



**Amendments to Articles of Association  
and Notice of General Meeting  
in connection with REIT conversion**



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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you should immediately consult your independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you sell or have sold or otherwise transferred all your shares in Safestore Holdings plc, please send this document and the accompanying Form of Proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of existing Shares please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.



## **SAFESTORE HOLDINGS PLC**

(Incorporated in England & Wales under the Companies Act 1985  
with registered number 04726380)

### **Amendments to Articles of Association and Notice of General Meeting in connection with REIT conversion**

Your attention is drawn to the letter from the Chairman of Safestore which is set out on pages 3 to 5 of this document and which recommends that you vote in favour of the Resolution to be proposed at the General Meeting. Your attention is also drawn to the section entitled "Action to be taken" on page 5 of this document.

Notice of a General Meeting of Safestore to be held at Brittanica House, Stirling Way, Borehamwood, Hertfordshire WD6 2BT at 12.30 p.m. on 20 March 2013 (or, if later, as soon as the Annual General Meeting of the Company to be held that day has been concluded or adjourned), is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach Safestore's registrars, Capita Registrars, PXS, The Registry, Beckenham Road, Beckenham, Kent BR3 4TU by no later than 12.30 p.m. on 18 March 2013. If you hold your shares in uncertificated form (i.e. in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 12.30 p.m. on Monday 18 March 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. Completion and return of a Form of Proxy (or the transmission of a CREST Proxy Instruction) will not preclude Shareholders from attending and voting at the General Meeting should they choose to do so. Further instructions relating to the Form of Proxy are set out in the notice of General Meeting at the end of this document.

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## EXPECTED TIMETABLE

Latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments for the General Meeting

12.30 p.m. on 18 March 2013

General Meeting

12.30 p.m on 20 March 2013 (or, if later, as soon as the Annual General Meeting of the Company to be held that day has been concluded or adjourned)

## DEFINITIONS

In this document the following expressions have the following meanings unless the context otherwise requires:

“Amendments”	the proposed amendments to the Articles of Association as set out in the notice of General Meeting at the end of this document
“Articles” or “Articles of Association”	the articles of association of Safestore
“Conversion Date”	the proposed effective date of Safestore’s conversion to a REIT, being 1 April 2013
“CTA 2009”	Corporation Tax Act 2009
“CTA 2010”	Corporation Tax Act 2010
“Directors” or “Board”	the directors of Safestore
“Form of Proxy”	the form of proxy for use by Shareholders in relation to the General Meeting
“General Meeting”	the general meeting of Safestore to be held at 12.30 pm on 20 March 2013 (or, if later, as soon as the Annual General Meeting of the Company to be held that day has been concluded or adjourned), notice of which is set out at the end of this document
“HMRC”	HM Revenue & Customs
“IAS”	International Accounting Standards
“REIT”	a Real Estate Investment Trust under the REIT Regime
“REIT Regime”	the UK tax regime established by the provisions contained in Part 12 of CTA 2010 and related regulations
“Resolution”	the special resolution to approve the Amendments, as set out in the notice of General Meeting at the end of this document
“Safestore” or the “Company”	Safestore Holdings plc
“Safestore Group”	Safestore and those entities treated by the REIT Regime as within its group
“SDRT”	stamp duty reserve tax
“Share Option Schemes”	the 2009 Performance Share Plan and the employee Sharesave scheme
“Shareholder”	a holder of Shares
“Shares”	ordinary shares of 1p each in the capital of Safestore

**Safestore Holdings plc**

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## Letter from the Chairman of Safestore Holdings plc

20 February 2013

### General Meeting – 20 March 2013

To Shareholders and, for information only, to participants in the Safestore Share Option Schemes

Dear Shareholder,

### Proposals to amend Safestore's Articles of Association in connection with the proposed conversion of the Safestore Group to a REIT

#### Introduction

Safestore announced on 30 January 2013 that it proposes to convert the Safestore Group to a REIT with effect from 1 April 2013. Such change in status will have tax consequences for Safestore and its Shareholders but Safestore will remain listed on the London Stock Exchange and its Shares will continue to be traded in the usual way.

In connection with the conversion it is proposed that the Resolution be passed, to make certain amendments to Safestore's Articles of Association. The Amendments are required to give Safestore the necessary rights and powers to avoid certain additional tax charges that can arise under the REIT Regime. Although Safestore's conversion to a REIT is not conditional upon the passing of the Resolution, Safestore may become liable for such additional tax charges if the Amendments are not approved.

This letter explains the background to the Resolution which is being submitted for approval at the General Meeting, and why the Board thinks that it is in the best interests of Shareholders as a whole. Set out at the end of this document is a notice convening the General Meeting, which will be held at Brittanic House, Stirling Way, Borehamwood, Hertfordshire, WD6 2BT on 20 March 2013 at 12.30 p.m. (or, if later, as soon as the Annual General Meeting of the Company to be held that day has been concluded or adjourned). There is also enclosed a Form of Proxy to enable you to vote on the Resolution should you be unable to attend the General Meeting. If you hold your shares in uncertificated form (i.e. in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 12.30 p.m on Monday 18 March 2013.

### Implications of REIT status for the Safestore Group

#### Tax implications

As a result of Safestore's proposed conversion to REIT status, from the Conversion Date members of the Safestore Group will no longer pay UK direct tax on the profits and gains from their qualifying property rental businesses in the UK and elsewhere, provided that they meet certain conditions. Non-qualifying profits and gains of the Safestore Group will continue to be subject to corporation tax as before.

Previously, companies joining the REIT Regime were subject to an entry charge equal to two per cent. of the gross market value of properties in the UK property rental business at the time of joining. However, this entry charge was abolished for companies joining the REIT Regime on or after 17 July 2012 so this cost will not arise.

It is the Safestore Group's understanding that self storage qualifies as a property rental business for the purposes of the REIT rules, and therefore the group will benefit from a zero UK corporation tax rate on its self storage rental income.

The Safestore Group will continue to pay corporation tax on the residual business comprising primarily ancillary revenues, derived from the sale of contents insurance, storage accessories and miscellaneous items.

#### Business implications

There are a number of conditions set out in CTA 2010 that need to be satisfied by a company for it to qualify as a REIT and to maintain that status. These conditions are described in more detail in Part I. Such conditions include the "balance of business" conditions which, broadly, require a group's property rental business income profits and the value of its assets from its property rental business and cash to be at least 75 per cent. of its total income profits and the value of the group's total assets respectively. In addition to the conditions there are various restrictions under the REIT Regime which, if not complied with, will result in additional tax charges on the company. One of these restrictions is the "interest cover ratio", which is discussed further in Part I below.

The Board is satisfied that the Safestore Group currently satisfies these conditions and expects it to be able to continue to do so for the foreseeable future.

Safestore Group, together with their advisers, have been in discussions with HMRC concerning the proposed conversion to REIT status. HMRC have confirmed that, in principle, based on the information currently provided to them Safestore Group is likely to meet the key REIT tests. Formal approval will be obtained once the shareholders of the Safestore Group have confirmed their approval of the related amendments to the Company's articles of association at the General Meeting.

An election to enter the REIT Regime will not affect the Safestore Group's liability to local taxation in other jurisdictions in which it carries on its business, e.g., French taxation on its French business.

# Letter from the Chairman

## of Safestore Holdings plc

### Dividend policy and transitional year

As a REIT, Safestore will be required to distribute to shareholders, generally on or before the filing date for its tax return for the accounting period in question, at least 90 per cent. of the income profits of the members of the Safestore Group in respect of their property rental business. Such a distribution is known as a “property income distribution” or “PID”.

As the election to convert to a REIT is proposed to take effect on 1 April 2013, the financial results of the Safestore Group for the year ended 31 October 2013 will reflect the transition to REIT status and will include five months’ results taxed on the previous, pre-REIT basis. As a result, any final dividend for the year ended 31 October 2013, which is expected to be payable in April 2014, will comprise in part a PID.

The conversion of the Safestore Group to a REIT will affect Shareholders’ tax positions in respect of receipts of dividends paid under the REIT Regime. Information relating to the tax implications for Shareholders can be found in Part II, which contains a summary of the UK tax treatment of certain Shareholders after entering into the REIT Regime. The implications can vary from shareholder to shareholder, and if you are in any doubt about your tax position you should consult your own appropriate independent professional adviser.

