

Extra Space Storage Inc.
Form DEF 14A
April 01, 2011

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

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)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

EXTRA SPACE STORAGE INC.
2795 East Cottonwood Parkway, Suite 400
Salt Lake City, UT 84121

April 1, 2011

Dear Fellow Stockholder:

I am pleased to invite you to the 2011 Annual Meeting of Stockholders of Extra Space Storage Inc., which will be held on Tuesday, May 17, 2011, at 11:00 a.m. Mountain Daylight Time at the Marriott Residence Inn, 6425 South 3000 East, Salt Lake City, Utah 84121.

You will find more information about the meeting in the attached notice and proxy statement.

We encourage you to vote so that your shares will be represented at the meeting. Information on how you may vote your shares appears on the following pages.

Sincerely,

Spencer F. Kirk
Chairman of the Board and Chief Executive Officer

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Time: 11:00 a.m., Mountain Daylight Time, Tuesday, May 17, 2011

Place: Marriott Residence Inn, 6425 South 3000 East, Salt Lake City, Utah 84121

Record Date: Stockholders at the close of business on March 21, 2011 are entitled to vote

Matters to be voted upon: Election of seven members of the board of directors for terms expiring at the 2012 annual meeting of stockholders and until their successors are duly elected and qualify;

Ratification of the engagement of Ernst & Young LLP as the Company's independent registered public accounting firm for 2011;

Non-binding advisory vote on the compensation of the Company's named executive officers;

Non-binding advisory vote on the frequency of future stockholder advisory votes on executive compensation; and

Any other business properly brought before the meeting or any adjournments or postponements thereof.

Adjournments and Postponements: Any action on the items of business described above may be considered at the annual meeting at the time and on the date specified above or at any time and date to which the annual meeting may be properly adjourned or postponed.

We are pleased to take advantage of the Securities and Exchange Commission ("SEC") rules allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that this e-proxy process expedites stockholders' receipt of proxy material and lowers the cost of our annual meeting. We sent a Notice of Internet Availability of Proxy Materials on or about April 1, 2011, and provided access to our proxy materials over the Internet, beginning April 1, 2011, for the holders of record and beneficial owners of our common stock as of the close of business on the record date. If you received a Notice of Internet Availability by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice of Internet Availability instructs you on how to access and review this proxy statement and our annual report and authorize a proxy online or by telephone to vote your shares. If you received a Notice of Internet Availability by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice of Internet Availability.

Your proxy is important. Whether you plan to attend the annual meeting, please authorize your proxy by Internet or telephone, or if you received a paper copy of the materials by mail, please mark, sign, date and return your proxy card, so that your shares will be represented at the annual meeting.

Charles L. Allen
Secretary
Salt Lake City, Utah

April 1, 2011

Table of Contents

TABLE OF CONTENTS

| | |
|--|-----------|
| <u>VOTING</u> | <u>1</u> |
| <u>Voting Shares at the Annual Meeting</u> | <u>1</u> |
| <u>Revoking a Proxy</u> | <u>2</u> |
| <u>Quorum and Vote Counting</u> | <u>2</u> |
| <u>Costs of Soliciting Proxies</u> | <u>3</u> |
| <u>Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on May 17, 2011</u> | <u>3</u> |
| <u>Recommendations of the Board of Directors</u> | <u>3</u> |
| <u>Principal Stockholders</u> | <u>4</u> |
| <u>INFORMATION ABOUT THE BOARD OF DIRECTORS AND ITS COMMITTEES</u> | <u>4</u> |
| <u>Nominees for Directors</u> | <u>4</u> |
| <u>CORPORATE GOVERNANCE</u> | <u>6</u> |
| <u>Corporate Governance Guidelines</u> | <u>6</u> |
| <u>Director Independence</u> | <u>6</u> |
| <u>Nomination of Directors</u> | <u>7</u> |
| <u>Communications with the Board and its Committees</u> | <u>7</u> |
| <u>Code of Business Conduct and Ethics</u> | <u>8</u> |
| <u>Whistleblowing and Whistleblower Protection Policy</u> | <u>8</u> |
| <u>LEADERSHIP STRUCTURE, RISK OVERSIGHT, MEETINGS AND COMMITTEES OF THE BOARD</u> | <u>8</u> |
| <u>Leadership Structure</u> | <u>8</u> |
| <u>Risk Oversight</u> | <u>9</u> |
| <u>Attendance at Meetings of the Board and its Committees</u> | <u>9</u> |
| <u>Committees of the Board of Directors</u> | <u>10</u> |
| <u>Compensation, Nominating and Governance Committee Interlocks and Insider Participation</u> | <u>13</u> |
| <u>Policy Regarding Board Attendance at Stockholders Meetings</u> | <u>13</u> |
| <u>DIRECTOR COMPENSATION</u> | <u>13</u> |
| <u>Stock Ownership Guidelines for Directors</u> | <u>14</u> |
| <u>EXECUTIVE OFFICERS</u> | <u>14</u> |
| <u>EXECUTIVE COMPENSATION</u> | <u>15</u> |
| <u>Compensation Discussion and Analysis</u> | <u>15</u> |
| <u>Policy Regarding Tax Deductibility of Compensation</u> | <u>18</u> |
| <u>Compensation Committee Report</u> | <u>18</u> |
| <u>SECURITY OWNERSHIP OF DIRECTORS AND OFFICERS</u> | <u>24</u> |
| <u>Section 16(a) Beneficial Ownership Reporting Compliance</u> | <u>25</u> |
| <u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u> | <u>25</u> |
| <u>Review and Approval of Related Party Transactions</u> | <u>25</u> |
| <u>Related Party Transactions</u> | <u>26</u> |
| <u>MATTERS THAT MAY BE BROUGHT BEFORE THE ANNUAL MEETING</u> | <u>27</u> |
| <u>Item 1. Election of Directors</u> | <u>27</u> |
| <u>Item 2. Ratification of Appointment of Independent Registered Public Accounting Firm</u> | <u>27</u> |
| <u>Item 3. Approval of the Compensation of the Named Executive Officers</u> | <u>28</u> |
| <u>Item 4. Frequency of Stockholder Vote on Executive Compensation</u> | <u>29</u> |
| <u>STOCKHOLDER PROPOSALS FOR 2012 ANNUAL MEETING</u> | <u>30</u> |
| <u>OTHER MATTERS</u> | <u>30</u> |

Table of Contents

EXTRA SPACE STORAGE INC.

**2795 East Cottonwood Parkway, Suite 400
Salt Lake City, Utah 84121**

**PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS**

**to be held at 11:00 a.m., Mountain Daylight Time, May 17, 2011
at the Marriott Residence Inn,
6425 South 3000 East, Salt Lake City, Utah 84121**

We are furnishing this proxy statement to our stockholders in connection with the 2011 annual meeting of stockholders.

Our board of directors is soliciting proxies of our stockholders to vote their shares at the annual meeting. These proxy materials have been prepared by our management for the board of directors. This proxy statement and the form of proxy are first being furnished to our stockholders on or about April 1, 2011.

VOTING

Voting Shares at the Annual Meeting

Holders of record of our common stock as of the close of business on the record date, March 21, 2011, 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 21, 2011, there were 88,444,265 shares of common stock outstanding. Stockholders can vote in person at the annual meeting or by proxy. There are three ways to authorize a proxy to vote your shares:

By Internet You can authorize your proxy over the Internet at www.voteproxy.com by following the instructions on the proxy card;

By Telephone Stockholders located in the United States can authorize their proxy by telephone by calling 1-800-PROXIES (1-800-776-9437) and following the instructions on the proxy card; or

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

By Mail If you received your proxy materials by mail, you can authorize a proxy by mail by signing, dating and mailing the enclosed proxy card.

Internet and telephone proxy facilities for stockholders of record will be available 24 hours a day and will close at 9:59 p.m., Mountain Daylight Time, Monday, May 16, 2011.

Table of Contents

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 and telephone 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 appears on the following page herein.

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 or by telephone (only the latest Internet or telephone 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 nonvotes" (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 New York Stock Exchange (the "NYSE") determines to be routine. If a nominee cannot vote on a particular matter because it is not routine, there is a "broker nonvote" on that matter.

