. We also limit the perquisites that we make available to our executive officers, particularly in light of the potential for abuse associated with such perquisites. Accordingly, our executives are entitled to few benefits that are not otherwise available to all of our employees.

## POLICY REGARDING TAX DEDUCTIBILITY OF COMPENSATION

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation in excess of \$1 million paid to the company’s named executive officers. The CNG Committee’s general policy is to maintain flexibility in compensating named executive officers in a manner designed to promote varying corporate goals. In addition, we believe that we qualify as a REIT under the Code and generally are not subject to federal income taxes, provided that we distribute to our stockholders at least 90% of our taxable income each year. As a result, we do not expect that the payment of compensation that does not satisfy the requirements of Section 162(m) of the Code will have a material adverse federal income tax consequence to us. Accordingly, the CNG Committee has not adopted a policy that all compensation must be deductible.

## STOCK OWNERSHIP GUIDELINES FOR EXECUTIVE AND SENIOR OFFICERS

We have stock ownership guidelines which require each of our executive and senior officers, within five years after appointment as an officer, to hold shares of our common stock, restricted stock or stock options (whether or not vested). These stock ownership guidelines align our officers’ interests with those of our stockholders, ensuring executive and senior officers hold a significant amount of equity in the Company. Each executive and senior officer has met the following guidelines as of December 31, 2017:

Position	Base Salary Multiple	Time to Attain
CEO	5x	5 years
Executive Vice President	3x	5 years
Senior Vice President	1x	5 years



## EXECUTIVE COMPENSATION

## IMPACT OF ADVISORY VOTE APPROVING EXECUTIVE COMPENSATION

At the Company's 2017 Annual Meeting of Stockholders, an advisory vote was held to approve executive compensation, thereby affording stockholders the opportunity to cast a vote on the compensation programs for our named executive officers. Of the 125,912,293 total shares outstanding, 93% voted on this matter, excluding abstentions and broker non-votes. The result of these votes indicated 96% approval of the compensation paid to our named executive officers. The CNG Committee believes that the results of this vote affirm stockholder support of the Company's approach to executive compensation, and the CNG Committee did not change its general approach to executive compensation after receiving these voting results. The CNG Committee will continue to consider the outcome of advisory stockholder votes regarding executive compensation when making future compensation decisions for our named executive officers.

## Compensation, Nominating and Governance Committee Report

The CNG Committee has reviewed and discussed the Compensation Discussion and Analysis with the Company's management and, based on our review and discussions, the committee recommended to the board of directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K and in this proxy statement.

Submitted by the CNG Committee

Roger B. Porter, Chairman

Diane Olmstead

K. Fred Skousen

## Executive Compensation Tables

## SUMMARY EXECUTIVE COMPENSATION TABLE

Name and principal position	Year	Salary	Bonus (1)	Non-equity incentive plan compensation (2)	Stock awards (3)	Option awards (3)	All other compensation (4)	Total
Joseph D. Margolis (5) Chief Executive Officer	2017	\$750,000	\$ —	-\$ 1,050,000	\$2,407,523	\$ —	-\$ 213,373	\$4,420,896
	2016	500,000	—	555,000	680,181	121,822	210,201	2,067,204
	2015	290,000	—	461,250	4,896,222	879,395	121,457	6,648,324
Scott Stubbs Chief Financial Officer	2017	475,000	—	478,800	762,482	—	75,154	1,791,436
	2016	475,000	—	468,113	605,800	108,523	82,895	1,740,331
	2015	437,750	100,000	486,559	558,289	98,803	78,376	1,759,777
James L. Overturf Chief Marketing Officer	2017	385,000	—	321,956	412,008	—	33,021	1,151,985
	2016	385,000	—	316,181	327,622	58,678	42,542	1,130,023
	2015	334,750	25,000	307,552	284,708	50,364	38,598	1,040,972
Gwyn G. McNeal Chief Legal Officer	2017	350,000	—	292,688	374,552	—	46,328	1,063,568
Samrat Sondhi Chief Operations Officer	2017	350,000	—	291,375	374,552	—	46,676	1,062,603

(1) Bonus relates to the successful completion of the acquisition of SmartStop Self Storage, Inc. on October 1, 2015.

(2) Represents amounts earned related to the Company's annual incentive bonus program.

Dollar amounts represent the grant date fair value of the stock, PSU and option awards granted during the year computed in accordance with ASC 718, using the assumptions to value such awards reported in the notes to the Company's financial statements in its Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC. For Mr. Margolis, it includes the grant date fair value of the stock award granted to him during 2015 for his service as a non-employee director prior to joining the Company as an employee in July 2015.

The grant date fair value of the restricted stock awards granted in 2017 to the named executive officers was as follows: Mr. Margolis, \$1,125,015; Mr. Stubbs, \$356,301; Mr. Overturf, \$192,528; Ms. McNeal, \$175,025; and Mr. Sondhi, \$175,025.

With respect to the performance-based units granted during 2017, the performance objectives applicable to those awards relate to two financial performance components, each weighted 50%, that are measured at the end of a three-year performance period ending December 31, 2019. At the end of the performance period and to the extent performance goals are achieved, the performance-based units awards will then be converted into common shares and paid out after the end of the performance period. In addition, the award recipient will receive a cash payment equivalent to the dividends that would have been paid on such stock during the performance period on the vesting date. The first financial component of the performance-based units measures our total stockholder return (measured by reference to the change in our share price plus dividends) as compared to the total stockholder return of a peer group consisting of all REITs tracked within the MSCI US REIT Index. If the Company achieves a total stockholder return at the 50th percentile of its peer group, then the performance-based units will be paid out at

## EXECUTIVE COMPENSATION

100% of the target units related to the total stockholder return metric. The second financial component of the performance-based units measures the Company's average annual growth in Core FFO, per share. The CNG Committee has set a three-year Core FFO target which, if achieved, will result in a payout of 100% of the target units related to the FFO metric. With respect to both measurements, the NEOs have the ability to be paid out at a range of 0% to 200% of the target units depending on the Company's performance with respect to both metrics.

The grant date fair value of the portion of these performance-based units that are tied to our total stockholder return (which is a market-based condition) was calculated, in accordance with ASC 718, using a Monte Carlo simulation which considered the likelihood of achieving the vesting conditions. Our model estimates the fair value of the awards based on our data and that of the MSCI US REIT Index. Based on the performance objectives and these capital markets assumptions, these performance-based units were valued using the Monte Carlo model at \$93.54 per share, which value was applied to the target units eligible to be earned with respect to this objective for the 2017 grants. The grant date fair value of the portion of the performance-based units granted in 2017 that are tied to our total stockholder return, as reflected in this column, was as follows: Mr. Margolis, \$715,488; Mr. Stubbs, \$226,601; Mr. Overturf, \$122,444; Ms. McNeal, \$111,312; and Mr. Sondhi, \$111,312.

The grant date fair value of the portion of these performance-based units that are tied to Core FFO objectives was calculated, in accordance with ASC 718, based on the closing stock price on the grant date and the probable outcome of the Core FFO performance objectives as of the grant date (which was determined to be at "target" levels). As a result, the grant date fair value of these performance-based units was \$74.13 per share, which value was applied to the "target" number of units eligible to be earned with respect to this objective for the 2017 grants. The grant date value of the portion of the performance-based units granted in 2017 that are tied to Core FFO performance, as reflected in this column, was as follows: Mr. Margolis, \$567,020; Mr. Stubbs, \$179,580; Mr. Overturf, \$97,036; Ms. McNeal, \$88,215; and Mr. Sondhi, \$88,215. The maximum potential value of the performance-based units granted in 2017 that are tied to Core FFO performance, assuming the highest level of performance achievement, is as follows: Mr. Margolis, \$1,134,040; Mr. Stubbs, \$359,160; Mr. Overturf, \$194,072; Ms. McNeal, \$176,430; and Mr. Sondhi, \$176,430.