Subject to certain exceptions, Safestore is required to withhold basic rate tax from its PIDs. Certain shareholders can be exempted from the requirement to withhold tax from PIDs, (see Part II (B) for details). Shareholders who can be exempted from the withholding requirement need to notify Safestore to confirm their entitlement to this treatment. Full details of how to meet this requirement are to be provided on Safestore’s website.

### Reasons for proposed amendments to the Articles of Association

Under the REIT Regime, a tax charge may be levied on Safestore if it makes a distribution to a “Substantial Shareholder”. For these purposes a Substantial Shareholder is a Company that:

- (a) is beneficially entitled, directly or indirectly, to 10 per cent. or more of Safestore’s dividends;
- (b) is beneficially entitled, directly or indirectly, to 10 per cent. or more of Safestore’s share capital; or
- (c) controls, directly or indirectly, 10 per cent. or more of the voting rights of Safestore. Shares held as nominee are disregarded for this purpose.

For these purposes a “Company” includes, broadly, any body corporate and certain entities which are deemed to be bodies corporate for the purposes of overseas jurisdictions with which the UK has a double taxation agreement or for the purposes of such double tax agreements.

If a distribution is paid to a Substantial Shareholder and Safestore has not taken reasonable steps to avoid doing so, Safestore would become subject to a tax charge. The Amendments are intended to give the Board the powers it needs to demonstrate to HMRC that such reasonable steps have been taken. The Board considers these proposals to be consistent with the HMRC guidance on what constitutes “reasonable steps”.

The Amendments involve the insertion of a new Article entitled “Real Estate Investment Trust” (the “new Article”). In summary, the new Article:

- (a) provides the Directors with powers to identify Substantial Shareholders;
- (b) prohibits the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met;
- (c) allows dividends to be paid on Shares that form part of a Substantial Shareholding where the Shareholder has disposed of its rights to dividends on its Shares; and
- (d) seeks to ensure that if a dividend is paid on Shares that form part of a Substantial Shareholding and arrangements of the kind referred to in (c) are not met, the Substantial Shareholder concerned does not become beneficially entitled to that dividend.

For these purposes references to a “Substantial Shareholding” are to the Shares in respect of which a Substantial Shareholder is entitled to dividends, directly or indirectly, and/or to which a Substantial Shareholder is beneficially entitled, directly or indirectly, and/or the votes attached to which are controlled, directly or indirectly, by the Substantial Shareholder, and references to dividends include other distributions.

A more detailed description of the Amendments can be found in Part III and the full text of the Amendments is set out in the notice of General Meeting at the end of this document.

## Exit from the REIT Regime

Safestore can give notice to HMRC that it wants the Safestore Group to leave the REIT Regime at any time. The Board retains the right to decide to exit the REIT Regime at any time in the future, without Shareholder consent, if it considers this to be in the best interests of Safestore and the Shareholders taken as a whole.

If the Safestore Group voluntarily leaves the REIT Regime within 10 years of joining and disposes of any property or other asset that was involved in its qualifying property rental business within two years of leaving, any uplift in the base cost of the property as a result of the deemed disposal on entry into the REIT Regime is disregarded in calculating the gain or loss on the disposal.

It is important to note that Safestore cannot guarantee continued compliance with all of the REIT conditions and that the REIT Regime may cease to apply in some circumstances. HMRC may require the Safestore Group to exit the REIT Regime *inter alia* if:

- (a) it regards a breach of the conditions relating to the property rental business, the “balance of business” conditions, or the 90 per cent. distribution test, or an attempt by Safestore to avoid tax, as sufficiently serious;
- (b) Safestore has, broadly, committed a certain number of minor or inadvertent breaches in a specified period; or
- (c) HMRC has given Safestore at least two notices relating to perceived attempts by a member of the Safestore Group to obtain a tax advantage within a 10 year period.

In addition, if the conditions for REIT status relating to the share capital of Safestore and the prohibition on entering into loans with abnormal returns are breached or Safestore ceases to be UK resident, becomes dual resident or becomes an open-ended company, ceases to be listed (unless caused by a takeover by another REIT) or (in certain circumstances) ceases to fulfill the close company condition (which is described in Part I), the Safestore Group will automatically lose REIT status. Where the Safestore Group is required to leave the REIT Regime within 10 years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the Safestore Group is treated as exiting the REIT Regime.

Shareholders should note that it is possible that the Safestore Group could lose its status as a REIT as a result of actions by third parties (for example, in the event of a successful takeover by a company that is not a REIT) or due to a breach of the close company condition (described in Part I) if it is unable to remedy the breach within a specified timeframe.

## Recommendation

Your Board considers that the Resolution to be proposed at the General Meeting is in the best interests of Shareholders as a whole and unanimously recommends that Shareholders vote in favour of the Resolution, as the Directors intend to do in respect of their own beneficial shareholdings, which amount in aggregate to 4,937,152 Shares, representing approximately 2.62 per cent. of the issued share capital of Safestore (as at 19 February 2013, being the last business day before the date of this document).

## Action to be taken

The General Meeting will be held at Brittanica House, Stirling Way, Borehamwood, Hertfordshire, WD6 2BT on Wednesday 20 March 2013 at 12.30 p.m. (or, if later, as soon as the Annual General Meeting of the Company to be held that day has been concluded or adjourned). Shareholders are entitled to attend and vote at the General Meeting. A Form of Proxy for use by Shareholders is enclosed. Whether or not you intend to be present in person at the General Meeting, you are requested to complete the form in accordance with the instructions thereon and return it to Safestore’s registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but, in any event, so that it arrives not later than 12.30 p.m. on Monday 18 March 2013. CREST members who wish to appoint a proxy or proxies for the General Meeting through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company’s agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 12.30 p.m. on Monday 18 March 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

If you complete and return the Form of Proxy (or if you appoint a proxy or proxies electronically) you can still attend and vote at the General Meeting if you wish.

Yours faithfully

**Richard Grainger**  
Chairman

## THE REIT REGIME

This Part I is intended as a general guide only and constitutes a high-level summary of Safestore's understanding of current UK tax law and anticipated HMRC practice based on published guidance to date in relation to the REIT Regime, each of which are subject to change, possibly with retrospective effect. It is not advice and should not be relied upon as such.

### Overview

The REIT Regime in Part 12 of CTA 2010 (as originally introduced in Finance Act 2006) is intended to encourage greater investment in the UK property market and follows similar legislation in other European countries, as well as the long-established regimes in the United States, Australia and the Netherlands.

In this Part, "Group" means a body corporate and all of its "75 per cent. subsidiaries" and any of their 75 per cent. subsidiaries and so on, provided that the principal company in the group is beneficially entitled to more than 50 per cent. of the subsidiary's profits which are available for distribution to equity holders of the subsidiary, and more than 50 per cent. of any assets of the subsidiary available for distribution to its equity holders on a winding-up, and excluding inter alia insurance companies as defined in section 65 Finance Act 2012 and their subsidiaries. A body corporate is a "75 per cent. subsidiary" of another if the other is the beneficial owner (directly or indirectly) of at least 75 per cent. of its ordinary share capital. Safestore Holdings plc will be the principal company of the Safestore REIT group.

Investing in property through a corporate investment vehicle that is not a REIT has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholder (but not UK companies) effectively suffer tax twice on the same income – first, indirectly, when members of the Group pay UK direct tax on their profits (being corporation tax payable by UK resident companies on income and gains on property or income tax by non-resident companies on income derived from their UK properties), and secondly, directly when the shareholder receives a dividend. Non-tax paying entities, such as UK pension funds, suffer tax indirectly when investing through a corporate vehicle that is not a REIT in a manner they do not suffer if they were to invest directly in the property assets. As a REIT, Group members no longer pay UK direct taxes on their income and capital gains from their qualifying property rental businesses in the UK and elsewhere, provided that certain conditions are satisfied. Instead, distributions in respect of the qualifying property rental business are treated for UK tax purposes as UK property income in the hands of shareholders (Part II contains further detail on the United Kingdom tax treatment of shareholders after the Group's entry into the REIT Regime). However, corporation tax is still payable in the normal way in respect of income and gains from the Group's business (generally including any property trading business) not included in the Property Rental Business (the "Residual Business").