The seven nominees for director who receive the highest vote totals will be elected as directors. All other matters must be approved by a majority of the votes cast by stockholders who are present or represented and entitled to vote at the annual meeting. However, if no option regarding the frequency of the stockholder vote on executive compensation as disclosed in this proxy statement receives a majority of the votes cast, we will consider the option that receives the most votes to be the option selected by the stockholders. Abstentions and broker nonvotes 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 2011 annual meeting of stockholders.

American Stock Transfer & Trust Company, our transfer agent and registrar, will assist in the distribution of proxy materials and tabulation of votes.

Table of Contents

Costs of Soliciting Proxies

We are paying 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, facsimile, 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.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on May 17, 2011

Electronic copies of our proxy statement and annual report for fiscal year 2010 are available at our website, *www.extraspace.com*, under Investor Relations.

Recommendations of the Board of Directors

FOR the election of the following persons to the board of directors to serve until the 2012 annual meeting and until their successors are duly elected and qualify:

Spencer F. Kirk
Anthony Fanticola
Hugh W. Horne
Joseph D. Margolis
Roger B. Porter
K. Fred Skousen
Kenneth M. Woolley

FOR the ratification of our Audit Committee's selection of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2011.

FOR the approval, on an advisory basis, of the compensation of the named executive officers, as disclosed in this proxy statement.

FOR the approval, on an advisory basis, by stockholder vote of the compensation of the named executive officers every year.

Table of Contents**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 close of business on March 21, 2011.

| Name | Number of Shares Owned | Percent of Class(1) |
|---|---------------------------|------------------------|
| Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355-2331 | 8,876,989 | 10.04% |
| RREEF Real Estate Securities Advisors, L.P. 875 N. Michigan Avenue 41st Floor Chicago, IL 60611 | 7,397,109 | 8.36% |
| BlackRock Institutional Trust Company, N.A. 400 Howard Street San Francisco, CA 94105-2618 | 6,773,860 | 7.66% |

- (1) Based on a total of 88,444,265 shares of our common stock outstanding as of March 21, 2011.

INFORMATION ABOUT THE BOARD OF DIRECTORS AND ITS COMMITTEES**Nominees for Directors**

The following table sets forth the name, age and the position(s) with us, if any, currently held by each person nominated as a director:

| Name | Age | Title |
|---------------------------|-----|--|
| Spencer F. Kirk | 49 | Chairman and Chief Executive Officer ("CEO") |
| Anthony Fanticola(1) | 68 | Director |
| Hugh W. Horne(2) | 66 | Director |
| Joseph D. Margolis(1),(2) | 50 | Director |
| Roger B. Porter(1),(2) | 64 | Director |
| K. Fred Skousen(1),(2) | 68 | Director |
| Kenneth M. Woolley | 64 | Director |

- (1) Member of Audit Committee.
- (2) Member of Compensation, Nominating and Governance Committee ("C/N/G Committee").

Spencer F. Kirk was named the Company's Chairman and CEO effective April 1, 2009. Mr. Kirk served as the Company's President from September 2007 to April 2009. He previously served as Executive Vice President of the Company's predecessor from 1998 to 2004. Mr. Kirk has served as a director of the Company since its initial public offering in 2004. As the owner of more than 3.4 million shares, Mr. Kirk is the Company's largest private individual stockholder. Before his involvement with the Company, Mr. Kirk co-founded 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

Table of Contents

M.B.A. from the University of Utah. Mr. Kirk was selected to serve as our Chairman based on his knowledge of the Company and the self-storage industry, his extensive experience in the management of public companies, and his leadership and organizational skills.

Anthony Fanticola served as the owner, Chairman and CEO of A. Fanticola Companies, Inc., Oil Express, Inc. and Lube Pit, Inc. (parent companies of 90 Jiffy Lube stores located in Southern California, Seattle/Tacoma, Washington and Tucson, Arizona). Before his involvement with Oil Express, Inc. and Lube Pit, Inc., Mr. Fanticola owned and operated a variety of privately owned businesses and served as Vice President of Vons Food and Drug where he was responsible for overseeing approximately \$800 million in sales. He has been a member of our board of directors since August 2004. Mr. Fanticola was selected to serve as a member of our board based on his extensive operational and retail marketing experience.

Hugh W. Horne served as President and CEO of Storageworld, L.P. and Storage Spot, Inc. from 1998 through 2009. From 1972 through 1997, Mr. Horne was employed by Public Storage, Inc. where he served in a number of capacities. His primary responsibility was that of President of the Real Estate Development Group where he was responsible for all aspects of development including the development of approximately 750 self-storage properties totaling 45 million square feet, the development of approximately 100 commercial properties totaling six million square feet, and the acquisition of approximately 450 existing self-storage properties totaling 27 million square feet. At Public Storage, Mr. Horne also served as Corporate Secretary and as Vice President of Public Storage Management, Inc., its property management subsidiary. Mr. Horne holds a B.S. in business from Eastern New Mexico University. He has been a member of our board of directors since August 2004. Mr. Horne was selected to serve as a member of our board of directors based on his experience of over 35 years in the self-storage industry, including experience in property operations, acquisition, disposition, financing and development.

Joseph D. Margolis is a co-founding partner of Arsenal Real Estate Funds, a private real estate investment management firm. Before forming Arsenal in 2004, Mr. Margolis held senior positions from 1992 to 2004 at Prudential Real Estate Investors in portfolio management, capital 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 (cum laude 1983) and Columbia University School of Law. He has been a member of our board of directors since February 2005. Mr. Margolis was selected to serve as a member of our board due to his extensive experience in commercial real estate investing, capital markets activities and investment management of institutional funds. In addition, Mr. Margolis' experience and involvement with Extra Space dates to 1998, providing him with a significant knowledge of the Company and key personnel.

Roger B. Porter is the IBM Professor of Business and Government and the Master of Dunster House at Harvard University. 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 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. Mr. Porter was selected to serve as a member of our board, our lead independent director, and our C/N/G chairman based on his background as a professor of Business and Government at Harvard University and his service in government, which allows him to bring a unique perspective to the board, including an understanding of broader economic issues and trends, insight into government actions and policy changes, and how such matters may affect our business. In addition,

Table of Contents

his service on the board of directors of a variety of major public companies provides him an understanding of the strategic, operational and financial issues faced by large public companies.

K. Fred Skousen served as the Advancement Vice President at Brigham Young University until 2009. Previously, he was Dean of the Marriott School of Management and Director of the School of Accountancy at Brigham Young University. Mr. Skousen has been a consultant to the Financial Executive Research Foundation, the Controller General of the United States, the Federal Trade Commission and several large companies. Mr. Skousen has served as a faculty member at the University of Minnesota, the University of California, Berkeley, and the University of Missouri, as well as a faculty resident on the staff of the SEC and a faculty fellow at Price Waterhouse and Co. He served as Director of Research and a member of the Executive Committee of the American Accounting Association, is a former member of the American Institute of CPAs and is a former President of the Utah Association of CPAs. Mr. Skousen earned a B.A. from Brigham Young University and an M.A. and Ph.D. from the University of Illinois. He is the author or co-author of over 50 books and articles on accounting and business topics. He has been a member of our board of directors since August 2004. Mr. Skousen was selected to serve as a member of our board and our Audit Committee chairman based on his expertise, financial literacy and over 40 years of extensive experience in accounting education, research, and consulting with major companies and government agencies, including through his service on several boards of directors and audit committees.

Kenneth M. Woolley is the founder of our Company, served as our Chairman and CEO from our formation through March 2009, 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 and remains 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 developed more than 7,000 apartment units, and has been the founder of several companies in the retail, electronics, food manufacturing and natural resources industries. 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. Mr. Woolley was selected to serve as a member of our board based on his experience and knowledge of our Company and his extensive experience in the self-storage industry.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

The Company has adopted corporate governance guidelines titled "Corporate Governance Guidelines" which are available at www.extraspace.com under Investor Relations Corporate Information Governance Documents. These principles were adopted by the board of directors to help ensure that the board of directors is independent from management, adequately oversees management and that the interests of the board of directors and management align with the interests of the stockholders.