(4) All other compensation includes:

Name	Defined Year contribution plans	Group term life insurance premiums	Other medical insurance	Dividends on restricted stock	Total other compensation
Joseph D. Margolis	2017\$ 7,200	\$ 468	\$ 11,859	\$ 193,846	\$ 213,373
Scott Stubbs	201710,286	468	11,931	52,469	75,154
James L. Overturf	20175,100	468	—	27,453	33,021
Gwyn G. McNeal	20179,824	468	12,180	23,856	46,328
Samrat Sondhi	20179,000	468	11,931	25,277	46,676

(5) Mr. Margolis was appointed as CIO effective July 7, 2015 and as CEO effective January 1, 2017. Mr. Margolis served as a director of the Company from February 2005 to July 2015. The amount reflected in the "Salary" column for 2015 includes \$40,000 paid to Mr. Margolis for his service as a non-employee director prior to joining the Company as an employee in July 2015.



## EXECUTIVE COMPENSATION

## GRANTS OF PLAN-BASED AWARDS

Name	Grant date	Estimated future payouts under non-equity incentive plan awards		Estimated future payouts under equity incentive plan awards		All other stock awards: number of shares of stock or units (3)	Grant date fair value of stock awards (4)
		Target Threshold (1)	Maximum (1)	Target Threshold (2)	Maximum (2)		
Joseph D. Margolis							
Annual Incentive		\$ <del>937,500</del>	\$ 1,171,875				
Stock awards	2/15/2017					15,298	\$ 1,125,015
PSU awards	3/14/2017			<del>15,298</del>	30,596	—	1,282,508
Scott Stubbs							
Annual Incentive		<del>427,500</del>	534,375				
Stock awards	2/15/2017					4,845	356,301
PSU awards	3/14/2017			4,845	9,690	—	406,181
James Overturf							
Annual Incentive		<del>288,750</del>	360,938				
Stock awards	2/15/2017					2,618	192,528
PSU awards	3/14/2017			<del>2,618</del>	5,236	—	219,480
Gwyn G. McNeal							
Annual Incentive		<del>262,500</del>	328,125				
Stock awards	2/15/2017					2,380	175,025
PSU awards	3/14/2017			<del>2,380</del>	4,760	—	199,527
Samrat Sondhi							
Annual Incentive		<del>262,500</del>	328,125				
Stock awards	2/15/2017					2,380	175,025
PSU awards	3/14/2017			<del>2,380</del>	4,760	—	199,527

(1) Amounts relate to the annual incentive bonus as described in the “Annual Incentive Bonus” section above.

Represents performance-based units granted during 2017 related to the 2017 total compensation package for the named executive officers. The performance objectives applicable to these awards relate to two financial performance components, each weighted 50%, that are measured at the end of a three-year performance period ending December 31, 2019. At the end of the performance period and to the extent performance goals are achieved, the performance-based units awards will then be converted into common shares and paid out after the end of the performance period. In addition, the award recipient will receive a cash payment equivalent to the dividends that would have been paid on such stock during the performance period on the vesting date. The first financial component of the performance-based units measures our total stockholder return (measured by reference to the change in our share price plus dividends) as compared to the total stockholder return of a peer group consisting of all REITs tracked within the MSCI US REIT Index. If the Company achieves a total stockholder return at the 50th percentile of its peer group, then the performance-based units will be paid out at 100% of the target units related to the total stockholder return metric. The second financial component of the performance-based units measures the Company’s average annual growth in Core FFO, per share. The CNG Committee has set a three-year Core FFO target which, if achieved, will result in a payout of 100% of the target units related to the FFO metric. With respect to both measurements, the NEOs have the ability to be paid out at a range of 0% to 200% of the target units depending on the Company’s performance with respect to both metrics. The awards are eligible for accelerated vesting under certain circumstances as described below under “Executive Compensation Tables -- Severance and Change in Control Arrangements with Executive Officers.”

(3)

Grants of restricted stock awards under the 2015 Incentive Award Plan related to the 2017 total compensation package for the named executive officers. The shares have dividend and voting rights and vest ratably over four years following the grant date. The awards are eligible for accelerated vesting under certain circumstances as described below under “Executive Compensation Tables -- Severance and Change in Control Arrangements with Executive Officers.”

Dollar amounts represent the grant date fair value of the stock awards granted during the year computed in (4) accordance with ASC 718, using the assumptions to value such awards reported in the notes to the Company’s financial statements in its Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC. The grant date fair value of the portion of these performance-based units that are tied to our total stockholder return (which is a market-based condition) was calculated using a Monte Carlo simulation which considered the likelihood of achieving the vesting conditions. Our model estimates the fair value of the awards based on our data and that of the MSCI US REIT Index. Based on the performance objectives and these capital markets assumptions, these performance-based units were valued using the Monte Carlo model at \$93.54 per share, which value was applied to the target units eligible to be earned with respect to this objective for the 2017 grants. The grant date fair value of the portion of the performance-based units granted in 2017 that are tied to our total stockholder return was as follows: Mr. Margolis, \$715,488; Mr. Stubbs, \$226,601; Mr. Overturf, \$122,444; Ms. McNeal, \$111,312; and Mr. Sondhi, \$111,312.

The grant date fair value of the portion of these performance-based units that are tied to Core FFO objectives was calculated, in accordance with FASB ASC Topic 718, based on the closing stock price on the grant date and the probable outcome of the Core FFO performance objectives as of the grant date (which was determined to be at target levels). As a result, the grant date fair value of these performance-based units was \$74.13 per share, which value was applied to the target number of units eligible to be earned with respect to this objective for the 2017 grants and is disclosed in the table above. The maximum potential value of the performance-based units granted in 2017 that are tied to Core FFO performance, assuming the highest level of performance achievement, is as follows: Mr. Margolis, \$1,134,040; Mr. Stubbs, \$359,160; Mr. Overturf, \$194,072; Ms. McNeal, \$176,430; and Mr. Sondhi, \$176,430. See footnote (2) to the “Summary Compensation Table” above for more details regarding the grant date fair values of the 2017 equity awards.

## EXECUTIVE COMPENSATION

## OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Option awards				Stock awards			Equity incentive plan awards; Market or payout value of unearned shares, units or other rights that have not vested (3)
	Number of shares underlying unexercised options exercisable	Number of shares underlying unexercised options unexercisable (1)	Option exercise price	Option expiration date	Number of unearned shares, units or other rights that have not vested (2)	Market value of unearned shares, units or other rights that have not vested (3)	Equity incentive plan awards; Number of unearned shares, units or other rights that have not vested (4)	
Joseph D. Margolis	25,000	25,000	\$ 73.52	8/1/2025	53,950	\$4,717,928	15,298	\$1,337,810
	1,500	4,500	85.99	2/22/2026				
Scott Stubbs	27,750	—	\$ 6.22	2/17/2019	16,817	\$1,470,647	4,845	\$423,695
	15,600	—	11.59	2/16/2020				
	8,000	—	19.60	2/8/2021				
	9,200	—	26.87	2/16/2022				
	8,085	—	38.40	2/20/2023				
	5,325	1,775	47.50	2/19/2024				
	3,080	3,080	65.45	2/18/2025				
	1,337	4,008	85.99	2/22/2026				
James L. Overturf	800	—	\$ 19.60	2/8/2021	8,799	\$769,473	2,618	\$228,944
	3,225	—	26.87	2/16/2022				
	3,375	—	38.40	2/20/2023				
	2,513	837	47.50	2/19/2024				
	1,570	1,570	65.45	2/18/2025				
	723	2,167	85.99	2/22/2026				
	Gwyn G. McNeal	1,275	425	\$ 47.50				
1,450		1,450	65.45	2/18/2025				
657		1,968	85.99	2/22/2026				
Samrat Sondhi	12,480	—	\$ 11.59	2/16/2020	7,907	\$691,467	2,380	\$208,131
	6,400	—	19.60	2/8/2021				
	3,744	—	28.79	4/1/2022				
	2,025	675	47.50	2/19/2024				
	1,450	1,450	65.45	2/18/2025				
	657	1,968	85.99	2/22/2026				

(1) Stock options vest ratably over four years from the date of grant, which is 10 years prior to the expiration date. The awards are eligible for accelerated vesting under certain circumstances as described below under "Executive

Compensation Tables -- Severance and Change in Control Arrangements with Executive Officers.”