In this Part, "Property Rental Business" means a UK property business within the meaning of section 205 CTA 2009 or an overseas property business within the meaning of section 206 CTA 2009, but, in each case, excluding certain specified types of business. A "Qualifying Property Rental Business" means a Property Rental Business fulfilling the conditions in section 529 of CTA 2010.

While it is within the REIT Regime, Safestore's Property Rental Business is treated as a separate business for corporation tax purposes from the Residual Business and a loss incurred by the Property Rental Business cannot be set off against profits of the Residual Business (and vice versa).

The principal company of a REIT is required to distribute to shareholders (by way of dividend), generally on or before the filing date for the principal company's tax return for the accounting period in question, at least 90 per cent. of the income profits (broadly, calculated using normal tax rules) of the members of the Group in respect of their UK Property Rental Business arising in each accounting period.

Failure to meet this requirement will result in a tax charge calculated by reference to the extent of the failure, although in certain limited circumstances this charge can be avoided if an additional dividend is paid within a specified period which brings the amount of profits distributed up to the required level.

In this document, references to a company's or Safestore's accounting period are to its accounting period for tax purposes. This period can differ from a company's or Safestore's accounting period for other purposes.

A distribution received by a Shareholder in respect of profits and gains of the Property Rental Business of the members of the Group arising whilst the Group is a REIT is referred to in this document as a "Property Income Distribution" or "PID". Any other dividend received by a shareholder of a REIT is referred to as a "Non-PID Dividend".

Following changes introduced in Finance (No 3) Act 2010 the PID can be composed of either or both cash dividends and share capital issued in lieu of a cash dividend.

The treatment of a dividend paid by the principal company in the Group in the first year after it becomes a REIT will depend on whether it is paid out of profits that arose before or after the Group became a REIT. For example, if the principal company of a Group which converted to a REIT with effect from 1 April 2013 could announce, before that date, an intention to pay an interim dividend out of profits arising in 2012 for payment after that date. That dividend would be paid entirely out of profits arising before the Group became a REIT and should therefore be a Non-PID Dividend. A dividend announced or declared later in 2013 may be paid partly out of profits arising prior to the Group becoming a REIT and partly out of profits arising subsequently and would therefore comprise partly a PID and partly a Non-PID Dividend. The principal company will provide shareholders with a certificate setting out how much of their dividend is a PID and how much is a Non-PID Dividend.

Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent.). Further details of the United Kingdom tax treatment of certain categories of Shareholders after entry into the REIT Regime are contained in Part II.



It should be noted that on 11 December 2012, HMRC published for consultation draft clauses and explanatory notes for the Finance Bill 2013, including draft legislation relating to the REIT Regime. If enacted, this legislation would have, inter alia, the following effects on the REIT Regime: (i) income from REITs investing in other REITs would be treated as income of the investing REIT's Qualifying Property Rental Business, and thus be exempt from UK tax (see paragraph (A) under "Effect of becoming a REIT"); (ii) for the purposes of the balance of business conditions, the investment by a REIT in another REIT would be included as an asset of the investing REIT's Qualifying Property Rental Business (see paragraph (E)(iv) and (v) below); and (iii) the investing REIT would have to distribute 100 per cent. of the PID it receives from investing in another REIT to its investors (see paragraph (C) under "Effect of becoming a REIT"). The consultation on this legislation closed on 6 February 2013. If enacted as drafted as at 11 December 2012, these changes will take effect for the purposes of accounting periods commencing on or after the day on which Finance Act 2013 is passed, which is expected to be in late July 2013.

## Qualification as a REIT

A Group becomes a REIT by the principal company in the Group serving notice on HMRC before the beginning of the first accounting period for which it wishes the Group members to become a REIT. In order to qualify as a REIT, the principal company and the Group must satisfy certain conditions set out in Part 12 of CTA 2010. A non-exhaustive summary of the material conditions is set out below.

### (A) Company conditions

The principal company must be a solely UK resident company whose ordinary shares are either traded on a recognised stock exchange, such as the London Stock Exchange, or listed on the Official List of the London Stock Exchange or a foreign equivalent. The company must not be an open-ended investment company.

The principal company must also not (apart from in limited circumstances) be a "close company" (as defined in Part 10 CTA 2010 (the "close company condition")). In summary, the close company condition amounts to a requirement that the company is not controlled by five or fewer shareholders (including holdings by certain associates) who each hold at least five per cent. of the shares. A company will also not be close even if controlled by five or fewer shareholders if not less than 35 per cent. of the principal company's shares are listed on a recognised stock exchange and beneficially held by the public and for this purpose the "public" excludes directors of the company and certain of their associates, and shareholders who, alone or together with certain associates, control more than five per cent. of the principal company's share capital. A company that is close only because it has as a participant an "institutional investor" (such as an authorised unit trust scheme, a pension scheme or a charity) will also meet this condition.

### (B) Share capital restrictions

The principal company must have only one class of ordinary shares in issue and the only other shares it may issue are "non-voting restricted preference shares".

### (C) Restrictions on types of borrowings

The principal company must not be party to any loan in respect of which, broadly, the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets. In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

### (D) Financial statements

The principal company must prepare financial statements ("Financial Statements") in accordance with statutory requirements and submit these to HMRC. The Financial Statements must set out the information about the Property Rental Business and the Residual Business separately. The principal company must also prepare a separate financial statement for the Group's Property Rental Business in the UK (i.e., the Property Rental Business of UK resident members of the Group and UK Property Rental Business of other members of the Group). The REIT Regime specifies the information to be included and the basis of preparation of the Financial Statements.

### (E) Conditions for the Property Rental Business

The Property Rental Business must satisfy the conditions summarised below in respect of each accounting period during which the Group is to be treated as a REIT:

- (i) the Property Rental Business must throughout the accounting period involve at least three properties;
- (ii) throughout the accounting period no one property may represent more than 40 per cent. of the total value of all the properties involved in the Property Rental Business. Assets must be valued in accordance with IAS and at fair value when IAS offers a choice between a cost basis and a fair value basis;
- (iii) at least 90 per cent. of the amounts shown in the Financial Statements of the Group members as income profits (broadly, calculated using normal tax rules) of the Group's Property Rental Business in the accounting period must (to the extent permitted by law) be distributed to shareholders of the principal company of the REIT. This is the PID which must be distributed either as a cash dividend or share capital issued in lieu of a cash dividend generally on or before the filing date for the principal company's tax return for the accounting period in question (the "90 per cent. distribution test"). For the purpose of satisfying the 90 per cent. distribution test, any dividend withheld in order to comply with the 10 per cent. rule (as described in section (B) (The "10 per cent. rule") in the "Effect of becoming a REIT" section below) will be treated as having been paid. The 90 per cent. distribution test requirement is relaxed in certain circumstances. For example, where further profits of the property rental business are identified after the tax return has been submitted, there is a three month grace period to pay the additional PID. There are further special rules extending the payment period up to six months where share capital issued in lieu of a cash dividend is insufficient solely by reason of the operation of provisions which act to substitute market value for the cash equivalent of the share capital;

### Qualification as a REIT continued

#### (E) Conditions for the Property Rental Business continued

- (iv) the income profits arising from the Qualifying Property Rental Business must represent at least 75 per cent. of the Group's total profits for the accounting period (the "75 per cent. profits test"). Profits for this purpose means profits calculated in accordance with IAS before deduction of tax and excluding inter alia realised and unrealised gains and losses on the disposal of property and certain exceptional items; and
- (v) at the beginning of the accounting period the value of the assets in the Qualifying Property Rental Business and the value of the assets relating to Residual Business so far as consisting of cash must represent at least 75 per cent. of the total value of assets held by the Group (the "75 per cent. assets test"). Failure to meet this condition in the first accounting period in which REIT status is sought will not generally prevent qualification for REIT status provided this condition is met at the start of the next accounting period. Assets must be valued in accordance with IAS and at fair value where IAS offers a choice of valuation between cost basis and fair value and in applying this test no account is to be taken of liabilities secured against or otherwise relating to assets (whether generally or specifically). The 75 per cent. profits test and the 75 per cent. assets test are often together referred to as the "balance of business" conditions.