Director Independence

In accordance with the 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,

Table of Contents

nominating and governance committee be independent. Based on these standards, the board of directors has determined that each of the following non-employee directors is independent and has no relationship with the Company, except as a director and stockholder of the Company:

Anthony Fanticola
Hugh W. Horne
Joseph D. Margolis
Roger B. Porter
K. Fred Skousen

Nomination of Directors

The C/N/G Committee is responsible for screening potential director candidates and recommending qualified candidates to the board of directors for nomination. The C/N/G Committee's policy is to consider director candidates recommended by stockholders. Stockholders' nominations for directors must be made in writing and include the nominee's written consent to the nomination and sufficient background information on the candidate to enable the committee to assess his or her qualifications. Nominations 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 400
Salt Lake City, Utah 84121

Recommendations received from stockholders will be considered and processed and are subject to the same criteria as are candidates nominated by the C/N/G Committee, as discussed below.

Qualifications

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 order to provide a broad diversity of experience, professions, skills, and backgrounds. The criteria and the effectiveness of our nomination policies are reviewed annually by the C/N/G 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.

Communications with the Board and its Committees

Any stockholder or other interested parties 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 400, Salt Lake City,

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

Utah 84121 or by referring to the "Stockholder Communication Policy" at www.extraspace.com under Investor Relations - Corporate Information - Governance Documents.

Table of Contents

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 our Code may be found on our website at www.extraspace.com under Investor Relations Corporate Information Governance Documents.

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, 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 400, Salt Lake City, Utah 84121.

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

Leadership Structure

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

Our board of directors is currently comprised of seven directors, five of whom are independent. We employ a traditional U.S. board leadership structure with our CEO also serving as Chairman of the board of directors. 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, while our CEO brings extensive company-specific experience and expertise to his role as Chairman. We believe that the combined role of Chairman and CEO is the appropriate structure because the Chairman and CEO

Table of Contents

provides clear leadership and direction for the Company and a single, focused chain of command to execute the Company's business plans and strategic initiatives. The combined role also eliminates the potential for confusion or duplication of efforts. Mr. Kirk is an experienced executive with the company-specific knowledge and skills as well as temperament to carry out both of his roles with excellence.

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 board of directors has appointed Roger B. Porter as the lead independent director to help enforce the independence of the board of directors as a whole. The position of lead independent director has been structured to serve as an effective balance to a combined Chairman and CEO role. The lead independent director: (1) chairs all executive sessions of the board; (2) consults with management and the other members of the board regarding board meeting agendas; (3) serves as the principal liaison between management and the independent directors; and (4) performs such other functions as the board of directors or independent directors may designate from time to time.

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 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 C/N/G 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 C/N/G 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, human resources, auditing and risk management perspective and reviewed and discussed this assessment with the C/N/G Committee. Based on this assessment, we concluded that we do not have any compensation programs or practices which would reasonably be likely to have a material adverse effect on our Company.

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, 2010, the board of directors conducted a total of five meetings. Each director attended at least 75% of the meetings of the board of directors and of any committees on which he served during this period.

Meetings of Independent Directors

The independent directors hold regularly scheduled meetings in executive session, without the presence of management. The lead independent director chairs these sessions. Roger B. Porter

Table of Contents

currently serves as the lead independent director. Stockholders wishing to communicate directly with Mr. Porter or the independent directors may send correspondence addressed in care of:

Extra Space Storage Inc., Attn: Corporate Secretary
2795 East Cottonwood Parkway, Suite 400
Salt Lake City, Utah 84121

Committees of the Board of Directors

The board of directors has two committees. 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 www.extraspace.com under Investor Relations Corporate Information Committee Charting.

Mr. Skousen is the chairman and Messrs. Fanticola, Margolis and Porter serve as members of the Audit Committee. 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.

The board of directors has determined that Mr. Skousen is 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, legal and regulatory requirements, including the Sarbanes-Oxley Act of 2002. During fiscal year 2010, 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, whenever appropriate, 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, the internal auditors and the 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.

Table of Contents

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

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

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 2010, management advised the Audit Committee that each set of financial statements reviewed and discussed with management by the committee had been prepared in accordance with U.S. generally accepted accounting principles, and 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 *Statement on Auditing Standards No. 61 (Communication with Audit Committees)*, as amended, 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 Public Company Accounting Oversight Board, *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 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.

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 and policies and 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.

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

Table of Contents

Taking all of these reviews and discussions into account, the undersigned Committee members 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, 2010, for filing with the SEC.

Submitted by the Audit Committee,

K. Fred Skousen (Chairman)

Anthony Fanticola

Joseph D. Margolis

Roger B. Porter

Compensation, Nominating and Governance Committee

The C/N/G 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 under Investor Relations Corporate Information Committee Charting. The C/N/G 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 C/N/G 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 nominations 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.

The C/N/G 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;

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

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.

In performing its duties, the C/N/G Committee has the authority to take such action as it deems appropriate to implement the purposes of the C/N/G Committee. The C/N/G Committee may retain legal, accounting or other consultants, and meet in separate executive sessions with the Company's management, employees, and its compensation consultant.

Table of Contents

The C/N/G Committee has retained Mercer as a compensation consultant to advise the C/N/G Committee in connection with matters pertaining to executive compensation, including advising as to market levels and practices, plan design and implementation, and best practices and governance principles. Mercer also provided limited non-executive compensation services in 2010.

Mr. Porter is the chairman and Messrs. Horne, Margolis and Skousen serve as members of the C/N/G Committee. During 2010, the C/N/G Committee held six meetings.

Compensation, Nominating and Governance Committee Interlocks and Insider Participation

All members of the C/N/G Committee are independent under NYSE listing standards. During 2010, 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 C/N/G Committee of the board of directors. No member of the C/N/G 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 and question a representative group of our directors and senior executives.

DIRECTOR COMPENSATION

All non-employee directors receive an annual board retainer fee of \$40,000 to be paid in cash and also receive shares of common stock equivalent in value to \$70,000 with the number of shares determined by the closing price of our common stock on the date of the annual meeting. Directors who serve as the chair of the Audit Committee and C/N/G Committee receive an annual committee retainer fee of \$20,000. The lead independent director receives an annual retainer fee of \$5,000. Directors who serve on the Audit Committee and C/N/G Committee receive an annual committee retainer fee of \$7,500. The following table sets forth the compensation paid to the Company's non-employee directors in 2010:

| Name | Fees earned or paid in cash (\$) | Stock awards (\$)(1) | Option awards (\$) | All other compensation (\$) | Total (\$) |
|-----------------------|----------------------------------|----------------------|--------------------|-----------------------------|-------------------|
| Anthony Fanticola | \$ 46,875 | \$ 70,000 | \$ | \$ | \$ 116,875 |
| Hugh W. Horne | 47,574 | 70,000 | | | 117,574 |
| Joseph D. Margolis | 55,074 | 70,000 | | | 125,074 |
| Roger B. Porter | 70,000 | 70,000 | | | 140,000 |
| K. Fred Skousen | 66,875 | 70,000 | | | 136,875 |
| Kenneth M. Woolley(2) | 40,000 | 70,000 | | | 110,000 |
| Total | \$ 326,398 | \$ 420,000 | \$ | \$ | \$ 746,398 |

(1) Each non-employee director received 4,690 shares of common stock on May 19, 2010. Dollar amounts represent grant date fair value of such grants as determined in accordance with Accounting Standards Codification 718, "Stock Compensation" ("ASC 718") using the assumptions to value such awards reported in the Company's notes to the financial statements in its 2010 Form 10-K filed with the SEC.

(2) As of December 31, 2010, Mr. Woolley held 262,600 stock options and 33,750 shares of restricted stock which were granted to him as an employee and which continue to vest as long as he remains a director.

Table of Contents

Stock Ownership Guidelines for Directors

In 2010, we adopted stock ownership guidelines, which require each of our non-employee directors to hold shares of our common stock, restricted stock or stock options (whether or not vested) with a value equal to the sum of the annual board fees and retainers, including the annual equity grant. Directors have five years to meet this goal. We adopted these stock ownership guidelines as a means of requiring directors to hold equity and tie their interests to stockholders' interests. Each non-employee director has met these guidelines.