Represents restricted stock awards granted to the named executive officers. The awards are eligible for accelerated (2) vesting under certain circumstances as described below under “Executive Compensation Tables -- Severance and Change in Control Arrangements with Executive Officers.”

Mr. Margolis' 53,950 shares vest as follows: 32,270 shares that vest ratably over the remaining two years on August 1, 2018 and 2019; 5,932 shares vest ratably over the remaining three years on February 22, 2018, 2019 and 2020; and 15,298 shares vest ratably over the remaining four years on the anniversary of the date of grant of February 15, 2017. Mr. Stubbs' 16,817 shares vest as follows: 2,425 shares vest on February 19, 2018; 4,264 shares vest ratably over the remaining two years on February 18, 2018 and 2019; 5,283 shares vest ratably over the remaining three years on February 22, 2018, 2019 and 2020; and 4,845 shares vest ratably over four years on the anniversary date of grant of February 15, 2017.

Mr. Overturf's 8,799 shares vest as follows: 1,150 shares vest on February 19, 2018; 2,174 shares vest ratably over the remaining two years on February 18, 2018 and 2019; 2,857 shares that vest ratably over the remaining three years on February 22, 2018, 2019 and 2020; and 2,618 shares that vest ratably over four years on the anniversary of the date of grant of February 15, 2017.

Ms. McNeal's 7,569 shares vest as follows: 587 shares vest February 19, 2018; 2,007 shares vest ratably over the remaining two years on February 18, 2018 and 2019; 2,595 shares vest ratably over the remaining three years on February 22, 2018, 2019 and 2020; and 2,380 shares vest ratably over four years on the anniversary date of grant of February 15, 2017.

Mr. Sondhi's 7,907 shares vest as follows: 925 shares vest on February 19, 2018; 2,007 shares vest ratably over the remaining two years on February 18, 2018 and 2019; 2,595 shares vest ratably over the remaining three years on February 22, 2018, 2019 and 2020; and 2,380 shares vest ratably over four years on the anniversary date of grant of February 15, 2017.

(3) Market value at year-end is based on the closing trading price of our stock on December 29, 2017, which was \$87.45.

## EXECUTIVE COMPENSATION

Represents the performance-based units granted to the NEOs in 2017 that vest after a three-year performance period ending December 31, 2019. The performance-based units are included in the table above at target levels.

These awards have two financial performance components, each weighted 50%, that are measured at the end of a (4) three-year period. At the end of the performance period and to the extent performance goals are achieved, the performance-based units awards will then be converted into common shares and paid out after the end of the performance period. In addition, the award recipient will receive a cash payment equivalent to the dividends that would have been paid on such stock during the performance period on the vesting date.

The first financial component of the performance-based units measures our total stockholder return (measured by reference to the change in our share price plus dividends) as compared to the total stockholder return of a peer group consisting of all REITs tracked within the MSCI US REIT Index. If the Company achieves a total stockholder return at the 50th percentile of its peer group, then the performance-based units will be paid out at 100% of the target units related to the total stockholder return metric. The second financial component of the performance-based units measures the Company's average annual growth in Core FFO, per share. The CNG Committee has set a three-year Core FFO target which, if achieved, will result in a payout of 100% of the target units related to the FFO metric. With respect to both measurements, the NEOs have the ability to be paid out at a range of 0% to 200% of the target units depending on the Company's performance with respect to both metrics.

The awards are eligible for accelerated vesting under certain circumstances as described below under "Executive Compensation Tables -- Severance and Change in Control Arrangements with Named Executive Officers."

## OPTIONS EXERCISED AND STOCK VESTED

Name	Option Awards		Stock Awards	
	Number of shares acquired on exercise	Value realized on exercise	Number of shares acquired on vesting	Value realized on vesting
Joseph D. Margolis	—	\$	—18,338	\$ 1,451,310
Scott Stubbs	—	—	9,227	713,966
James L. Overturf	—	—	4,561	352,976
Gwyn G. McNeal	—	—	2,765	213,292
Samrat Sondhi	—	—	3,573	274,366

## SEVERANCE AND CHANGE IN CONTROL ARRANGEMENTS WITH NAMED EXECUTIVE OFFICERS

The named executive officers do not have employment agreements with the Company; however, they would receive severance payments upon termination of employment by reason of termination without cause or resignation for good reason within 12 months following a change in control of the Company as defined in the Company's Executive Change in Control Plan as follows:

- two years of annual base salary plus two times the greater of the prior year's bonus or average of the three previous annual bonuses, payable in a lump sum;
- annual salary and other benefits earned and accrued prior to the termination of employment;
- lump sum payment equal to the cost of continuing health benefits for two years;
- outplacement services for six months; and
- full vesting of equity incentive compensation and any non-qualified pension or deferred compensation benefits.

In addition, the performance-based units granted in 2017 will vest on an accelerated basis under certain circumstances. Specifically, in the event of a change in control of the Company prior to the end of the three-year performance period, such number of performance-based units will vest on the date of the change in control as is equal to the greater of (1) the target number of units or (2) such number of units as would vest based on actual performance relative to the performance goals for the portion of the performance period ending on the date of the change in control, provided, that in determining performance relative to the Core FFO performance objective for the performance period, the Company's Core FFO for the shortened performance period will be measured against prorated Core FFO objectives. In the event of a named executive officer's termination due to death or disability prior to the end of the three-year performance period, a prorated portion of the target number of units will vest on the date of termination based on the portion of the three-year performance period that has elapsed prior to the date of termination.

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## EXECUTIVE COMPENSATION

The table below presents the amounts that would have been received by or paid on behalf of our named executive officers for the following events as of December 31, 2017:

Name and Type of Payment or Benefit	Change in Control	Involuntary Termination Following a Change in Control	Death or Disability (4)
<b>Joseph D. Margolis</b>			
Cash Payment	\$	—\$ 3,600,000	\$ —
Value of Acceleration of Time-Based Equity Awards (1)	—	5,072,748	5,072,748
Value of Acceleration of Performance-Based Equity Incentive Plan Awards (2)	1,337,810	1,337,810	445,937
Benefits (3)	—	65,220	—
<b>P. Scott Stubbs</b>			
Cash Payment	\$	—\$ 1,907,600	\$ —
Value of Acceleration of Time-Based Equity Awards (1)	—	1,615,170	1,615,170
Value of Acceleration of Performance-Based Equity Incentive Plan Awards (2)	423,695	423,695	141,232
Benefits (3)	—	80,532	—
<b>James L. Overturf</b>			
Cash Payment	\$	—\$ 1,413,912	\$ —
Value of Acceleration of Time-Based Equity Awards (1)	—	840,615	840,615
Value of Acceleration of Performance-Based Equity Incentive Plan Awards (2)	228,944	228,944	76,315
Benefits (3)	—	65,513	—
<b>Samrat Sondhi</b>			
Cash Payment	\$	—\$ 1,282,750	\$ —
Value of Acceleration of Time-Based Equity Awards (1)	—	753,207	753,207
Value of Acceleration of Performance-Based Equity Incentive Plan Awards (2)	208,131	208,131	69,337
Benefits (3)	—	64,571	—
<b>Gwyn McNeal</b>			
Cash Payment	\$	—\$ 1,285,376	\$ —
Value of Acceleration of Time-Based Equity Awards (1)	—	713,661	713,661
Value of Acceleration of Performance-Based Equity Incentive Plan Awards (2)	208,131	208,131	69,337
Benefits (3)	—	68,609	—

(1) Represents the value of the acceleration of the unvested options and restricted stock awards using the closing stock price of \$87.45 on December 31, 2017.