### Effect of becoming a REIT

#### (A) Tax savings

As a REIT, the Group will not pay UK direct tax on profits and gains from the Qualifying Property Rental Business. Corporation tax will still apply in the normal way in respect of the Residual Business which may include certain trading activities such as ancillary revenues from the sale of contents insurance, storage accessories and miscellaneous items, incidental letting in relation to property trades, intragroup letting of property, letting of administrative property which is temporarily surplus to requirements and certain income such as dividends from other UK REITs (although, as set out in the "Overview" section above, the latter position may change if proposed amendments are enacted in the Finance Act 2013).

Corporation tax may also be payable where shares in a member of the Group (as opposed to property involved in the UK Qualifying Property Rental Business) are sold. The Group would also continue to pay indirect taxes such as VAT, stamp duty land tax, stamp duty, business rates and payroll taxes (such as national insurance) in the normal way.

#### (B) The "10 per cent. rule"

The principal company of a REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a person beneficially entitled, directly or indirectly, to 10 per cent. or more of the principal company's dividends or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the principal company. Shareholders should note that this tax charge only applies to shareholders that are companies for the purposes of section 1121 of CTA 2010 and to shareholders which are deemed to be bodies corporate for the purposes of overseas jurisdictions with which the UK has a double taxation agreement or for the purposes of such double tax agreements. It does not apply to nominees. This tax charge should not be incurred if the principal company has taken reasonable steps to avoid paying dividends to such a shareholder. HMRC guidance describes certain actions that might be taken to show it has taken such "reasonable steps". One of these actions is to include restrictive provisions in the principal company's articles of association to address this requirement. The proposed amendments to the Articles of Association are considered to be consistent with the provisions described in the HMRC guidance.

#### (C) Dividends

Subject to comments in the section headed "Overview" above regarding dividends paid in the first year of being a REIT and certain proposed changes to the REIT Regime, when the principal company of a REIT pays a dividend, that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution test. As noted above it is possible to issue share capital in lieu of a cash dividend as a PID in order to meet the 90 per cent. distribution test.

If the dividend exceeds the amount required to satisfy that test, the REIT may determine that all or part of the balance is a Non-PID Dividend paid out of the profits of the activities of the Residual Business.

Any remaining balance of the dividend after the Non-PID Dividend (or other distribution) will generally be deemed to be a PID, first in respect of the income profits for the current year or previous years out of which a PID can be paid and, after these have been distributed in full, in respect of certain chargeable gains which are exempt from tax by virtue of the REIT Regime. Any remaining balance will be attributed to other distributions.

If the Group ceases to be a REIT, dividends paid by the principal company may nevertheless be PIDs for a transitional period.

#### (D) Financial Statements

As mentioned above, a REIT will be required to submit Financial Statements to HMRC.

#### (E) Interest cover ratio

A tax charge will arise if, in respect of any accounting period, the ratio of the income profits (before the offset of capital allowances, losses from a previous accounting period and certain financing costs) of the Group in respect of its Property Rental Business, to the financing costs (being, essentially, interest on loans, but not the costs of arranging finance etc) incurred in respect of the Property Rental Business of the Group, excluding certain intra-group financing costs, is less than 1.25. This ratio is calculated by reference to the Financial Statements. The amount (if any) by which the financing costs exceeds the amount of those costs which would result in a ratio equal to 1.25 is chargeable to corporation tax. The corporation tax charge applies to a maximum of 20 per cent. of the UK Property Rental Business profits before, inter alia, financing expenses.

**(F) Property development and property trading by a REIT**

A property development by a member of the Group can be within the Qualifying Property Rental Business provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the asset at the later of (a) the date on which the relevant company becomes a member of a UK REIT group, and (b) the date of the acquisition of the development property, and the REIT sells the development property within three years of completion (and, if the company is a member of a UK REIT group, provided that the disposal is not to another member of the UK REIT group), the property will be treated as never having been within the Qualifying Property Rental Business. If a member of the Group disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Qualifying Property Rental Business.

**(G) Certain tax avoidance arrangements**

If HMRC believes that a member of the Group has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Property Rental Business.

**(H) Movement of assets in and out of Property Rental Business**

In general, where an asset owned by a UK resident member of the Group and used for the Property Rental Business begins to be used for the Residual Business, its base cost for capital gains purposes should be taken to be its market value at the time (with no chargeable gain or allowable loss arising as a result). Where an asset owned by a UK resident member of the Group and used for the Residual Business begins to be used for the Property Rental Business, this will generally constitute a taxable market value disposal of the asset, except for capital allowances purposes. Special rules apply to disposals by way of a trade and to development property.

**(I) Joint ventures**

If one or more members of the Group are beneficially entitled, in the aggregate, to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding-up, and that joint venture company (the "JV company") is carrying on a Qualifying Property Rental Business which satisfies the 75 per cent. profits test and the 75 per cent. assets test in its own right (as described at paragraph (E)(iv) and (v) above respectively) and certain other conditions are satisfied, the REIT may, by giving notice to HMRC, elect for the assets and income of the JV company to be included in the REIT group's Property Rental Business for tax purposes. In such circumstances, the income of the JV company will count towards the 90 per cent. distribution test and the 75 per cent. profits test and its assets will count towards the 75 per cent. assets test, in each case to the extent of the Group's interest in the JV company.

**(J) Acquisitions and Takeovers**

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and may, provided the conditions are met, continue to enjoy tax exemptions in respect of the profits of its Property Rental Business and capital gains on disposal of properties in the Property Rental Business. The proposed changes to the REIT Regime outlined under "Overview" above would also be relevant in this regard.

The position is different where a REIT is taken over by an acquirer which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT and will therefore be treated as leaving the REIT Regime at the end of its accounting period preceding the takeover and ceasing from the end of that accounting period to benefit from tax exemptions on the profits of its Qualifying Property Rental Business and capital gains on disposal of property forming part of its Qualifying Property Rental Business. The properties in the Qualifying Property Rental Business are treated as having been sold at market value for the purposes of corporation tax on chargeable gains immediately before the end of the preceding accounting period and then reacquired, again at market value. These deemed disposals should be tax free as they are deemed to have been made at a time when the acquired REIT was still in the REIT Regime and future capital gains on the relevant assets will therefore be calculated by reference to a base cost equivalent to this market value (subject to certain anti-avoidance provisions). If the acquired REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be recharacterised retrospectively as normal dividends. It should also be noted that as discussed in the section entitled "Exit from the REIT Regime" on page 5, there are special tax consequences for groups leaving the REIT Regime within 10 years of joining.

## Part II

### United Kingdom tax treatment of certain shareholders after entry into the REIT Regime

#### Introduction

This Part II is intended as a general guide only and is based on Safestore's understanding of current UK tax law and HMRC practice based on published guidance to date, each of which is subject to change, possibly with retrospective effect. This is not advice and should not be relied upon as such.

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by Safestore, and to disposals of Shares, in each case after the Conversion Date. Except where otherwise indicated, they apply only to (i) individual Shareholders who are both resident and ordinarily resident (and, as the concept of "ordinarily resident" is being abolished from 6 April 2013, only to individuals who are resident from that date) for tax purposes solely in the United Kingdom and (ii) companies solely tax resident in the United Kingdom. They apply only to Shareholders who are the absolute beneficial owners of both their PIDs and their Shares and who hold their Shares as investments. They do not apply to Substantial Shareholders, as defined in Part III. They do not apply to certain categories of Shareholders, such as dealers in securities or distributions, persons who have or are deemed to have acquired their Shares by reason of their or another's employment, persons who hold their Shares as part of hedging or conversion transactions, persons who hold their Shares by virtue of an interest in any partnership, collective investment scheme, insurance company, life assurance company or mutual company, or to Lloyds members. Except where otherwise indicated in paragraph B(iv)(d) (Withholding tax: Exceptions to requirement to withhold income tax) below, they do not apply to charities, trustees or pension scheme administrators or persons who hold their Shares in connection with a UK branch, agency or permanent establishment.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

#### **(A) UK taxation of Non-PID Dividends**

Non-PID Dividends paid by Safestore will be taxed in the same way as dividends paid by Safestore prior to entry into the REIT Regime, whether in the hands of individual or corporate Shareholders.