EXECUTIVE OFFICERS

Information for Spencer F. Kirk is contained above under the heading "Information about the Board of Directors and its Committees Nominees for Directors." Information with regard to our other executive officers is set forth 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.

Kent W. Christensen, 51, has served as our Executive Vice President and Chief Financial Officer ("CFO") since November 2006, was our Senior Vice President and CFO from our formation to 2006 and was the CFO of our predecessor since 1998. Before joining our predecessor, Mr. Christensen was the CFO of Source One Management for ten years, where he designed and installed financial and accounting systems. Before his time at Source One, he worked at KPMG Peat Marwick. Mr. Christensen holds a B.S. and a Masters in Accounting from Utah State University.

Karl Haas, 59, has served as our Executive Vice President of Operations and Chief Operating Officer ("COO") since November 2006 and was our Senior Vice President of Operations from the acquisition of Storage USA in July 2005 to 2006. Before the acquisition of Storage USA, Mr. Haas served as Executive Vice President of Management for Storage USA from 1994 to July 2005. He was Executive Vice President of Storage USA Management Corp. from 1988 to 1991. During 1991, Mr. Haas became Storage USA Management Corp.'s President and COO. Mr. Haas received his B.S. in business administration, with an emphasis in accounting, from the University of Maryland at College Park. Mr. Haas worked for Arthur Young & Co. for ten years, leaving in 1983 as an Audit Principal. In 1983, Mr. Haas joined a Baltimore, Maryland real estate developer/entrepreneur. From 1983 through 1988, he fulfilled various roles, including accounting, finance and management of various real estate management and other operating businesses.

Charles L. Allen, 61, has served as our Executive Vice President, Chief Legal Officer ("CLO") and Secretary since November 2006 and was our Senior Vice President, CLO and Secretary from our formation to 2006. He was the General Counsel of our predecessor from 1998 to 2002. From 2002 to 2003, he served as Senior Vice President of Development. He coordinates and supervises all acquisition, development and corporate matters nationwide. Before joining our predecessor, Mr. Allen was a Senior Managing Partner at Allen, Nelson, Hardy & Evans and Associate General Counsel for Megahertz Corporation. Mr. Allen holds a B.S. in accounting from Brigham Young University and a J.D. from the J. Reuben Clark Law School of Brigham Young University.

Table of Contents

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 to:

reinforce a results-oriented culture with executive pay that reflects Company and individual performance against business objectives and high ethical standards;

provide compensation that attracts, retains and motivates key executives;

emphasize variable performance-based compensation, commensurate with an executive's increasing responsibilities; and

align the interests of stockholders and the Company's executives by implementing compensation programs that provide for acquiring and retaining significant equity interests in the Company by senior executives.

In 2010, each named executive officer's total compensation was comprised of the following elements designed to complement each other:

base salary;

annual incentive bonus;

long term incentives through stock options and restricted stock; and

other benefits typically offered to executives by major U.S. corporations.

Setting Executive Compensation

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 C/N/G Committee engages a nationally recognized compensation consulting firm, Mercer, which reports directly to the C/N/G Committee.

Working with the consultant, the C/N/G Committee developed a list of eleven comparable companies, all REITs, that are similar to the Company in enterprise value, number of employees, number of properties, and total revenue. The committee also took into consideration such elements as joint venture properties and unconsolidated revenues. The companies used in the comparator group are:

AvalonBay Communities, Inc.

Camden Property Trust

Colonial Properties Trust

Equity Lifestyle Properties, Inc.

Essex Property Trust, Inc.

First Industrial Realty Trust

Home Properties Inc.

Mid-America Apartment Communities, Inc.

Sovran Self Storage, Inc.

U-Store-It Trust

UDR, Inc.

The group includes two direct competitors, Sovran Self Storage, Inc. and U-Store-It Trust. 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. We also consider historical compensation levels and the relative compensation levels among our senior executive officers as well as other industry conditions and the overall effectiveness of our compensation program.

Table of Contents

The C/N/G Committee attempts to design programs that deliver total compensation for executives that approximates the 50th percentile (size adjusted) of the comparator group for the achievement of "at target" performance. Actual payouts may be substantially above or below the 50th percentile depending on actual performance compared to the target and based on individual performance related goals.

Management's Role in the Compensation-Setting Process

Mercer provides market data regarding salary, annual cash incentive award targets, and long-term incentive compensation awards, and provides advice directly to the C/N/G Committee as it makes decisions with respect to compensation for the CEO.

The CEO provides the initial recommendations for the other executives regarding salary, annual cash incentive awards and other long-term incentive compensation awards. His recommendations are based on his evaluation of each senior executive's performance against business performance targets and objectives. The C/N/G Committee reviews these recommendations in light of the market data prepared by Mercer.

Management generally makes initial recommendations that are considered by the C/N/G Committee for other forms of compensation and benefits.

The following describes each element of our executive compensation program, along with a discussion of the decisions made by the C/N/G Committee with respect to that aspect of compensation for 2010.

Base Salary

Base salary is a critical element of executive compensation as it provides executives with assured monthly cash compensation. In determining base salaries, we consider a number of factors including the executive's qualifications and experience, scope of responsibility, the goals and objectives established for the executive, the executive's past performance, the salaries paid to the position within the compensation peer group, and the relative position of base salaries among executives. The C/N/G Committee approved an 8% increase for the CEO and a 3% increase for the CFO, COO, and CLO, as a result of their individual job performance and the performance of the Company for the year ended December 31, 2009. These increases were effective January 1, 2010.

Annual Incentive Bonus

The annual incentive bonus provides senior executives an opportunity annually to earn a cash bonus for achieving specified performance based goals for the fiscal year. These performance based goals are tied half to the financial operating performance of the Company and half to the senior executive's performance relative to management goals.

The financial performance goals set for 2010 specifically related to the Company's achievement of a specific Funds From Operations ("FFO") target. FFO provides relevant and meaningful information about our performance and is the primary measure that we use to assess our operating performance. The portion of bonus based on FFO could incrementally increase or decrease based on meeting, exceeding, or failing to meet the FFO target.

The FFO target established for 2010 was \$0.81 per share. Actual 2010 FFO performance was \$0.91 per share, resulting in the payment of 150% of the portion of the bonus related to the achievement of the FFO goal.

The management goals established for 2010 for our named executive officers were as follows:

maintain positive same-store occupancy variance;

Table of Contents

achieve positive same-store revenue growth;

minimize expense growth and implement cost saving measures;

obtain financing necessary to meet debt obligations on a timely basis as these obligations mature;

increase call center close rates;

advance information technology projects and gain internet market share; and

expand our platform through acquisitions and third party management business.

These goals did not include any quantitative measures.

The C/N/G Committee assigned no specific weighting to these goals, but rather assessed overall achievement levels in determining the bonuses. The CEO presented to the C/N/G Committee his assessment of each executive's performance (other than his own) in achieving the management goals, and recommended to the C/N/G Committee that the CFO, COO and CLO be paid 100% of the portion of the bonus related to these goals. Following their review, the C/N/G Committee approved the recommendation of the CEO. After their evaluation of the CEO's performance relative to the above management goals, the C/N/G Committee determined that the CEO should receive 100% of the portion of the bonus related to the achievement of the management goals.

Long Term Incentives

The Long Term Incentive Program allows for awards of stock options and grants of restricted stock under the Company's 2004 Long Term Incentive Compensation Plan. 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. Typically, option awards and grants of restricted stock vest over a four-year period at the rate of 25% per year and the options have a term of ten years. Vesting ceases upon termination of employment and unvested options and grants of restricted stock are cancelled upon termination of employment. The right to exercise vested options ceases 90 days after termination of employment, except that in the case of death, disability or retirement, the exercise period extends until one year after such termination of employment. Prior to the exercise of an option, the holder has no rights as a stockholder with respect to the shares subject to such option, including voting rights and the right to receive dividends or dividend equivalents. During the vesting period, restricted stock awards may not be sold, transferred or pledged, however, the shares may be voted and receive the payment of nonforfeitable dividends.