(2) Represents the value of the acceleration of the unvested PSUs assuming payout at target using the closing stock price of \$87.45 on December 31, 2017 which number was prorated for purposes of the column related to a termination by reason of death or disability to give effect to the portion of the three year performance period that had elapsed prior to the assumed date of termination (one-third in the case of the performance-based units granted in 2017).

(3) Represents the amount of accrued vacation at December 31, 2017 and the value of health benefits to be paid on behalf of the executive for the two years after termination, however, does not include the amount of any tax gross-up on such amounts as described in the plan. Excludes the value of outplacement benefits, which cannot be quantified at this time.

(4) Options and RSA fully vest upon death. Vesting due to disability is determined on a case by case basis by the CNG Committee.





## EXECUTIVE COMPENSATION

## EQUITY COMPENSATION PLAN INFORMATION

The following table presents certain equity compensation plan information as of December 31, 2017:

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in the first column)
Equity compensation plans approved by security holders	472,166	(1)\$ 30.41	(1)1,689,655 (2)
Equity compensation plans not approved by security holders	—	—	—
Total	472,166	\$ 30.41	1,689,655

(1) Represents shares issuable pursuant to and weighted-average exercise price of outstanding options under our 2015 Incentive Award Plan and 2004 Long-Term Incentive Compensation Plan (“2004 Plan”).

(2) Represents shares issuable pursuant to future awards under our 2015 Incentive Award Plan. Shares available may increase by previously issued options or awards under the 2004 Plan that are cancelled and/or forfeited.

## CEO PAY RATIO

We believe executive pay must be internally consistent and equitable to motivate our employees to create stockholder value. We are committed to internal pay equity, and the CNG Committee monitors the relationship between the pay of our executive officers and the pay of our non-managerial employees. The Compensation Committee reviewed a comparison of CEO pay (base salary and incentive pay) to the pay of all our employees in 2017. Our CEO to median employee pay ratio set forth below is a reasonable estimate calculated as required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and in accordance with Item 402(u) of Regulation S-K.

We identified the median employee by examining the 2017 total cash compensation for all individuals, excluding our CEO, who were employed by us on December 31, 2017, the last day of our payroll year. In determining our median employee, we included all employees, whether employed on a full-time, part-time, or seasonal basis.

We did not make any assumptions, adjustments, or estimates with respect to total cash compensation, and we did not annualize the compensation for any full-time employees that were not employed by us for all of 2017. We believe the use of total cash compensation for all employees is a consistently applied compensation measure because we do not widely distribute annual equity awards to employees. Approximately 8% of our employees receive annual equity awards.

For 2017:

- the median of the annual total compensation of all employees of our Company (other than our CEO) was \$36,117; and
- the annual total compensation of our CEO, as reported in the Summary Compensation Table included elsewhere in this Proxy Statement, was \$4,420,896.

Based on this information, for 2017, our CEO to median employee pay ratio is 122:1.



SECURITY OWNERSHIP OF  
DIRECTORS AND OFFICERS

The following table presents the beneficial ownership of our common stock, as of the close of business on March 26, 2018 of:

- each of our directors and nominees for director;
- each named executive officer noted above; and
- our directors and executive officers as a group.

The address for each named person is c/o Extra Space Storage Inc., 2795 East Cottonwood Parkway, Suite 300, Salt Lake City, UT 84121. We are not aware of any pledge of our common stock that could result in a change in control of our Company.

Name	Number of Shares Beneficially Owned	Percent of Class (9)
Directors		
Kenneth M. Woolley (1)	818,975	*
Joseph D. Margolis (2)	152,117	*
Roger B. Porter (3)	225,145	*
Ashley Dreier	—	*
Spencer F. Kirk (4)	2,777,814	2.20%
Dennis Letham	4,406	*
Diane Olmstead	3,815	*
K. Fred Skousen	34,157	*
Non-Director Named Executive Officers		
Scott Stubbs (5)	209,501	*
James Overturf (6)	96,248	*
Gwyn G. McNeal (7)	24,941	*
Samrat Sondhi (8)	95,950	*
All directors and NEOs as a group (12 persons)	4,443,069	3.52%

\*Less than 1.0%

Amounts include 7,444 restricted shares of our common stock that are subject to restrictions on transfers and forfeiture provisions. The forfeiture and transfer restrictions lapse over a four-year period beginning on the date of (1) grant. Amounts shown in the table include options to acquire 11,531 shares of common stock that can be exercised within 60 days of March 26, 2018. Amounts also include 800,000 shares that were pledged as collateral on one loan and other transactions. As of March 26, 2018, approximately \$20 million was outstanding on the loan.

Amounts include 62,706 restricted shares of our common stock that are subject to restrictions on transfers and forfeiture provisions. The forfeiture and transfer restrictions lapse over a four-year period beginning on the date of (2) grant. Amounts shown in table also include the options to acquire 28,000 shares of common stock that can be exercised within 60 days of March 26, 2018.

Includes 100,000 shares of common stock which are held by Roger Blaine Porter 2012 Trust, an entity in which (3) Mr. Porter has shared voting and investment power and beneficial ownership.

Includes 1,852,276 shares of common stock which are held by Krispen Family Holdings, L.C., an entity in which Mr. Kirk has shared voting and investment power. Mr. Kirk has no pecuniary interest in 50.5% of such shares and disclaims beneficial ownership. Includes 123,215 shares of common stock which are held by The Kirk 101 Trust.

Mr. Kirk has no pecuniary interest in any of these shares and disclaims beneficial ownership. Amounts include (4) 12,291 restricted shares of our common stock that are subject to restrictions on transfers and forfeiture provisions. The forfeiture and transfer restrictions lapse over a four-year period beginning on the date of grant. Amounts shown in the table include options to acquire 223,575 shares of common stock that can be exercised within 60 days of March 26, 2018.

(5)

Amounts include 14,410 restricted shares of our common stock that are subject to restrictions on transfers and forfeiture provisions. The forfeiture and transfer restrictions lapse over a four-year period beginning on the date of grant. Amounts shown in the table also include the options to acquire 83,028 shares of common stock that can be exercised within 60 days of March 26, 2018.

(6) Amounts include 8,036 restricted shares of our common stock that are subject to restrictions on transfers and forfeiture provisions. The forfeiture and transfer restrictions lapse over a four-year period beginning on the date of grant. Amounts shown in the table also include options to acquire 14,551 shares of common stock that can be exercised within 60 days of March 26, 2018.

(7) Amounts include 7,407 restricted shares of our common stock that are subject to restrictions on transfers and forfeiture provisions. The forfeiture and transfer restrictions lapse over a four-year period beginning on the date of grant. Amounts shown in the table also include options to acquire 5,188 shares of common stock that can be exercised within 60 days of March 26, 2018.

(8) Amounts include 7,600 restricted shares of our common stock that are subject to restrictions on transfers and forfeiture provisions. The forfeiture and transfer restrictions lapse over a four-year period beginning on the date of grant. Amounts shown in the table also include options to acquire 28,812 shares of common stock that can be exercised within 60 days of March 26, 2018.