#### **(B) UK taxation of PIDs**

##### **(i) UK taxation of Shareholders who are individuals**

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company to which Part 12 of CTA 2010 applies, treated as a separate UK property business from any other UK property business (a "different UK property business") carried on by the relevant Shareholder. This means that surplus expenses from a Shareholder's different UK property business cannot be off-set against a PID as part of a single calculation of the profits of the Shareholder's UK property business. No notional tax credit will be available in respect of PIDs, although any tax withheld will be taken into account when calculating the Shareholder's tax liability.

Please see also paragraph B(iv) (Withholding tax) below.

##### **(ii) UK taxation of corporate Shareholders**

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to corporation tax as profit of a UK property business (as defined in section 205 CTA 2009). A PID is, together with any property income distribution from any other company to which Part 12 of CTA 2010 applies, treated as a separate UK property business from any other UK property business (a "different UK property business") carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be off-set against a PID as part of a single calculation of the Shareholder's UK property business. No notional tax credit will be available in respect of PIDs, although any tax withheld will be taken into account when calculating the Shareholder's tax liability.

Please see also paragraph B(iv) (Withholding tax) below.

##### **(iii) UK taxation of Shareholders who are not resident for tax purposes in the UK**

Where a Shareholder who is resident outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding.

Please see also paragraph B(iv) (Withholding tax) below.

**(iv) Withholding tax**

**(a) General**

Subject to certain exceptions summarised at paragraph B(iv)(d) (Withholding tax: Exceptions to requirement to withhold income tax) below, Safestore is required to withhold tax at source at the basic rate (currently 20 per cent.) from its PIDs. Safestore will provide Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

**(b) Shareholders solely resident and ordinarily resident in the UK**

Where tax at the basic rate has been withheld at source, Shareholders who are individuals may, depending on their individual circumstances, either be liable to further tax on their PID at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are corporates may, depending on their individual circumstances, be liable to pay corporation tax on their PID but they should note that, where tax at the basic rate is withheld at source, the tax withheld can be set against their liability to income or corporation tax in the accounting period in which the PID is received.

**(c) Shareholders who are not resident for tax purposes in the UK**

It is not possible for a Shareholder to automatically make a claim under a double taxation treaty for a PID to be paid by Safestore gross or at a reduced rate. Safestore will therefore deduct withholding tax from any PID payment to such Shareholders. The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double tax convention between the UK and the country in which the Shareholder is resident. Any refund claim under a double tax treaty needs to be made to HMRC.

**(d) Exceptions to requirement to withhold income tax**

Shareholders should note that in certain circumstances Safestore is not required to withhold income tax at source from a PID. These (as set out in regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006) include where Safestore reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, a company resident for tax purposes outside the UK with a permanent establishment in the UK or which is required to bring the PID into account in computing its chargeable profits, a charity or a body mentioned in section 468 CTA 2010 which is allowed the same exemption from tax as charities. They also include where Safestore reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-schemes, the account manager of an Individual Savings Account (ISA), the plan manager of a Personal Equity Plan (PEP) or the account provider for a child trust fund, in each case, provided Safestore reasonably believes that the PID will be applied for the purposes of the relevant fund, scheme, account or plan.

In order to pay a PID without withholding tax, Safestore will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose Safestore will require such Shareholders to submit a valid claim form (copies of which may be obtained on request from Safestore's registrars, Capita Registrars). Shareholders should note that Safestore may seek recovery from a Shareholder if the statements made in its claim form are incorrect and Safestore suffers tax as a result. Safestore will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been a mistake.

**(C) UK taxation of chargeable gains, stamp duty and SDRT in respect of Shares**

Subject to the paragraph headed "Introduction", above, the following comments apply to both individual and corporate Shareholders, regardless of whether or not such Shareholders are resident for tax purposes in the UK.

**(i) UK taxation of chargeable gains**

Chargeable gains arising on the disposal of Shares following entry into the REIT Regime should be taxed in the same way as chargeable gains arising on the disposal of Shares prior to entry into the REIT Regime. The entry of the Safestore Group into the REIT Regime will not constitute a disposal of Shares by Shareholders for UK chargeable gains purposes.

**(ii) UK stamp duty and SDRT**

A conveyance or transfer on sale or other disposal of Shares following entry into the REIT Regime will be subject to UK stamp duty or SDRT in the same way as it would have been prior to entry into the REIT Regime.

## Part III

### Description of the proposed Amendments to the Articles of Association

As explained in the letter from the Chairman, it is proposed that the Articles should be amended in order to enable Safestore to demonstrate to HMRC that it has taken reasonable steps to avoid paying a dividend (or making any other distribution) to a Substantial Shareholder. For these purposes a “Substantial Shareholder” is a Company that:

- (d) is beneficially entitled, directly or indirectly, to 10 per cent. or more of Safestore’s dividends;
- (e) is beneficially entitled, directly or indirectly, to 10 per cent. or more of Safestore’s share capital; or
- (f) controls, directly or indirectly, 10 per cent. or more of the voting rights of Safestore. Shares held as nominee are disregarded for this purpose.

For these purposes a “Company” includes, broadly, any body corporate and certain entities which are deemed to be bodies corporate for the purposes of overseas jurisdictions with which the UK has a double taxation agreement or for the purposes of such double tax agreements.

If a distribution is paid to a Substantial Shareholder and Safestore has not taken reasonable steps to avoid doing so, Safestore would become subject to a tax charge.

The proposed amendments to the Articles involve the insertion of a new Article entitled “Real Estate Investment Trust” (the “new Article”). The text of the new Article is set out in the notice of General Meeting set out at the end of this document.

The new Article:

- (d) provides the Directors with powers to identify Substantial Shareholders;
- (e) prohibits the payment of dividends on Shares that form part of a Substantial Shareholding, unless certain conditions are met;
- (f) allows dividends to be paid on Shares that form part of a Substantial Shareholding where the Shareholder has disposed of its rights to dividends on its Shares; and
- (g) seeks to ensure that if a dividend is paid on Shares that form part of a Substantial Shareholding and arrangements of the kind referred to in (c) are not met, the Substantial Shareholder concerned does not become beneficially entitled to that dividend.

References in this Part III to a “Substantial Shareholding” are to the Shares in respect of which a Substantial Shareholder is entitled to dividends, directly or indirectly, and/or to which a Substantial Shareholder is beneficially entitled, directly or indirectly, and/or the votes attached to which are controlled, directly or indirectly, by the Substantial Shareholder. References in this Part III to dividends include other distributions.

The effect of the new Article is explained in more detail below:

#### **(A) Identification of Substantial Shareholders**

The share register of Safestore records the legal owners and the number of Shares they own in Safestore but does not identify the persons who are beneficial owners of the Shares or are entitled to control the voting rights attached to the Shares or are beneficially entitled to dividends. While the requirements for the notification of direct and indirect holdings of voting shares provided in the Disclosure and Transparency Rules and the Board’s rights to require disclosure of such interests (pursuant to Section 793 of the Companies Act 2006 and Article 79 of the Articles) should assist in the identification of Substantial Shareholders, those provisions are not on their own sufficient.

Accordingly, the new Article would require a Substantial Shareholder and any registered Shareholder holding Shares on behalf of a Substantial Shareholder to notify Safestore if his Shares form part of a Substantial Shareholding. Such a notice must be given within two business days. If a person is a Substantial Shareholder at the date the new Article is adopted, that Substantial Shareholder (and any registered Shareholder holding Shares on its behalf) must give such a notice within two business days after the date the new Article is adopted. The new Article gives the Board the right to require any person to provide information in relation to any Shares in order to determine whether the Shares form part of a Substantial Shareholding. If the required information is not provided within the time specified (which would be seven days after a request is made or such other period as the Board may decide), the Board would be entitled to impose sanctions, including withholding dividends (as described in paragraph (B) below) and/or requiring the transfer of the Shares to another person who is not, and does not thereby become, a Substantial Shareholder (as described in paragraph (E) below).

#### **(B) Preventing payment of a dividend to a Substantial Shareholder**

The new Article provides that a dividend will not be paid on any Shares that the Board believes may form part of a Substantial Shareholding unless the Board is satisfied that the Substantial Shareholder is not beneficially entitled to the dividend.