Stock option awards and grants of restricted shares are discussed and reviewed at regularly scheduled meetings of the C/N/G Committee. By taking such actions at regularly scheduled meetings, the C/N/G Committee seeks to avoid even the possibility of an 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 stock option grants with the release by us of material non-public information or any other investor relations activities.

The C/N/G Committee awarded both option and restricted stock grants to the executive officers in 2010. The values of the option and restricted stock grants were based on the recommendation of the CEO taking into consideration the total executive compensation at the comparator group of companies.

Table of Contents

Employee Benefits and Other

In order to attract, retain and pay market levels of compensation, we provide benefits and perquisites to our named executive officers and other employees consistent with the benefits provided by other U.S. companies, such as medical and life insurance, 401(k) plan, and severance pursuant to the terms of employment agreements. A description of the employee benefits can be found in the narrative to the Summary Compensation Table and a description of the severance can be found under "*Employment Agreements with 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 chief executive officer and four other most highly paid executive officers. Qualifying performance-based compensation will not be subject to the deduction limitation if certain requirements are met. Since the Company's named executive officers are employed by either our operating partnership, Extra Space Storage LP or our management company, Extra Space Management Inc., and not by Extra Space Storage Inc. their compensation is not subject to the deduction limits of Section 162(m).

Stock Ownership Guidelines for Executive and Senior Officers

In 2010, we adopted stock ownership guidelines which require each of our executive and senior officers to hold shares of our common stock, restricted stock or stock options (whether or not vested) with a value within the following guidelines:

| | |
|--|---------------------|
| CEO / President | 3 times base salary |
| Executive Vice President / CFO / COO / CLO | 2 times base salary |
| Senior Vice President | 1 times base salary |

Our executive and senior officers have five years to meet these goals. We adopted these stock ownership guidelines as a means of requiring executive and senior officers to hold equity and tie their interests to stockholders' interests. Each executive and senior officer has met these guidelines.

Compensation Committee Report

The Compensation, Nominating and Governance 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 Compensation, Nominating and Governance Committee

Roger B. Porter, Chairman
Hugh W. Horne
Joseph D. Margolis
K. Fred Skousen

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

Table of Contents

Summary Executive Compensation Table

The following table sets forth the total compensation earned during the years ended December 31, 2010, 2009 and 2008 by our CEO, CFO, COO, and CLO. We refer to these executive officers throughout this proxy statement as our named executive officers.

| Name and principal position | Year | Salary | Non-equity incentive plan compensation | Stock awards | Option awards | All other compensation | Total |
|--|------|------------|--|--------------|---------------|------------------------|--------------|
| | | | (1) | (2) | (2) | (4) | |
| Spencer F. Kirk(3) Chairman and Chief Executive Officer | 2010 | \$ 432,600 | \$ 540,750 | \$ 876,678 | \$ 262,788 | \$ 59,501 | \$ 2,172,317 |
| | 2009 | 387,500 | 380,000 | 360,760 | 170,144 | 34,483 | 1,332,887 |
| | 2008 | 350,000 | 249,375 | | | 10,740 | 610,115 |
| Kent W. Christensen Chief Financial Officer | 2010 | 360,500 | 405,563 | 662,948 | 188,563 | 85,176 | 1,702,750 |
| | 2009 | 350,000 | 299,250 | 342,100 | 163,600 | 62,955 | 1,217,905 |
| | 2008 | 350,000 | 299,250 | 657,450 | 99,852 | 82,573 | 1,489,125 |
| Karl Haas Chief Operating Officer | 2010 | 324,450 | 283,894 | 441,579 | 125,709 | 79,529 | 1,255,161 |
| | 2009 | 315,000 | 224,438 | 251,910 | 121,718 | 52,302 | 965,368 |
| | 2008 | 315,000 | 206,721 | 438,300 | 66,568 | 78,990 | 1,105,579 |
| Charles L. Allen Chief Legal Officer | 2010 | 298,700 | 224,025 | 314,089 | 89,285 | 56,222 | 982,321 |
| | 2009 | 290,000 | 165,300 | 180,380 | 86,381 | 35,224 | 757,285 |
| | 2008 | 290,000 | 165,300 | 292,200 | 66,568 | 43,544 | 857,612 |

- (1) Represents amounts earned related to the Company's 2010, 2009 and 2008 annual incentive bonus.
- (2) Dollar amounts represent the total grant date fair value of the awards granted during the year computed in accordance with ASC 718, using the assumptions to value such awards reported in the Company's notes to the financial statements in its 2010, 2009 and 2008 Form 10-K filed with the SEC.
- (3) On April 1, 2009, Spencer Kirk assumed the position of Chairman and CEO. From September 2007 through March 2009 Mr. Kirk served as President. Prior to that time he served as a director of the Company.
- (4) All other compensation in 2010 includes:

| Name | Year | Defined contribution plans | Group term life insurance premiums | Other medical insurance | Dividends on restricted stock | Total other compensation |
|---------------------|------|----------------------------|------------------------------------|-------------------------|-------------------------------|--------------------------|
| | | | | | | |
| Spencer F. Kirk | 2010 | \$ | \$ 908 | \$ 12,473 | \$ 46,120 | \$ 59,501 |
| Kent W. Christensen | 2010 | 22,415 | 908 | 12,473 | 49,380 | 85,176 |
| Karl Haas | 2010 | 32,812 | 908 | 11,419 | 34,390 | 79,529 |
| Charles L. Allen | 2010 | 23,019 | 906 | 8,257 | 24,040 | 56,222 |

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

Table of Contents

We provide the following employee benefits to our executives, some of which are reflected in the "All Other Compensation" column of the Summary Executive Compensation Table:

Medical Insurance. The Company makes available to each named executive officer 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 to our 401(k) plan and then 50% of the next two percent of an employee's compensation contributed.

Grants of Plan-Based Awards

| Name | Estimated future payouts under non-equity incentive plan awards | | | Grant date | All other stock awards: number of shares of stock or units(2) | All other option awards: number of securities underlying options(3) | Exercise or base price of option awards (\$/Share) | Grant date fair value of option awards |
|---------------------|---|------------|--|------------|---|---|--|--|
| | Threshold Target(1) | Maximum(1) | | | | | | |
| Spencer F. Kirk | \$ 216,300 | \$ 324,450 | | 3/5/2010 | 71,800 | 77,400 | \$ 12.21 | \$ 3.40 |
| Kent W. Christensen | 162,225 | 243,338 | | 2/16/2010 | 57,200 | 58,500 | 11.59 | 3.22 |
| Karl Haas | 121,669 | 182,503 | | 2/16/2010 | 38,100 | 39,000 | 11.59 | 3.22 |
| Charles L. Allen | 89,610 | 134,415 | | 2/16/2010 | 27,100 | 27,700 | 11.59 | 3.22 |

- (1) Amounts relate to the 50% of the annual incentive bonus that is tied to the FFO target as described in the "annual incentive bonus" section above.
- (2) Grants of restricted stock awards under the 2004 Long Term Incentive Compensation Plan ("Incentive Plan") related to the 2010 total compensation package for the named executive officers. The shares have dividend and voting rights and vest ratably over four years.
- (3) Grants of stock options under the Incentive Plan related to the 2010 total compensation package for the named executive officers. The options vest ratably over four years. The option exercise price was determined using the closing stock price on the date of the grant.