(9) For each person included in the table, percent of class is calculated by dividing the number of shares of our common stock beneficially owned by that person by the sum of (a) 126,068,982 shares of our common stock outstanding as of March 26, 2018 plus (b) the number of options to acquire common stock beneficially owned by such person that can be exercised within 60 days of March 26, 2018.

SECURITY OWNERSHIP OF DIRECTORS AND OFFICERS

Section 16(a) Beneficial Ownership Reporting Compliance

Under federal securities laws, our directors, executive officers and holders of 10% or more of our common stock are required to report, within specified monthly and annual due dates, their initial ownership in the Company's common stock and all subsequent acquisitions, dispositions or other transfers of beneficial interests therein, if and to the extent reportable events occur which require reporting by such due dates. Based solely on representations and information provided to us by the persons required to make such filings, we believe that all filing requirements were met in 2017, except that Mr. Overturf filed one late Form 4 reporting one transaction.

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MATTERS THAT MAY BE BROUGHT  
BEFORE THE ANNUAL MEETING

Item 1. Election of Directors  
NOMINEES

In accordance with the provisions of our charter and bylaws, each member of the board of directors is elected at the annual meeting. Each member of the board of directors elected will serve for a term expiring at the annual meeting of stockholders in 2019, and until his or her successor has been duly elected and qualifies, or until his or her resignation or removal. Kenneth M. Woolley, Joseph D. Margolis, Roger B. Porter, Ashley Dreier, Spencer F. Kirk, Dennis J. Letham and Diane Olmstead are the nominees for election to the board of directors.

We have not received notice of any additional candidates to be nominated for election as directors at the 2018 Annual Meeting of Stockholders and the deadline for notice of additional candidates has passed. Consequently, the election of directors will be an uncontested election and the provisions of our bylaws providing for majority voting in uncontested elections will apply. Under majority voting, to be elected as a director, a nominee must receive votes “FOR” his or her election constituting a majority of the total votes cast for and against such nominee at the annual meeting at which a quorum is present. If a nominee who currently is serving as a director does not receive sufficient “FOR” votes to be re-elected, he or she must submit his or her resignation to the board of directors. Our CNG Committee will consider such tendered resignation and recommend to the board whether to accept it. The board of directors will decide whether to accept any such resignation within 90 days after certification of the election results and will publicly disclose its decision. If the resignation is not accepted, the director will continue to serve until the director’s successor is duly elected and qualifies or until the director’s earlier resignation or removal.

Each of the nominees has consented to serve if elected. If, before the annual meeting, any of them becomes unable to serve, or chooses not to serve, the board of directors may nominate a substitute. If that happens, the persons named as proxies on the proxy card will vote for the substitute.

Biographical information about each of the nominees is found at the beginning of this proxy statement. See “Information about the Board of Directors and its Committees—Nominees for Directors.”

Recommendation of the Board of Directors

Our board of directors recommends that you vote FOR the election of Kenneth M. Woolley, Joseph D. Margolis, Roger B. Porter, Ashley Dreier, Spencer F. Kirk, Dennis J. Letham, and Diane Olmstead as directors for the term expiring at the 2019 Annual Meeting of Stockholders, and until their respective successors are duly elected and qualify.

Item 2. Ratification of the Engagement of Ernst & Young LLP as the Company’s Independent Registered Public Accounting Firm for 2018

Our Audit Committee has appointed the firm of Ernst & Young LLP to serve as our independent registered public accounting firm for the year ending December 31, 2018. Ernst & Young LLP has acted as the Company’s independent registered public accounting firm since April 2005, and our management considers the firm to be well qualified.

We have been advised by Ernst & Young LLP that it is a registered public accounting firm with the PCAOB and complies with the auditing, quality control and independence standards and rules of the PCAOB and the SEC.

Our charter and bylaws do not require that stockholders ratify the appointment of the independent registered public accounting firm. We are submitting the appointment for ratification because the board of directors believes it is a matter of good corporate practice. If our stockholders do not ratify the appointment, the Audit Committee will reconsider whether to retain Ernst & Young LLP. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interest of the Company.

A representative of Ernst & Young LLP is expected to be present at the annual meeting with the opportunity to make a statement if the representative desires to do so, and is expected to be available to respond to appropriate questions.

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## MATTERS THAT MAY BE BROUGHT BEFORE THE ANNUAL MEETING

## AUDIT AND NON-AUDIT FEE TABLE

The following table presents the aggregate fees for professional audit services rendered for the integrated audits of our annual financial statements for the years ended December 31, 2017 and 2016, for the reviews of the financial statements included in our Quarterly Reports on Form 10-Q for those fiscal years and for the testing of our internal control over financial reporting pursuant to Section 404(a) of the Sarbanes-Oxley Act of 2002, and fees billed for other services rendered during those periods.

	2017	2016
Audit Fees (1)	\$1,507,533	\$1,470,522
Audit-Related Fees (2)	—	—
Tax Fees (3)	991,382	819,556
Other Fees	—	—
Total Fees	\$2,498,915	\$2,290,078

Audit fees consist of services rendered for the audit of our annual financial statements and other financial disclosures, audit of our internal control over financial reporting, review of the consolidated financial statements (1) included in our Form 10-Q filings, consents issued related to registration statements and issuance of comfort letters.

(2) Audit-related fees represent professional fees for accounting consultation and other attest engagements.

(3) Tax fees represent professional services rendered for tax compliance, tax advice and tax planning.

## AUDIT COMMITTEE PRE-APPROVAL OF SERVICES BY THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

In accordance with its charter and applicable rules and regulations adopted by the SEC, the Company's Audit Committee reviews and pre-approves any engagement of the independent registered public accounting firm to provide audit, review or attest services or non-audit services and the fees for any such services. The Audit Committee annually considers and, if appropriate, approves the provision of audit services by the independent registered public accounting firm. In addition, the Audit Committee periodically considers and, if appropriate, approves the provision of any additional audit and non-audit services by our independent registered public accounting firm that are neither pre-approved by the Audit Committee on an annual basis nor prohibited by applicable rules and regulations of the SEC. The Audit Committee has delegated to the chairman of the Audit Committee, Mr. Skousen, the authority to pre-approve, on a case-by-case basis, any such additional audit and non-audit services to be performed by our independent registered public accounting firm. Mr. Skousen reports any decision to pre-approve such services to the Audit Committee at its next regular meeting. All of the fees described in the table above were pre-approved by the Audit Committee.

## Recommendation of the Board of Directors

Our board of directors recommends that you vote "FOR" ratification of the Audit Committee's selection of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018.

## Item 3. Advisory Vote to Approve the Compensation of the Named Executive Officers

The Company requests stockholder approval, on an advisory basis, of the compensation paid to our named executive officers as disclosed pursuant to the SEC's compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis and the accompanying compensation tables and related material disclosed in this proxy statement).

As described in the Compensation Discussion and Analysis of this proxy statement, our executive compensation program is designed to reinforce a results-oriented culture with executive pay that reflects Company and individual performance against business objectives and high ethical standards, with an emphasis on variable performance-based compensation. Our compensation program is designed to attract, retain and motivate key executives and align their interests with that of our stockholders. As such, we believe that our executive compensation program and the



corresponding executive compensation detailed in the compensation tables and related narrative of this proxy statement are strongly aligned with the long-term interests of our stockholders.

As an advisory vote, this proposal is not binding upon the Company. However, our CNG Committee, which is responsible for designing and administering our executive compensation program, values the opinions expressed by stockholders in their vote on this proposal, and will carefully consider the outcome of the vote when making future compensation decisions for named executive officers.