If in these circumstances payment of a dividend is withheld, the dividend will be paid subsequently if the Board is satisfied that:

- (i) the Substantial Shareholder concerned is not beneficially entitled to the dividends (see also (C) below);
- (ii) the shareholding is not part of a Substantial Shareholding;
- (iii) all or some of the Shares and the right to the dividend have been transferred to a person who is not, and does not thereby become, a Substantial Shareholder (in which case the dividends would be paid to the transferee); or
- (iv) sufficient Shares have been transferred (together with the right to the dividends) such that the Shares retained are no longer part of a Substantial Shareholding (in which case the dividends would be paid on the retained Shares).

For this purpose references to the “transfer” of a Share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Share.



### **(C) Payment of a dividend where rights to it have been transferred**

The new Article provides that dividends may be paid on Shares that form part of a Substantial Shareholding if the Board is satisfied that the right to the dividend has been transferred to a person who is not, and does not thereby become, a Substantial Shareholder and the Board may be satisfied that the right to the dividend has been transferred if it receives a certificate containing appropriate confirmations and assurances from the Substantial Shareholder. Such a certificate may apply to a particular dividend or to all future dividends in respect of Shares forming part of a specified Substantial Shareholding, until notice rescinding the certificate is received by Safestore. A certificate that deals with future dividends will include undertakings by the person providing the certificate:

- (i) to ensure that the entitlement to future dividends will be disposed of; and
- (ii) to inform Safestore immediately of any circumstances which would render the certificate no longer accurate.

The Directors may require that any such certificate is copied or provided to such persons as they may determine, including HMRC.

If the Board believes a certificate given in these circumstances is or has become inaccurate, then it will be able to withhold payment of future dividends (as described in paragraph (B) above). In addition, the Board may require a Substantial Shareholder to pay to Safestore the amount of any tax payable (and other costs incurred) as a result of a dividend having been paid to a Substantial Shareholder in reliance on the inaccurate certificate. The Board may (as described in paragraph (E) below) arrange for the sale of the relevant Shares and retain any such amount from the proceeds. Any such amount may also be recovered out of dividends to which the Substantial Shareholder concerned may become entitled in the future.

Certificates provided in the circumstances described above will be of considerable importance to Safestore in determining whether dividends can be paid. If Safestore suffers loss as a result of any misrepresentation or breach of undertaking given in such a certificate, it may seek to recover damages directly from the person who has provided it.

The effect of these provisions is that there is no restriction on a person becoming or remaining a Substantial Shareholder provided that the person who does so makes appropriate arrangements to divest itself of the entitlement to dividends.

### **(D) Trust arrangements where rights to dividends have not been disposed of by a Substantial Shareholder**

The new Article provides that if a dividend is in fact paid on Shares forming part of a Substantial Shareholding (which might occur, for example, if a Substantial Shareholding is split among a number of nominees and is not notified to Safestore prior to a dividend payment date) the dividends so paid are to be held on trust by the recipient for any person (who is not a Substantial Shareholder) nominated by the Substantial Shareholder concerned. The person nominated as the beneficiary could be the purchaser of the Shares if the Substantial Shareholder is in the process of selling down their holding so as not to cause Safestore to breach the Substantial Shareholder rule. If the Substantial Shareholder does not nominate anyone within 12 years, the dividend concerned will be held on trust for Safestore or any other person nominated by the Board.

If the recipient of the dividend passes it on to another without being aware that the Shares in respect of which the dividend was paid were part of a Substantial Shareholding, the recipient will have no liability as a result. However, the Substantial Shareholder who receives the dividend should do so subject to the terms of the trust and as a result may not claim to be beneficially entitled to those dividends.

### **(E) Mandatory sale of Substantial Shareholdings**

The new Article also allows the Board to require the disposal of Shares forming part of a Substantial Shareholding if:

- (i) a Substantial Shareholder has been identified and a dividend has been announced or declared and the Board has not been satisfied that the Substantial Shareholder has transferred the right to the dividend (or otherwise is not beneficially entitled to it);
- (ii) there has been a failure to provide information requested by the Board; or
- (iii) any information provided by any person proves materially inaccurate or misleading.
- (iv) If a disposal of Shares required by the Board is not completed within the timeframe specified by the Board or if Safestore incurs a charge to tax as a result of a dividend having been paid on a Substantial Shareholding, the Board may arrange for the sale of the relevant Shares.

### **(F) Takeovers**

The new Article does not prevent a person from acquiring control of Safestore through a takeover or otherwise, although as explained above, such an event may cause the Safestore Group to cease to qualify as a REIT.

### **(G) Other**

The new Article also gives Safestore power to require any Shareholder who applies to be paid dividends without any tax withheld to provide such certificate as the Board may require to establish the Shareholder's entitlement to that treatment. The new Article also confirms that the new Articles may be amended by Special Resolution passed by Shareholders in the future, including to give powers to the Board to ensure that the Company can comply with the close company condition, described in Part I Paragraph (A) (Company conditions) of this document, which powers may include the ability to arrange for the sale of shares on behalf of Shareholders.

# Safestore Holdings Plc

## Notice of general meeting

Notice is hereby given that a general meeting of Safestore Holdings plc (the **“Company”**) will be held at Brittanica House, Stirling Way, Borehamwood, Hertfordshire WD6 2BT on 20 March 2013 at 12.30 p.m. (or, if later, as soon as the Annual General Meeting of the Company to be held that day has been concluded or adjourned) for the purpose of considering, and if thought fit, passing the following resolution as a special resolution:

### SPECIAL RESOLUTION

THAT the Articles of Association be and they are hereby amended by the insertion of the following as a new Article 149:

#### **“149. REAL ESTATE INVESTMENT TRUST**

##### 149.1. Cardinal Principal

- 149.1.1 It is a cardinal principle that, for so long as the Company is the principal company in a real estate investment trust (**“REIT”**) for the purposes of Part 12 of the CTA 2010, as such Part may be modified, supplemented or replaced from time to time, no member of the Group should be liable to pay tax under section 551 CTA 2010 (as such legislation may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution.
- 149.1.2 This Article 149 supports such cardinal principle by, among other things, imposing restrictions and obligations on the shareholders of the Company and, indirectly, certain other Persons who may have an interest in the Company, and shall be construed accordingly so as to give effect to such cardinal principle.

##### 149.2 Definitions and Interpretation

149.2.1 For the purposes of this Article 149, the following words and expressions shall bear the following meanings:

- (a) **“business day”** means a day (not being a Saturday or Sunday) on which banks are normally open for business in London;
- (b) **“CTA 2010”** means the Corporation Tax Act 2010;
- (c) **“Distribution”** means any dividend or other distribution on or in respect of the shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made;
- (d) **“Distribution Transfer”** means a disposal or transfer (however effected) by a Person of his rights to a Distribution from the Company such that he is not beneficially entitled (directly or indirectly) to such a Distribution and no Person who is so entitled subsequent to such disposal or transfer (whether the immediate transferee or not) is (whether as a result of the transfer or not) a Substantial Shareholder;
- (e) **“Distribution Transfer Certificate”** means a certificate in such form as the directors may specify from time to time to the effect that the relevant Person has made a Distribution Transfer, which certificate may be required by the directors to satisfy them that a Substantial Shareholder is not beneficially entitled (directly or indirectly) to a Distribution;
- (f) **“Excess Charge”** means, in relation to a Distribution which is paid or payable to a Person, all tax or other amounts which the directors consider may become payable by the Company or any other member of the Group under section 551 CTA 2010 (as such legislation may be modified, supplemented or replaced from time to time) and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution being paid to or in respect of that Person;
- (g) **“Group”** means the Company and the other companies in its group for the purposes of section 606 of CTA 2010 (as such section may be modified, supplemented or replaced from time to time);
- (h) **“HMRC”** means HM Revenue & Customs;
- (i) **“interest in the Company”** includes, without limitation, an interest in a Distribution made or to be made by the Company;
- (j) **“Person”** includes a body of Persons, corporate or unincorporated, wherever domiciled;
- (k) **“Relevant Registered Shareholder”** means a shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder);
- (l) **“Reporting Obligation”** means any obligation from time to time of the Company to provide information or reports to HMRC as a result of or in connection with the Company’s status as a REIT;
- (m) **“Substantial Shareholding”** means the shares in the Company in relation to which or by virtue of which (in whole or in part) a Person is a Substantial Shareholder; and
- (n) **“Substantial Shareholder”** means any Person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause any member of the Group to be liable to pay tax under Chapter 6, Part 12 CTA 2010, and in particular section 551 of CTA 2010 (as such legislation may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such Person including, at the date of adoption of this Article, any Person who is a “holder of excessive rights” as defined in section 553 CTA 2010.