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 |
| Spencer F. Kirk | | \$ | 14,500 | \$ 168,200 |
| Kent W. Christensen | 31,250 | 379,063 | 27,500 | 317,475 |
| Karl Haas | 23,250 | 364,328 | 20,125 | 245,200 |
| Charles L. Allen | 16,500 | 261,465 | 13,500 | 155,988 |

Table of Contents**Outstanding Equity Awards at Fiscal Year-End**

| Name | Option awards | | | Stock awards | | |
|---------------------|---|--|-----------------------|------------------------|---|---|
| | Number of securities underlying unexercised options exercisable | Number of securities underlying unexercised options unexercisable(1) | Option exercise price | Option expiration date | Equity incentive plan awards: Number of unearned shares that have not vested(2) | Equity incentive plan awards: Market value of unearned shares that have not vested(3) |
| Spencer F. Kirk | 30,000(4) | | \$ 12.50 | 8/12/2014 | 115,300 | \$ 2,006,220 |
| | 5,000(4) | | 12.85 | 5/16/2015 | | |
| | 56,250 | 18,750 | 15.07 | 9/6/2017 | | |
| | 32,500 | 97,500 | 6.22 | 2/17/2019 | | |
| | | 77,400 | 12.21 | 3/5/2020 | | |
| Kent W. Christensen | 100,000 | | 12.50 | 8/12/2014 | 123,450 | 2,148,030 |
| | 37,500 | 12,500 | 19.91 | 2/21/2017 | | |
| | 30,000 | 30,000 | 14.61 | 2/13/2018 | | |
| | | 93,750 | 6.22 | 2/17/2019 | | |
| | | 58,500 | 11.59 | 2/16/2020 | | |
| Karl Haas | 100,000 | | 15.53 | 7/14/2015 | 83,475 | 1,452,465 |
| | 18,750 | 6,250 | 19.91 | 2/21/2017 | | |
| | 20,000 | 20,000 | 14.61 | 2/13/2018 | | |
| | | 69,750 | 6.22 | 2/17/2019 | | |
| | | 39,000 | 11.59 | 2/16/2020 | | |
| Charles L. Allen | 65,000 | | 12.50 | 8/12/2014 | 60,100 | 1,045,740 |
| | 18,750 | 6,250 | 19.91 | 2/21/2017 | | |
| | 20,000 | 20,000 | 14.61 | 2/13/2018 | | |
| | | 49,500 | 6.22 | 2/17/2019 | | |
| | | 27,700 | 11.59 | 2/16/2020 | | |

(1) Stock options vest ratably over four years from the date of grant which is 10 years prior to the expiration date.

(2) Mr. Kirk's 115,300 shares vest as follows: 43,500 shares vest ratably over the remaining three years on February 17, 2011, 2012 and 2013 and 71,800 shares vest ratably over four years from the date of grant of March 5, 2010.

Mr. Christensen's 123,450 shares vest as follows: 2,500 shares vest on February 21, 2011; 22,500 shares vest ratably over the remaining two years on February 13, 2011, and 2012; 41,250 shares vest ratably over the remaining three years on February 17, 2011, 2012, and 2013 and 57,200 shares vest ratably over four years from the date of grant of February 16, 2010.

Mr. Haas's 83,475 shares vest as follows: 15,000 shares vest ratably over the remaining two years on February 13, 2011, and 2012; 30,375 shares vest ratably over the remaining three years on February 17, 2011, 2012 and 2013; and 38,100 shares vest ratably over four years from the date of grant of February 16, 2010.

Mr. Allen's 60,100 shares vest as follows: 1,250 shares vest on February 21, 2011; 10,000 shares vest ratably over the remaining two years on February 13, 2011, and 2012; 21,750 shares vest ratably over the remaining three years on February 17, 2011, 2012 and 2013 and 27,100 shares vest ratably over four years from the date of grant of February 16, 2010.

(3) Market value at year-end is based on the closing trading price of our stock on December 31, 2010, which was \$17.40.

(4) Options granted to Mr. Kirk during his term as director and prior to his hiring as President on September 6, 2007.

Employment Agreements with Executive Officers

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

We have employment agreements with Messrs. Kent W. Christensen, Karl Haas and Charles L. Allen. The employment agreements provide for Mr. Christensen to serve as our Executive Vice President and CFO, Mr. Haas to serve as our Executive Vice President and COO and, Mr. Allen to serve as our Executive Vice President and CLO. These employment agreements require the executives to devote substantially all of their business attention and time to the Company's affairs, with certain

Table of Contents

specified exceptions. Spencer F. Kirk our Chairman and CEO does not have an employment agreement with the Company.

The employment agreements provide for:

an annual base salary, subject to increase by the Company's board of directors in its sole discretion;

eligibility for annual bonuses;

eligibility for participation in the Company's 2004 Long Term Incentive Compensation Plan; and

participation in all of the employee benefit plans and arrangements made available by us to the Company's similarly situated executives.

Messrs. Christensen's, Haas's and Allen's employment agreements provide that, if their employment is terminated by us without "cause" or by Messrs. Christensen, Haas and Allen, for "good reason" (each as defined in their employment agreements), they will be entitled to the following severance payments:

two years of annual base salary and two times the greater of the prior year's bonus or average of the three previous annual bonuses;

annual salary and other benefits earned and accrued under the applicable employment agreement prior to the termination of employment;

a lump sum payment equal to the cost of continuing his health benefits for two years;

outplacement services for six months; and

full vesting of incentive compensation and any non-qualified pension or deferred compensation benefits.

Upon the termination of an executive officer's employment either by us for "cause" or by Messrs. Christensen, Haas or Allen, without "good reason" or for death or disability during the term, such executive officer will be entitled to receive his annual salary and bonus earned but unpaid through the date of termination of the executive officer's employment.

In the event of a change in control, each of Messrs. Christensen, Haas and Allen:

will be entitled to a bonus equal to the pro rata bonus that the executive would have received as an annual bonus for such year based on our annualized performance results through the date of the change in control;

may terminate his employment for any reason during the six months following a change in control, and such termination will be considered for "good reason" entitling him to severance, as described above;

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

will be entitled to a tax gross-up on any excess parachute payments so that on an after excise tax basis he would receive an amount equal to what he would have received if the excise tax provisions of Section 4999 of the Internal Revenue Code of 1986, as amended, did not apply. However, the tax gross-up does not apply if by reducing the executive's parachute payments by 10% or less the excise tax would not be imposed. In that case, the executive's parachute payments will be so reduced; and

will be entitled to immediate vesting of all unvested equity awards.

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

Table of Contents

Messrs. Christensen's, Haas's and Allen's employment agreements also provide for the following restrictive covenants:

non-solicitation of any employee during the term of employment, or for a one-year period following termination;

non-compete during employment; and

non-disclosure or use of confidential information at any time.

The following table sets forth the amount that would have been received by or paid on behalf of our named executive officers for termination within the terms of the employment agreements without a change of control as of December 31, 2010:

| Name | Base Salary | Bonus | Value of Acceleration of Equity Awards(1) | Accrued Benefits(2) | Health Benefits(3) | Total |
|---------------------|-------------|------------|--|------------------------|-----------------------|--------------|
| Kent W. Christensen | \$ 721,000 | \$ 811,126 | \$ 3,619,740 | \$ 27,731 | \$ 24,947 | \$ 5,204,544 |
| Karl Haas | 648,900 | 567,788 | 2,514,660 | 9,384 | 22,838 | 3,763,570 |
| Charles L. Allen | 597,400 | 448,050 | 1,815,887 | 22,977 | 16,514 | 2,900,828 |

- (1) Represents the value of the acceleration of the invested awards using the stock price of \$17.40 at December 31, 2010. Options with an exercise price greater than the stock price of \$17.40 at December 31, 2010 have been excluded from this calculation.
- (2) Represents the amount of accrued vacation at December 31, 2010.
- (3) Represents the value of health benefits to be paid on behalf the executive for the two years after termination.

Mr. Kirk does not have an employment agreement with the Company; however, he would receive a severance payment as defined in the Company's Executive Change in Control Plan as follows:

two years of annual base salary and two times the greater of the prior year's bonus or average of the three previous annual bonuses;

annual salary and other benefits earned and accrued under the applicable employment agreement prior to the termination of employment;

a lump sum payment equal to the cost of continuing his health benefits for two years;

outplacement services for six months; and

full vesting of incentive compensation and any non-qualified pension or deferred compensation benefits.