MATTERS THAT MAY BE BROUGHT BEFORE THE ANNUAL MEETING

The board of directors strongly endorses the Company's executive compensation program and recommends that stockholders vote in favor of the following resolution:

RESOLVED, that the stockholders approve, on an advisory basis, the compensation paid to the Company's named executive officers as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables and any related material disclosed in Extra Space Storage Inc.'s Proxy Statement for the 2018 Annual Meeting of Stockholders.

Recommendation of the Board of Directors

Our board of directors recommends that you vote "FOR" the approval, on an advisory basis, of the compensation paid to our named executive officers as disclosed pursuant to the SEC's compensation disclosure rules.

## OTHER MATTERS

### Review and Approval of Related Party Transactions

The Company recognizes that related party transactions present a heightened risk of conflicts of interest (or the perception thereof), and therefore has adopted a written policy pursuant to which all related party transactions will be subject to review and approval or ratification in accordance with the procedures set forth in the policy. A related party transaction is defined in our policy as a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) requiring disclosure under Item 404(a) of Regulation S-K promulgated by the SEC, or any successor provision as then in effect.

The policy provides that related party transactions are reviewed by our Audit Committee or another independent body of the board of directors, such as the independent and disinterested members of the board of directors. As set forth in the Audit Committee charter, the members of the Audit Committee, all of whom are independent directors, review and approve related party transactions for which such approval is required under applicable law, including SEC and NYSE rules.

In the course of its review and approval or ratification of a disclosable related party transaction, the Audit Committee or the independent and disinterested members of the board of directors may consider:

- the nature of the related person's interest in the transaction;
- the material terms of the transaction, including, without limitation, the amount and type of transaction;
- the importance of the transaction to the related person;
- the importance of the transaction to the Company;
- whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company; and
- any other matters deemed appropriate.

### Related Party Transactions

#### SpenAero, L.C.

From time to time, the Company leases a private jet from SpenAero, L.C. ("SpenAero"), an affiliate of Spencer F. Kirk, a member of our board of directors and the Company's former CEO. Under the terms of the lease agreement, the Company pays SpenAero for specific operating expenses and a defined hourly rate for each flight hour it uses. In the fiscal year ended December 31, 2017, the Company paid SpenAero a total of \$167,000. The Company is not required to lease any minimum number of hours on the aircraft. The lease rates and other charges by SpenAero to the Company in connection with the lease are similar in nature and amount to those provided to similar aircraft lessees not affiliated with the Company.

### Voting Shares at Annual Meeting

Holders of record of our common stock as of the close of business on the record date, March 26, 2018, are entitled to receive notice of, and to vote at, the annual meeting. The outstanding common stock constitutes the only class of securities entitled to vote at the annual meeting and each share of common stock entitles the holder thereof to one vote. At the close of business on March 26, 2018, there were 125,912,293 shares of common stock outstanding. Stockholders can vote in person at the annual meeting or by proxy.

If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record. You must follow the instructions of the holder of record in order for your shares to be voted. Internet proxy authorization also will be offered to stockholders owning shares through certain banks and brokers. If your shares are not registered in your own name and you plan to vote your shares in person at the annual meeting, you should contact your broker or agent to obtain a legal proxy or broker's proxy card and bring it to the annual meeting in order to vote.

Shares will be voted as the stockholder of record instructs. The persons named as proxies on the proxy card will vote as recommended by our board of directors on any matter for which a stockholder has not given instructions. The board of directors' recommendations appear under each matter to be voted on under the section titled "Matters That May be Brought Before the Annual Meeting".

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on May 23, 2018

Electronic copies of our proxy statement and annual report for fiscal year 2017 are available at our website, [www.extraspace.com](http://www.extraspace.com), under Investor Relations.

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## OTHER MATTERS

### Revoking a Proxy

Stockholders of record may revoke their proxy and change their votes any time before their votes are cast by:

- giving written notice of revocation to our Corporate Secretary at our address prior to the annual meeting;
- authorizing a proxy again on a later date on the Internet (only the latest Internet proxy submitted prior to the annual meeting will be counted);
- signing and forwarding to us a later-dated proxy; or
- attending the annual meeting and voting their shares of common stock in person.

### Quorum and Vote Counting

The annual meeting requires a quorum, which means that a majority of the shares issued and outstanding as of the record date must be represented at the meeting. If a stockholder grants a proxy or attends the meeting in person, that stockholder's shares will be counted to determine whether a quorum is present, even if the stockholder abstains from voting on some or all matters introduced at the meeting. "Broker non-votes" (as described below) also count for quorum purposes.

If shares are held through a broker, bank or other nominee, generally the nominee may vote the shares it holds for the stockholder in accordance with the stockholder's instructions. However, if the nominee has not received instructions within ten days prior to the meeting, the nominee may vote in its discretion only on matters that the NYSE determines to be routine. If a nominee cannot vote on a particular matter because it is not routine, there is a "broker non-vote" on that matter.

Each of the seven nominees for director must receive a majority of the votes cast for and against such nominee to be elected as director. All other matters must be approved by a majority of the votes cast on such matter. Abstentions and broker non-votes are counted as present and entitled to vote, but they are not counted as votes for or against any proposal and therefore have no effect on the outcome of any of the matters to be voted upon at the annual meeting. American Stock Transfer & Trust Company, our transfer agent and registrar, will assist in the distribution of proxy materials and tabulation of votes.

### Costs of Soliciting Proxies

We pay the costs of soliciting proxies. In addition to solicitation by Internet and mail, certain of our directors, officers and regular employees may solicit the return of proxies by telephone, personal interview or otherwise without being paid additional compensation. We will also reimburse brokerage firms and other persons representing the beneficial owners of our shares for their reasonable expenses in forwarding proxy solicitation material to the beneficial owners in accordance with the proxy solicitation rules and regulations of the SEC and the NYSE.

### Other Matters to Come Before the 2018 Annual Meeting

Our board of directors and management know of no other matters or business to be presented for consideration at the annual meeting. If, however, any other matters properly come before the annual meeting or any adjournment(s) or postponement(s) thereof, it is the intention of the persons named in the enclosed proxy to vote such proxy in accordance with their discretion on any such matters. The persons named in the enclosed proxy may also, if they deem it advisable, vote such proxy to adjourn the annual meeting from time to time.

### Stockholder Proposals for 2019 Annual Meeting

Under SEC rules, proposals from our eligible stockholders must be received by us no later than December 7, 2018, in order to be considered for inclusion in the proxy statement for the 2019 Annual Meeting of Stockholders. Any such proposals, as well as any questions relating thereto, should be directed to the Corporate Secretary of the Company at the Company's principal executive offices. Proposals we receive after December 7, 2018, will not be included in the proxy statement for the 2019 annual meeting.

In addition, under our current bylaws, and as SEC rules permit, stockholders must follow certain procedures to nominate a person for election as a director at an annual meeting, including director nominees pursuant to our proxy access bylaws or special meeting, or to introduce an item of business at an annual meeting. A stockholder must notify the Corporate Secretary of the Company in writing of the director nominee or the other business. For purposes of our 2019 Annual Meeting of Stockholders, the notice must include the information required in our bylaws and be delivered to the Corporate Secretary at the principal executive offices of the Company not earlier than the 150th day

(November 7, 2018) and not later than 5:00 p.m., Mountain Time, on the 120th day (December 7, 2018) prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting. Proposals and director nominations we receive which do not comply with the procedures set forth in our bylaws will not be acted upon at the 2019 annual meeting. The submission of a stockholder proposal or proxy access nomination does not guarantee that it will be included in our proxy statement.