- 149.2.2 Where under this Article 149 any certificate or declaration may be or is required to be provided by any Person (including, without limitation, a Distribution Transfer Certificate), such certificate or declaration may be required by the directors (without limitation):
- (a) to be addressed to the Company, the directors or such other Persons as the directors may determine (including HMRC);
  - (b) to include such information as the directors consider is required for the Company to comply with any Reporting Obligation;
  - (c) to contain such legally binding representations and obligations as the directors may determine;
  - (d) to include an undertaking to notify the Company if the information in the certificate or declaration becomes incorrect, including prior to such change;
  - (e) to be copied or provided to such Persons as the directors may determine (including HMRC); and
  - (f) to be executed in such form (including as a deed or deed poll) as the directors may determine.

149.2.3 This Article 149 shall apply notwithstanding any provisions to the contrary in any other Article (including, without limitation, Articles 122 to 134 inclusive (Dividends)).

#### 149.3 Notification of Substantial Shareholder and other status

149.3.1 Each shareholder and any other relevant Person shall serve notice in writing on the Company at its registered office on:

- (a) him becoming a Substantial Shareholder or him being a Substantial Shareholder on the date this Article comes into effect (together with the percentage of voting rights, share capital or dividends he controls or is beneficially entitled to, details of the identity of the shareholder(s) who hold(s) the relevant Substantial Shareholding and such other information, certificates or declarations as the directors may require from time to time);
- (b) him becoming a Relevant Registered Shareholder or being a Relevant Registered Shareholder on the date this Article comes into effect (together with such details of the relevant Substantial Shareholder and such other information, certificates or declarations as the directors may require from time to time); and
- (c) any change to the particulars contained in any such notice, including on the relevant Person ceasing to be a Substantial Shareholder or a Relevant Registered Shareholder.

149.3.2 Any such notice shall be delivered by the end of the second business day after the day on which the Person becomes a Substantial Shareholder or a Relevant Registered Shareholder (or the date this Article comes into effect, as the case may be) or the change in relevant particulars or within such shorter or longer period as the directors may specify from time to time.

149.3.3 The directors may at any time give notice in writing to any Person requiring him, within such period as may be specified in the notice (being seven days from the date of service of the notice or such shorter or longer period as the directors may specify in the notice), to deliver to the Company at its registered office such information, certificates and declarations as the directors may require to establish whether or not he is a Substantial Shareholder or a Relevant Registered Shareholder or to comply with any Reporting Obligation. Each such Person shall deliver such information, certificates and declarations within the period specified in such notice.

#### 149.4 Distributions in respect of Substantial Shareholdings

149.4.1 In respect of any Distribution, the directors may, if the directors determine that the condition set out in Article 149.4.2 is satisfied in relation to any shares in the Company, withhold payment of such Distribution on or in respect of such shares. Any Distribution so withheld shall be paid as provided in Article 149.4.3 and until such payment the Persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.

149.4.2 The condition referred to in Article 149.4.1 is that, in relation to any shares in the Company, and Distribution to be paid or made on and in respect of such shares:

- (a) the directors believe that such shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder; and
- (b) the directors are not satisfied that such Substantial Shareholder would not be beneficially entitled to the Distribution if it was paid, and, for the avoidance of doubt, if the shares comprise all or part of a Substantial Shareholding in respect of more than one Substantial Shareholder this condition is not satisfied unless it is satisfied in respect of all such Substantial Shareholders.

149.4.3 If a Distribution has been withheld on or in respect of any shares in the Company in accordance with Article 149.4.1, it shall be paid:

- (a) if it is subsequently established to the satisfaction of the directors that the condition in Article 149.4.2 is not or is no longer satisfied in relation to such shares, in which case the whole amount of the Distribution withheld shall be paid; or
- (b) if the directors are satisfied that sufficient interests in all or some of the shares concerned have been transferred to a third party so that such transferred shares no longer form part of the Substantial Shareholding, in which case the Distribution attributable to such shares shall be paid (provided the directors are satisfied that following such transfer such shares do not form part of a Substantial Shareholding); or
- (c) if the directors are satisfied that as a result of a transfer of interests in shares referred to in 149.4.3(b) above the remaining shares no longer form part of a Substantial Shareholding, in which case the Distribution attributable to such shares shall be paid.

In this Article 149.4.3, references to the "transfer" of a share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that share.

# Safestore Holdings Plc

## Notice of general meeting continued

### **SPECIAL RESOLUTION** continued

- 149.4.4 A Substantial Shareholder may satisfy the directors that he is not beneficially entitled to a Distribution by providing a Distribution Transfer Certificate. The directors shall be entitled to (but shall not be bound to) accept a Distribution Transfer Certificate as evidence of the matters therein stated and the directors shall be entitled to require such other information, certifications or declarations as they think fit.
- 149.4.5 The directors may withhold payment of a Distribution on or in respect of any shares in the Company if any notice given by the directors pursuant to Article 149.3.3 in relation to such shares shall not have been complied with to the satisfaction of the directors within the period specified in such notice. Any Distribution so withheld will be paid when the notice is complied with to the satisfaction of the directors unless the directors withhold payment pursuant to Article 149.4.1 and until such payment the Persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 149.4.6 If the directors decide that payment of a Distribution should be withheld under Articles 149.4.1 or 149.4.5, they shall within five business days give notice in writing of that decision to the Relevant Registered Shareholder.
- 149.4.7 If any Distribution shall be paid on a Substantial Shareholding and an Excess Charge becomes payable, the Substantial Shareholder shall pay the amount of such Excess Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the Company on demand by the Company. Without prejudice to the right of the Company to claim such amount from the Substantial Shareholder, such recovery may be made out of the proceeds of any disposal pursuant to Article 149.6.2 or out of any subsequent Distribution in respect of the shares to such Person or to the shareholders of all shares in relation to or by virtue of which the directors believe that Person has an interest in the Company (whether that Person is at that time a Substantial Shareholder or not).

### **149.5 Distribution trust**

- 149.5.1 If a Distribution is paid on or in respect of a Substantial Shareholding except where the Distribution is paid in circumstances where the directors are satisfied that the Substantial Shareholder is not beneficially entitled to the Distribution, the Distribution and any income arising from it shall be held by the payee or other recipient to whom the Distribution is transferred by the payee on trust absolutely for the Persons nominated by the relevant Substantial Shareholder under Article 149.5.2 in such proportions as the relevant Substantial Shareholder shall in the nomination direct or, subject to and in default of such nomination being validly made within 12 years after the date the Distribution is made, for the Company or such other Person as may be nominated by the Directors from time to time.
- 149.5.2 The relevant Substantial Shareholder of shares of the Company in respect of which a Distribution is paid shall be entitled to nominate in writing any two or more Persons (not being Substantial Shareholders) to be the beneficiaries of the trust on which the Distribution is held under Article 149.5.1 and the Substantial Shareholder may in any such nomination state the proportions in which the Distribution is to be held on trust for the nominated Persons, failing which the Distribution shall be held on trust for the nominated Persons in equal proportions. No Person may be nominated under this Article who is or would, on becoming a beneficiary in accordance with the nomination, become a Substantial Shareholder. If the Substantial Shareholder making the nomination is not by virtue of Article 149.5.1 the trustee of the trust, the nomination shall not take effect until it is delivered to the Person who is the trustee.
- 149.5.3 Any income arising from a Distribution which is held on trust under Article 149.5.1 shall until the earlier of (i) the making of a valid nomination under Article 149.5.2 and (ii) the expiry of the period of 12 years from the date when the Distribution is paid be accumulated as an accretion to the Distribution. Income shall be treated as arising when payable, so that no apportionment shall take place.
- 149.5.4 No Person who by virtue of Article 149.5.1 holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.
- 149.5.5 No Person who by virtue of Article 149.5.1 holds a Distribution on trust shall be liable for any breach of trust unless due to his own wilful fraud or wrongdoing or, in the case of an incorporated Person, the fraud or wilful wrongdoing of its directors, officers or employees.