The following table sets forth the amount that would have been received by or paid on behalf of our named executive officers for change of control within the terms of the employment or change of control agreements as of December 31, 2010:

| Name | Base Salary | Bonus | Value of Acceleration of Equity | Accrued Benefits(2) | Health Benefits(3) | 280G Tax Gross Up(4) | Total |
|------|----------------|-------|---------------------------------------|------------------------|-----------------------|----------------------------|-------|
|------|----------------|-------|---------------------------------------|------------------------|-----------------------|----------------------------|-------|

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

| | Awards(1) | | | | | | |
|---------------------|------------|--------------|--------------|--------|-----------|---------|--------------|
| Spencer F. Kirk | \$ 865,200 | \$ 1,081,500 | \$ 3,541,664 | \$ | \$ 24,947 | \$ | \$ 5,513,311 |
| Kent W. Christensen | 721,000 | 811,126 | 3,619,740 | 27,731 | 24,947 | 929,139 | 6,133,683 |
| Karl Haas | 648,900 | 567,788 | 2,514,660 | 9,384 | 22,838 | 629,987 | 4,393,557 |
| Charles L. Allen | 597,400 | 448,050 | 1,815,887 | 22,977 | 16,514 | 503,854 | 3,404,682 |

-
- (1) Represents the value of the acceleration of the unvested awards using the stock price of \$17.40 at December 31, 2010. Options with an exercise price greater than the stock price of \$17.40 at December 31, 2010 have been excluded from this calculation.
- (2) Represents the amount of accrued vacation at December 31, 2010.
- (3) Represents the value of health benefits to be paid on behalf the executive for the two years after termination.
- (4) Represents the tax gross up on any excess parachute payments that would be made in the event of a change of control.

Table of Contents**SECURITY OWNERSHIP OF DIRECTORS AND OFFICERS**

The following table sets forth the beneficial ownership of our common stock, as of the close of business on March 21, 2011 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 400, 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 | | |
| Spencer F. Kirk(1) | 3,598,931 | 4.03% |
| Anthony Fanticola(2) | 771,295 | * |
| Hugh W. Horne(3) | 46,435 | * |
| Joseph D. Margolis(3) | 53,869 | * |
| Roger B. Porter(3) | 338,210 | * |
| K. Fred Skousen(4) | 53,488 | * |
| Kenneth M. Woolley(5) | 1,864,299 | 2.09% |
| Non-Director Named Executive Officers | | |
| Kent W. Christensen(6) | 431,769 | * |
| Karl Haas(7) | 264,525 | * |
| Charles L. Allen(8) | 238,475 | * |
| All directors and executive officers as a group (10 persons) | 7,661,296 | 8.57% |

(*) Less than 1.0%

(1) Includes 2,363,476 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 847,305 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 82,850 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 194,350 shares of common stock that can be exercised within 60 days of March 21, 2011.

(2) Includes 169,461 shares of common stock which are held by The Anthony and JoAnn Fanticola Family Trust, for which Mr. Fanticola is a trustee. Includes 543,965 shares of common stock which are held by The Anthony and JoAnn Fanticola Family Limited Partnership, for which Mr. Fanticola is the president and the corporate general partner. Mr. Fanticola has no pecuniary interest in 98% of such shares and disclaims beneficial ownership. Amounts shown in the table include the options to acquire 1,250 shares of common stock that can be exercised within 60 days of March 21, 2011. Amounts include 770,045 shares that were pledged as collateral on a margin loan. As of March 8, 2011, approximately \$3 million was outstanding on the loan.

(3) Amounts shown include options to acquire 35,000 shares of common stock that can be exercised within 60 days of March 21, 2011.

Table of Contents

- (4) Amounts shown include options to acquire 25,000 shares of common stock that can be exercised within 60 days of March 21, 2011.
- (5) Amounts include 15,000 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 306,250 shares of common stock that can be exercised within 60 days of March 21, 2011. Amounts include 1,558,049 shares that were pledged as collateral on a margin loan. As of March 8, 2011, approximately \$8 million was outstanding on the loan.
- (6) Amounts include 116,450 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 109,625 shares of common stock that can be exercised within 60 days of March 21, 2011.
- (7) Amounts include 79,525 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 155,000 shares of common stock that can be exercised within 60 days of March 21, 2011.
- (8) Amounts include 56,325 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 55,000 shares of common stock that can be exercised within 60 days of March 21, 2011.
- (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) 88,444,265 shares of our common stock outstanding as of March 21, 2011 plus (b) the number of options to acquire common stock that can be exercised within 60 days of March 21, 2011.

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 2010, except for a late Form 5 that was filed on February 22, 2011 with respect to a gift of common stock of the Company made by Mr. Skousen.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

Table of Contents

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

Centershift, Inc.

We have entered into a license agreement with Centershift, Inc. which secures for the Company a perpetual right to use a web-based tracking and yield management technology called STORE in all aspects of our property acquisition, development, redevelopment and operational activities, while the cost of maintaining the infrastructure required to support this product remains the responsibility of Centershift. This license agreement provides for a one-time license fee and a monthly fee payable by us in exchange for which we receive all product upgrades and enhancements and customary customer support services from Centershift. For the year ended December 31, 2010, we paid Centershift \$778,000 relating to the purchase of software and license agreements. The services that the Company receives from Centershift are similar in nature and price to those that are provided to other outside third parties. Centershift is owned by third-party individuals, as well as by executive officers and directors in the following approximate percentages: Spencer F. Kirk, Chairman and CEO (29%), Kenneth M. Woolley, director (28%), Kent W. Christensen, Executive Vice President and CFO (3%), and Charles L. Allen, Executive Vice President and CLO (2%).

SpenAero, L.C.

From time to time, the Company leases a private jet from SpenAero, L.C. ("SpenAero"), an affiliate of Spencer F. Kirk, the Company's Chairman and 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, 2010, the Company paid SpenAero a total of \$668,000. 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 lessors not affiliated with the Company.

Table of Contents

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 2012, and until his successor has been duly elected and qualifies or until his earlier resignation or removal. Messrs. Spencer F. Kirk, Anthony Fanticola, Hugh W. Horne, Joseph D. Margolis, Roger B. Porter, K. Fred Skousen and Kenneth M. Woolley are the nominees for election to the board of directors.

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 Messrs. Spencer F. Kirk, Anthony Fanticola, Hugh W. Horne, Joseph D. Margolis, Roger B. Porter, K. Fred Skousen and Kenneth M. Woolley as directors for the term expiring at the 2012 annual meeting of stockholders, and until their respective successors are duly elected and qualify.

Item 2. Ratification of Appointment of Independent Registered Public Accounting Firm

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, 2011. 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 Public Company Accounting Oversight Board (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 or not to retain Ernst & Young LLP, but may still retain the firm. 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 interests 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.

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, 2010 and 2009,

Table of Contents

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.

| | 2010 | 2009 |
|-----------------------|--------------|--------------|
| Audit fees(1) | \$ 949,177 | \$ 973,154 |
| Audit related fees(2) | 26,181 | 26,001 |
| Tax fees(3) | 690,001 | 570,772 |
| All other fees(4) | | |
| | \$ 1,665,359 | \$ 1,569,927 |

- (1) Audit fees consist of services rendered for the audit of our annual financial statements, audit of our internal control over financial reporting, review of the consolidated financial statements 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.
- (4) All other fees are for services other than those in the previous categories, such as permitted corporate finance assistance and permitted advisory services.

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, 2011.

Item 3. Approval of 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

Table of Contents

disclosure includes the Compensation Discussion and Analysis and the accompanying compensation tables and related narrative 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 C/N/G 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.

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 Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and any related material disclosed in Extra Space Storage Inc.'s Proxy Statement for the 2011 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.

Item 4. Frequency of Stockholder Vote on Executive Compensation

In accordance with the requirements of Section 14A of the Exchange Act (which was added by the Dodd-Frank Act) and the related rules of the SEC, we are asking our stockholders to cast an advisory, non-binding vote on whether the advisory vote on our executive compensation should be held every one, two or three years. Stockholders may also abstain from voting on this proposal.

After careful consideration, the Board recommends that future advisory votes on executive compensation occur every year. The Board believes that conducting the advisory vote on executive compensation every year is optimal for a number of reasons, including:

Our executive compensation program is evaluated, adjusted and approved on an annual basis. As part of an annual evaluation, our C/N/G Committee reviews and determines the primary elements of compensation for our named executive officers. Setting a one-year period for holding a stockholder vote on our executive compensation program will allow the stockholders to provide our C/N/G Committee with direct and frequent input on the compensation program for our named executive officers as disclosed in the proxy statement every year.