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## OTHER MATTERS

If the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, notice by the stockholder must be delivered as described above not earlier than the 150th day prior to the date of mailing of the notice for such annual meeting and not later than 5:00 p.m., Mountain Time, on the later of the 120th day prior to the date of such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. The public announcement of a postponement or adjournment of an annual meeting does not commence a new time period for notice as described above.

## Householding of Proxy Materials

The rules promulgated by the SEC permit companies, brokers, banks or other intermediaries to deliver a single copy of an annual report, proxy statement or Notice of Internet Availability, as applicable to households at which two or more stockholders reside. This practice, known as "householding," is designed to reduce duplicate mailings and save significant printing and postage costs as well as natural resources. Stockholders sharing an address who have been previously notified by their broker, bank or other intermediary and have consented to "householding" will receive only one copy of our annual report, proxy statement or Notice of Internet Availability, as applicable. If you would like to opt out of this practice for future mailings and receive a separate annual report, proxy statement or Notice of Internet Availability, as applicable for each stockholder sharing the same address, please contact your broker, bank or other intermediary. You may also obtain a separate annual report, proxy statement or Notice of Internet Availability, as applicable, without charge by sending a written request to Extra Space Storage Inc., 2795 East Cottonwood Parkway, Suite 300, Salt Lake City, UT 84121, Attention: Investor Relations, or by telephone at (801) 365-1759. We will promptly without charge send additional copies of the annual report, proxy statement or Notice of Internet Availability, as applicable, upon receipt of such request. Stockholders sharing an address that are receiving multiple copies of the annual report, proxy statement or Notice of Internet Availability, as applicable, can request delivery of a single copy of the annual report, proxy statement or Notice of Internet Availability, as applicable, by contacting their broker, bank or other intermediary or sending a written request to Extra Space Storage Inc. at the address above.

## Principal Stockholders

The following table shows the number of shares of our common stock beneficially owned by each person known to us as having beneficial ownership of more than five percent of our common stock based on filings with the SEC that were provided to the Company. The number of shares is as of the most recent date the information was available, as shown in the table footnotes.

Name	Number of Shares Owned	Percent of Class (1)
The Vanguard Group, Inc.(2)	22,061,737	17.50%
BlackRock, Inc.(3)	12,555,071	9.96%
Cohen & Steers, Inc.(4)	10,878,245	8.63%
Fidelity Management & Research Company (5)	10,803,850	8.57%
State Street Corporation (6)	7,110,385	5.64%

(1)Based on a total of 126,068,982 shares of our common stock outstanding as of March 26, 2018.

Based on information disclosed in The Vanguard Group, Inc.'s Schedule 13G/A, filed with the SEC on February 9, 2018, and Vanguard Specialized Funds - Vanguard REIT Index Fund's Schedule 13G/A, filed with the SEC on February 2, 2018. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 139,399 shares as a result of its serving as investment manager of collective trust

(2)accounts. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 404,465 shares as a result of its serving as investment manager of Australian investment offerings. Also includes 8,483,341 shares beneficially owned by Vanguard Specialized Funds — Vanguard REIT Index Fund, which has sole voting power over these shares. The address for The Vanguard Group Inc. is 100 Vanguard Blvd., Malvern, PA 19355.

(3)Based on information disclosed in BlackRock, Inc.'s Schedule 13G/A filed with the SEC on January 23, 2018.

Includes shares beneficially owned by the following subsidiaries of BlackRock, Inc.: BlackRock Life Limited, BlackRock International Limited, BlackRock Advisors, LLC, BlackRock Capital Management, Inc., BlackRock (Netherlands) B.V., BlackRock Institutional Trust Company, National Association, BlackRock Asset Management

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Ireland Limited, BlackRock Financial Management, Inc., BlackRock Japan Co., Ltd., BlackRock Asset Management Schweiz AG, BlackRock Investment Management, LLC, BlackRock Investment Management (UK) Limited, BlackRock Asset Management Canada Limited, BlackRock (Luxembourg) S.A., BlackRock Investment Management (Australia) Limited, BlackRock Advisors (UK) Limited, BlackRock Fund Advisors, BlackRock Asset Management North Asia Limited, BlackRock (Singapore) Limited, and BlackRock Fund Managers Ltd. The address for BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

Based on information disclosed in Cohen & Steers, Inc.'s Schedule 13G/A filed with the SEC on February 14, 2018. Cohen & Steers, Inc. holds a 100% interest in Cohen & Steers Capital Management, Inc., a registered (4) investment advisor. Includes shares beneficially owned by Cohen & Steers UK Limited. Cohen & Steers Capital Management, Inc. beneficially owns 10,696,856 shares. The address for Cohen & Steers, Inc. is 280 Park Avenue, 10th Floor, New York, NY 10017.

Based on information disclosed in FMR LLC Schedule 13G/A filed with the SEC on February 13, 2018. FMR LLC holds a 100% interest in Fidelity Management & Research Company, a registered investment advisor. (5) Includes shares beneficially owned by FIAM LLC, Fidelity Institutional Asset Management Trust Company, Fidelity Management & Research Company, FMR Co., Inc., and Strategic Advisers, Inc. The address for FMR LLC is 245 Summer Street, Boston, Massachusetts 02210.

Based on information disclosed in State Street Corporation's Schedule 13G filed with the SEC on February 14, 2018. Includes shares beneficially owned by the following subsidiaries of State Street Corporation: State Street Bank and Trust Company, SSGA Funds Management, Inc., State Street Global Advisor Trust Company, State (6) Street Global Advisors (Japan) Co., LTD, State Street Global Advisors Asia LTD, State Street Global Advisors France S.A.S, State Street Global Advisors Ireland Limited, State Street Global Advisors Singapore LTD, State Street Global Advisors Limited, State Street Global Advisors GmbH, and State Street Global Advisors, Australia. The address for State Street Corporation. is One Lincoln Street Boston, MA 02111.



APPENDIX A – RECONCILIATION OF  
NON-GAAP FINANCIAL MEASURES

Funds From Operations

FFO provides relevant and meaningful information about the Company's operating performance that is necessary, along with net income and cash flows, for an understanding of the Company's operating results. The Company believes FFO is a meaningful disclosure as a supplement to net earnings. Net earnings assume that the values of real estate assets diminish predictably over time as reflected through depreciation and amortization expenses. The values of real estate assets fluctuate due to market conditions and the Company believes FFO more accurately reflects the value of the Company's real estate assets. FFO is defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT") as net income computed in accordance with GAAP excluding gains or losses on sales of operating stores and impairment write downs of depreciable real estate assets, plus depreciation and amortization and after adjustments to record unconsolidated partnerships and joint ventures on the same basis. The Company also presents FFO as adjusted which excludes non-recurring revenues and expenses, acquisition related costs and non-cash interest.

The following table outlines the Company's FFO and Core FFO for the year ended December 31, 2017. The table also provides a reconciliation to GAAP net income attributable to common stockholders and earnings per diluted share (amounts shown in thousands, except share and per share data — unaudited):

	For the Year Ended December 31, 2017 (per share)	
Net income attributable to common stockholders	\$479,013	\$3.76
Impact of the difference in weighted average number of shares – diluted (1)		(0.21 )
Adjustments:		
Real estate depreciation	172,660	1.28
Amortization of intangibles	13,591	0.10
Loss (gain) on real estate transactions, earnout from prior acquisition and impairment of real estate	(112,789 )	(0.84 )
Unconsolidated joint venture real estate depreciation and amortization	5,489	0.04
Unconsolidated joint venture gain on sale of properties and purchase of partners' interests	0	0.00
Distributions paid on Series A Preferred Operating Partnership units	(3,119 )	(0.02 )
Income allocated to Operating Partnership noncontrolling interests	35,306	0.26
FFO attributable to common stockholders and unit holders	\$590,151	\$4.37
Adjustments:		
Revaluation of deferred tax related to tax reform	(8,106 )	(0.06 )
Property losses and tenant re-insurance claims due to hurricanes, net	4,360	0.03
Non-cash interest expense related to amortization of discount on equity portion of exchangeable senior notes	5,103	0.04
Core FFO attributable to common stockholders and unit holders	\$591,508	\$4.38
Weighted average number of shares—diluted (2)		135,066,080

Adjustment to account for the difference between the number of shares used to calculate earnings per share and the number of shares used to calculate FFO per share. Earnings per share is calculated using the two-class method, (1) which uses a lower number of shares than the calculation for FFO per share and Core FFO per share, which are calculated assuming full redemption of all OP units as described in note (2).