**149.6 Obligation to dispose**

149.6.1 If at any time, the directors believe that:

- (a) in respect of any Distribution declared or announced, the condition set out in Article 149.4.2 is satisfied in respect of any shares in the Company in relation to that Distribution;
- (b) a notice given by the Directors pursuant to Article 149.3.3 in relation to any shares in the Company has not been complied with to the satisfaction of the directors within the period specified in such notice; or
- (c) any information, certificate or declaration provided by a Person in relation to any shares in the Company for the purposes of the preceding provisions of this Article 149 was materially inaccurate or misleading,

the directors may give notice in writing (a "Disposal Notice") to any Persons they believe are Relevant Registered Shareholders in respect of the relevant shares requiring such Relevant Registered Shareholders within 21 days of the date of service of the notice (or such longer or shorter time as the directors consider to be appropriate in the circumstances) to dispose of such number of shares as the directors may in such notice specify or to take such other steps as will cause that condition set out in Article 149.4.2 no longer to be satisfied. The directors may, if they think fit, withdraw a Disposal Notice.

149.6.2 If:

- (a) the requirements of a Disposal Notice are not complied with to the satisfaction of the directors within the period specified in the relevant notice and the relevant Disposal Notice is not withdrawn; or
- (b) a Distribution is paid on a Substantial Shareholding and an Excess Charge becomes payable,

the directors may arrange for the Company to sell all or some of the shares to which the Disposal Notice relates or, as the case may be, that form part of the Substantial Shareholding concerned. For this purpose, the directors may make such arrangements as they deem appropriate. In particular, without limitation, they may authorise any officer or employee of the Company to execute any transfer or other document on behalf of the holder or holders of the relevant shares and, in the case of shares in uncertificated form, may make such arrangements as they think fit on behalf of the relevant holder or holders to transfer title to the relevant share through a relevant system.

149.6.3 Any sale pursuant to Article 149.6.2 above shall be at the price which the directors consider is the best price reasonably obtainable and the directors shall not be liable to the holder or holders of the relevant shares for any alleged deficiency in the amount of the sale proceeds or any other matter relating to the sale.

149.6.4 The net proceeds of the sale of any shares under Article 149.6.2 (less any amount to be retained pursuant to Article 149.4.7 and the expenses of sale) shall be paid over by the Company to the former holder or holders of the relevant shares upon surrender of any certificate or other evidence of title relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.

149.6.5 The title of any transferee of shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this Article 149.6.

**149.7 General**

149.7.1 The directors shall be entitled to presume without enquiry, unless any director has reason to believe otherwise, that a Person is not a Substantial Shareholder or a Relevant Registered Shareholder.

149.7.2 The directors shall not be required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular Person) pursuant to this Article 149 and any such determination or decision shall be final and binding on all Persons unless and until it is revoked or changed by the directors. Any disposal or transfer made or other thing done by or on behalf of the board or any director pursuant to this Article 149 shall be binding on all Persons and shall not be open to challenge on any ground whatsoever.

149.7.3 Without limiting their liability to the Company, the directors shall be under no liability to any other Person, and the Company shall be under no liability to any shareholder or any other Person, for identifying or failing to identify any Person as a Substantial Shareholder or a Relevant Registered Shareholder.

149.7.4 The directors shall not be obliged to serve any notice required under this Article 149 upon any Person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances or any accidental error in or failure to give any notice to any Person upon whom notice is required to be served under this Article 149 shall not prevent the implementation of or invalidate any procedure under this Article 149.

# Safestore Holdings Plc

## Notice of general meeting continued

### **SPECIAL RESOLUTION** continued

#### **149.7 General** continued

- 149.7.5 The provisions of Articles 137 to 143 inclusive shall apply to the service upon any Person of any notice required by this Article 149. Any notice required by this Article 149 to be served upon a Person who is not a shareholder or upon a Person who is a shareholder but whose address is not within the United Kingdom and who has failed to supply to the company an address within the United Kingdom pursuant to Article 137, shall be deemed validly served if such notice is sent through the post in a pre-paid cover addressed to that Person or shareholder at the address, if any, at which the directors believe him to be resident or carrying on business or, in the case of a holder of depository receipts or similar securities, to the address, if any, in the register of holders of the relevant securities. Service shall, in such a case be deemed to be effected on the day of posting and it shall be sufficient proof of service if that notice was properly addressed, stamped and posted.
- 149.7.6 Any notice required or permitted to be given pursuant to this Article 149 may relate to more than one share and shall specify the share or shares to which it relates.
- 149.7.7 The directors may require from time to time any Person who is or claims to be a Person to whom a Distribution may be paid without deduction of tax under Regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 to provide such certificates or declarations as they may require from time to time.
- 149.7.8 This Article 149 may be amended by Special Resolution from time to time, including to give powers to the directors to take such steps as they may require in order to ensure that the Company can satisfy Condition D in Section 528(4) of CTA 2010 (as such section may be modified, supplemented or replaced from time to time) which relates to close company status, which powers may include the ability to arrange for the sale of shares on behalf of shareholders.”

By order of the Board

**Sam Ahmed**

**Company Secretary**

20 February 2013

**Registered office:**

**Brittanic House**

**Stirling Way**

**Borehamwood**

**Hertfordshire WD6 2BT**

**Notes:**

(i) A member entitled to attend and vote at the Meeting convened by the above Notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which in aggregate shall not exceed the number of shares held by you). Please also indicate the proxy is part of a multiple set of instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrar, Capita Registrars. The right to appoint a proxy does not apply to any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person").

(ii) To appoint a proxy you may:

- (a) use the Form of Proxy enclosed with this Notice of General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or at [www.capitashareportal.com](http://www.capitashareportal.com), in each case no later than 12.30 p.m. on 18 March 2013 or not later than 48 hours before the time fixed for any adjourned meeting; or
- (b) if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in Notes (vi), (vii) and (viii) below.

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person.

You may submit your vote electronically at [www.capitashareportal.com](http://www.capitashareportal.com) not later than 48 hours before the time fixed for the General Meeting or adjourned meeting at which your proxy proposes to vote.

(iii) Any member or his proxy attending the Meeting has the right to ask any question at the Meeting relating to the business of the Meeting.

(iv) Pursuant to section 360B of the Act and Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 6.00p.m. on 18 March 2013 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. If the Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned Meeting is 12.30 p.m. on the day preceding the date fixed for the adjourned Meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

(v) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

(vi) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

(vii) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited ("Euroclear UK & Ireland") and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

(viii) CREST members and, where applicable, their CREST sponsors and voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## Safestore Holdings Plc

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### Notice of general meeting continued

**Notes continued:**

- (ix) As at 19 February 2013 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 188,135,088 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 14 February 2013 are 188,135,088.
- (x) The information required to be published by s.311(A) of the Companies Act 2006 (information about the contents of this notice and numbers of shares in the company and voting rights exercisable at the meeting and details of any members' statements, members' resolutions and members' items of business received after the date of this notice) may be found at [www.safestore.com](http://www.safestore.com).
- (xi) A Nominated Person may under an agreement between him/her and the member who nominated him/her, have a right to be appointed (or to have someone else appointed) as a proxy entitled to attend and speak and vote at the Meeting. Nominated Persons are advised to contact the member who nominated them for further information on this and the procedure for appointing any such proxy.
- (xii) If a Nominated Person does not have a right to be appointed, or to have someone else appointed, as a proxy for the Meeting, or does not wish to exercise such a right, he/she may still have the right under an agreement between himself/herself and the member who nominated him/her to give instructions to the member as to the exercise of voting rights at the Meeting. Such Nominated Persons are advised to contact the members who nominated them for further information on this.





**Safestore Holdings plc**

Brittanic House  
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Borehamwood  
Hertfordshire  
WD6 2BT

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