An annual advisory vote on the executive compensation program aligns closely with our objective to engage in regular dialogue with our stockholders on corporate governance matters, including the compensation program for our named executive officers.

An advisory vote every year reflects an appropriate time frame for our C/N/G Committee to adjust our executive compensation program if necessary in light of a past advisory vote on

Table of Contents

executive compensation, and for stockholders to see and evaluate the result of the C/N/G Committee's actions in a timely manner.

This vote is an advisory vote, and therefore the result will be non-binding. Although the vote is non-binding, the board of directors and the C/N/G Committee intend to conduct an annual advisory vote on executive compensation if so recommended by the stockholders. Otherwise, we will consider the outcome of the vote when considering the frequency of future advisory votes on executive compensation.

Recommendation of the Board of Directors

Our board of directors recommends that you vote, on an advisory basis, to hold an advisory vote on executive compensation annually.

STOCKHOLDER PROPOSALS FOR 2012 ANNUAL MEETING

Under SEC rules, proposals from our eligible stockholders must be received by us no later than December 3, 2011 in order to be considered for inclusion in the proxy statement for the 2012 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 3, 2011 will not be included in the proxy statement for the 2012 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 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 2012 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 3, 2011) and not later than 5:00 p.m., Mountain Time, on the 120th day (December 3, 2011) prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting. Proposals we receive which do not comply with the procedures set forth in our bylaws will not be acted upon at the 2012 annual meeting.

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.

OTHER MATTERS

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.

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

Table of Contents

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 400, Salt Lake City, UT 84121, Attention: Investor Relations, or by telephone at (801) 562-5556. We will promptly 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.

Spencer F. Kirk
*Chairman of the Board and
Chief Executive Officer*

April 1, 2011

ANNUAL MEETING OF STOCKHOLDERS OF
EXTRA SPACE STORAGE INC.

May 17, 2011

**Important Notice Regarding the Availability of Proxy Materials for
the Stockholder Meeting to be Held on May 17, 2011:**

The Company's proxy statement and accompanying annual report for fiscal year 2010 are available
at www.extraspace.com/proxyonline.

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

| | | |
|--|---|--|
| | Please detach along perforated line and mail in the envelope provided | |
|--|---|--|

| | | |
|--|--|---|
| <p>THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF DIRECTORS, FOR PROPOSALS 2 AND 3 AND 1 YEAR FOR PROPOSAL 4. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x</p> | | |
| 1. The election of the 7 members of the Board of Directors. | | 3. Advisory vote on the compensation of the named executive officers. |
| | NOMINEES | <input type="radio"/> FOR <input type="radio"/> AGAINST <input type="radio"/> ABSTAIN |
| FOR ALL NOMINEES | Spencer F. Kirk, Chairman of the Board | |

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

| | | | |
|--|---|--|---|
| <input type="radio"/> | | Anthony Fanticola, Director | 4. Advisory vote on the frequency of stockholder advisory votes concerning the compensation of the named executive officers. |
| <input type="radio"/> | WITHHOLD AUTHORITY FOR ALL NOMINEES | Hugh W. Horne, Director | <input type="radio"/> 1 YEAR <input type="radio"/> 2 YEARS <input type="radio"/> 3 YEARS <input type="radio"/> ABSTAIN |
| <input type="radio"/> | FOR ALL EXCEPT (See instructions below) | Joseph D. Margolis, Director Roger B. Porter, Director K. Fred Skousen, Director Kenneth M. Woolley, Director | 5. To vote and otherwise represent the undersigned on any other matters that may properly come before the meeting or any adjournments or postponements thereof in the discretion of the proxy holder. |
| <p>INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark FOR ALL EXCEPT and fill in the circle next to each nominee for whom you wish to withhold a vote, as shown here:</p> <p>2. Ratification of the appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm.</p> <p style="text-align: center;"><input type="radio"/> FOR <input type="radio"/> AGAINST <input type="radio"/> ABSTAIN</p> | | | <p>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.</p> |
| <p>To change the address on your account please check the box at the right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.</p> | | <input type="radio"/> | |
| Signature of Stockholder | | Date | |
| Signature of Stockholder | | Date | |

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 executor, 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 partnership, please sign in partnership name by authorized person.

EXTRA SPACE STORAGE INC.

2795 East Cottonwood Parkway, Suite 400

Salt Lake City, UT 84121

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 17, 2011

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

As an alternative to completing this form, you may enter your vote instruction by telephone at 1-800-PROXIES, or via the Internet at 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 Spencer F. Kirk and Charles L. Allen 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 21, 2011, at the annual meeting of stockholders of the Company to be held at the Marriott Residence Inn, 6425 South 3000 East Salt Lake City, UT 84121, on May 17, 2011 at 11:00 a.m. Mountain Daylight Time, or any adjournments or postponements thereof.

(Continued and to be signed on the reverse side)

ANNUAL MEETING OF STOCKHOLDERS OF
EXTRA SPACE STORAGE INC.

May 17, 2011

PROXY VOTING INSTRUCTIONS

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

INTERNET Access www.voteproxy.com and follow the on-screen instructions. Have your proxy card available when you access the web page, and use the Company Number and Account Number shown on your proxy card.

TELEPHONE Call toll-free 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call and use the Company Number and Account Number shown on your proxy card.

You may vote online or by phone until 9:59 p.m. Mountain Daylight Time, Monday May 16, 2011.

COMPANY NUMBER

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

ACCOUNT NUMBER

IN PERSON You may vote your shares in person by attending the annual meeting.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 17, 2011:

The Company's proxy statement and accompanying annual report for fiscal year 2010 are available at: www.extraspace.com/proxyonline.

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

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF DIRECTORS, FOR PROPOSALS 2 AND 3 AND 1 YEAR FOR PROPOSAL 4. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

| | | | |
|---|--|--|--|
| 1. The election of the 7 members of the Board of Directors. | | 3. Advisory vote on the compensation of the named executive officers. | |
| | | <input type="radio"/> FOR <input type="radio"/> AGAINST <input type="radio"/> ABSTAIN | |
| <input type="radio"/> FOR ALL NOMINEES | NOMINEES | 4. Advisory vote on the frequency of stockholder advisory votes concerning the compensation of the named executive officers. | |
| | Spencer F. Kirk, Chairman of the Board | | |
| | Anthony Fanticola, Director | | |
| <input type="radio"/> WITHHOLD AUTHORITY FOR ALL NOMINEES | Hugh W. Horne, Director | <input type="radio"/> 1 YEAR <input type="radio"/> 2 YEARS <input type="radio"/> 3 YEARS <input type="radio"/> ABSTAIN | |

Edgar Filing: Extra Space Storage Inc. - Form DEF 14A

| | | | |
|---|--|---|---|
| <p style="text-align: center;"><input type="radio"/></p> <p style="text-align: center;">FOR ALL EXCEPT (See instructions below)</p> | | <p>Joseph D. Margolis, Director</p> <p>Roger B. Porter, Director</p> <p>K. Fred Skousen, Director</p> <p>Kenneth M. Woolley, Director</p> | <p>5. To vote and otherwise represent the undersigned on any other matters that may properly come before the meeting or any adjournments or postponements thereof in the discretion of the proxy holder.</p> |
| <p>INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark FOR ALL EXCEPT and fill in the circle next to each nominee shown here:</p> <p>2. Ratification of the appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm.</p> | <p><input type="radio"/> FOR <input type="radio"/> AGAINST <input type="radio"/> ABSTAIN</p> | | <p>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.</p> |
| <p>To change the address on your account please check the box at the right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.</p> | | | <p><input type="radio"/></p> |
| <p>Signature of Stockholder</p> <p>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 executor, administrator, attorney, trustee or guardian, please give full title as such. If signer is partnership, please sign in partnership name by authorized person.</p> | | <p>Date</p> | <p>Signature of Stockholder</p> <p>Date</p> |
| | | | |
| | | | |