(2) Extra Space Storage LP (the "Operating Partnership") has outstanding preferred and common operating partnership units ("OP units"). These OP units can be redeemed for cash or, at the Company's election, shares of the Company's common stock. Redemption of all OP units for common stock has been assumed for purposes of calculating the weighted average number of shares—diluted as presented above. The computation of weighted average number of

shares—diluted for FFO per share and Core FFO per share also includes the effect of share-based compensation plans and shares related to the exchangeable senior notes using the treasury stock method.

#### Same Store Net Operating Income

For an explanation of how we calculate Same-Store net operating income, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC.

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ANNUAL MEETING OF STOCKHOLDERS OF  
EXTRA SPACE STORAGE INC.

May 23, 2018

PROXY VOTING INSTRUCTIONS

INTERNET - Access “www.voteproxy.com” and follow the on-screen instructions or scan the QR code with your smartphone. Have your proxy card available when you access the web page.

You may vote online until 9:59 p.m. Mountain Time on Tuesday, May 22, 2018.

MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON - You may vote your shares in person by attending the Annual Meeting.

GO GREEN - e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via [www.astfinancial.com](http://www.astfinancial.com) to enjoy online access.

COMPANY NUMBER

ACCOUNT NUMBER

Important Notice Regarding the Availability of Proxy Materials for  
the Stockholder Meeting to be Held on May 23, 2018:

Company’s proxy statement and accompanying annual report for fiscal year 2017 are available  
at [www.extraspace.com/proxyonline](http://www.extraspace.com/proxyonline).

i Please detach along perforated line and mail in the envelope provided IF you are not voting via the Internet. i

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THE BOARD OF DIRECTORS  
RECOMMENDS A VOTE “FOR”  
THE ELECTION OF  
DIRECTORS AND “FOR”  
PROPOSALS 2 & 3.  
PLEASE SIGN, DATE AND  
RETURN PROMPTLY IN THE  
ENCLOSED ENVELOPE.  
PLEASE MARK YOUR VOTE  
IN BLUE OR BLACK INK AS

SHOWN HERE

The  
election  
of  
the  
7

1. ~~FOR~~ AGAINST ABSTAIN

of  
the  
Board  
of  
Directors.

Kenneth  
M.  
Woolley

Joseph  
D.  
Margolis

Roger  
B.  
Porter

Ashley  
Dreier

Spencer  
F.  
Kirk

Dennis  
J.  
Letham

Diane  
Olmstead

2. Ratification  
of  
the  
appointment  
of  
Ernst  
&  
Young  
LLP  
as

the  
Company's  
Independent  
Registered  
Public  
Accounting  
Firm.

Advisory  
vote  
on  
the  
compensation

3. of  
the  
Company's  
named  
executive  
officers.

To vote and otherwise  
represent the undersigned on  
any other matter that may  
properly come before the  
4. meeting or any  
adjournments or  
postponements thereof in the  
discretion of the proxy  
holder.

The shares represented by  
To this proxy will be voted as  
change instructed by the  
the stockholder. If this proxy is  
addressed but no instructions  
on are specified, the shares will  
you be voted in accordance with  
accordance with the  
the recommendations of the  
please board of directors. If any  
check other matter is properly  
the presented at the annual  
box meeting, or any  
at adjournments or  
right postponements thereof, this  
and proxy will confer  
indicate discretionary authority on  
you the individuals named as  
new proxies to vote the shares in  
accordance with their  
in discretion.  
the

space  
above.  
Please  
note  
that  
changes  
to  
the  
registered  
name(s)  
on  
the  
account  
may  
not  
be  
submitted  
via  
this  
method.

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Signature of Stockholder Date: Signature of Stockholder Date:

Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executors, administrator, attorney, trustee or guardian, please give full title as Note: such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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ANNUAL MEETING OF STOCKHOLDERS OF  
EXTRA SPACE STORAGE INC.

May 23, 2018

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the Stockholder Meeting to be Held on May 23, 2018:

The Company's proxy statement and accompanying annual report for fiscal year 2017 are available  
at [www.extraspace.com/proxyonline](http://www.extraspace.com/proxyonline).

Please sign, date and mail  
your proxy card in the  
envelope provided as soon  
as possible.

i Please detach along perforated line and mail in the envelope provided. i

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THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF DIRECTORS AND "FOR"  
PROPOSALS 2 & 3.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR  
VOTE IN BLUE OR BLACK INK AS SHOWN HERE

The  
election  
of  
the  
7  
1. ~~FOR~~ ~~AGAINST~~ ~~ABSTAIN~~

of  
the  
Board  
of  
Directors.

Kenneth  
M.  
Woolley

Joseph  
D.  
Margolis

Roger  
B.  
Porter

Ashley  
Dreier



Spencer  
F.  
Kirk

Dennis  
J.  
Letham

Diane  
Olmstead

Ratification  
of  
the  
appointment  
of  
Ernst  
&  
Young

2. LLP  
as  
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Company's  
Independent  
Registered  
Public  
Accounting  
Firm.

Advisory  
vote  
on  
the  
compensation  
3. of  
the  
Company's  
named  
executive  
officers.

To vote and otherwise  
represent the undersigned on  
any other matter that may  
properly come before the  
4. meeting or any  
adjournments or  
postponements thereof in the  
discretion of the proxy  
holder.

To change the address on your account, please check the box at right and indicate your new address in the space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

The shares represented by this proxy will be voted as instructed by the stockholder. If this proxy is executed but no instructions are specified, the shares will be voted in accordance with the recommendations of the board of directors. If any other matter is properly presented at the annual meeting, or any adjournments or postponements thereof, this proxy will confer discretionary authority on the individuals named as proxies to vote the shares in accordance with their discretion.

Signature of Stockholder Date: Signature of Stockholder Date:

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Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executors, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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EXTRA SPACE STORAGE INC.

2795 East Cottonwood Parkway, Suite 300

Salt Lake City, UT 84121

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 23, 2018

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

As an alternative to completing this form, you may enter your vote instruction via the Internet at [WWW.VOTEPROXY.COM](http://WWW.VOTEPROXY.COM) and follow the simple instructions. Use the Company Number and Account Number shown on your proxy card.

The undersigned stockholder of Extra Space Storage Inc., a Maryland corporation (the “Company”), hereby revokes all previous proxies, acknowledges receipt of the notice of annual meeting of stockholders of the Company and the accompanying proxy statement, and hereby appoints Joseph D. Margolis and Gwyn G. McNeal as proxies, each with full power of substitution, to represent and vote all shares of common stock of Extra Space Storage Inc. held of record by the undersigned on March 26, 2018, at the annual meeting of stockholders of the Company to be held at the Extra Space Storage Inc. corporate offices located at 2795 East Cottonwood Parkway, Suite 300, Salt Lake City, UT 84121, on May 23, 2018 at 11:00 a.m. Mountain Time, or any adjournments or postponements thereof.

(Continued and to be signed on the reverse side.)

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