

# Shurgard Self Storage SA

## CORPORATE GOVERNANCE CHARTER

### 1 PREAMBLE

- 1.1. Shurgard Self Storage SA (the “**Company**”) recognises the importance of, and is committed to, high standards of corporate governance. The Company’s corporate governance rules are based on its articles of associations and the internal rules and regulations of its committees.

### 2 CAPITAL AND SHARES

- 2.1. The share capital of the Company is set at sixty-three million four hundred seventy thousand six hundred and sixty-nine euro and seventy-nine cent (EUR 63,470,669.79), divided into eighty-eight million nine hundred thirty-five thousand six hundred and eighty-one (88,935,681) shares with no par value, each fully paid-up (“**Share**”).
- 2.2. The Company’s shares are listed on Euronext Brussels ([www.euronext.com](http://www.euronext.com)).
- 2.3. Each share entitles the holder to one vote.

### 3 GENERAL MEETING OF SHAREHOLDERS

- 3.1. The Annual General Meeting of Shareholders shall be held within six (6) months following the end of the financial year at the place and on the day set by the Board of Directors.
- 3.2. The Board of Directors may convene Extraordinary General Meetings as often as Company’s interests so require.
- 3.3. A General Meeting of Shareholders must be convened upon the request of one or more shareholders who together represent at least one tenth of the Company’s capital in accordance with the Luxembourg Company Law.
- 3.4. The **convening notice** for any General Meeting of Shareholders indicates the information required by law and notably the location, date and time of the meeting, as well as the nature of the meeting and the items on the agenda. One or more shareholders representing at least five per cent of the Company’s capital can request that items be added to the agenda of the General Meeting of Shareholders, provided that they establish the ownership of such fraction of the capital at the date of their request.
- 3.5. Each shareholder has the right to ask questions regarding the items on the agenda of a General Meeting of Shareholders.
- 3.6. Any shareholder may be represented at a General Meeting by a proxyholder who needs not be a shareholder himself. The number of shareholders a person acting as

proxyholder may represent is not limited. The co-owners, usufructuaries and bare owners<sup>1</sup>, pledgees and pledgors, shall be represented by one and the same person.

- 3.7. Any shareholder may vote by correspondence in advance of the General Meeting of Shareholders, by means of the form made available by the Company.
- 3.8. The right of a shareholder to participate in a General Meeting and to exercise the voting rights attached to his shares are determined with respect to the shares held by such shareholder the 14th day before the General Meeting of Shareholders at 24 hours (Luxembourg time), which is known as the “**Record Date**”. At the latest at the Record Date, the shareholder must communicate in writing to the Company his intention to take part in the General Meeting of Shareholders in accordance with the terms of the convening notice.
- 3.9. In order to participate in a General Meeting of Shareholders and to exercise the voting rights attached to their shares, shareholders must first provide the Company with the documents evidencing their status as shareholder and the number of shares they hold at the Record Date, in accordance with the terms of the convening notice.
- 3.10. The Chairperson of the Board, or failing this, a director designated by the General Meeting, shall chair the meeting.
- 3.11. The Board of directors has the right to postpone the meeting for a maximum of four weeks. Such postponement shall cancel all decisions taken.
- 3.12. The minutes of the meeting shall be signed by the chairperson and/or the secretary.
- 3.13. Convening notice, agenda, proposed resolution, proxy, ballot form and any information to be communicated to the shareholders shall be available in advance on Shurgard Self Storage Europe SA’s website (<https://corporate.shurgard.eu/>). After the General Meeting of Shareholders, the results of the vote and the minutes shall be published on the Company’s website.
- 3.14. Any further information can be directed to the company Secretary: Ammar Kharouf (Ammar.Kharouf@shurgard.eu).

## **4 BOARD OF DIRECTORS, COMMITTEES AND MANAGEMENT**

### **4.1. Composition & Nomination**

- 4.1.1. The Company shall be managed by a board of directors (the “**Board**”) composed of directors who are appointed by the General Meeting of Shareholders for an annual term of one year.
- 4.1.2. The directors shall be eligible for reelection and they may be removed at any time by the General Meeting of Shareholders, with or without cause.

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<sup>1</sup> Usufructuaries and bare owners are civil law concepts related to property. They refer to a split of ownership rights between, on one the hand ‘the right to enjoy the property’ (usufructuaries’) and on the other hand ‘the right of ownership, without right to enjoy’ (bare owners’).

- 4.1.3. In the event of a vacancy on the Board of directors, such vacancy may be filled by the remaining directors in the manner provided by law (i.e. cooptation). The Board of directors is currently composed by 11 members, 1 executive director and 10 non-executive directors. Six of the non-executive directors – Olivier Faujour, Frank Fiskers, Ian Marcus, Padraig McCarthy, Isabelle Moinsand Muriel de Lathouwer – are independent of management and other outside interest that might interfere with the exercise of their independent judgement..
- 4.1.4. At the Shareholders Meeting of 26 September 2018, the executive and non-executive directors were appointed for an initial term of 1 year.

## **4.2. Competences and functioning of the Board**

### **4.2.1. Competences**

- 4.2.1.1 The Board has the most extensive powers to manage the Company. It may take, in the interest of the Company, all acts of administration and of disposal that are not reserved by law or the articles of association to the General Meeting of Shareholders.
- 4.2.1.2. The Company shall be bound by the sole or joint signature(s) of any person or persons to whom such signatory power shall have been delegated by the Board. Before signing documents on behalf of the Company, these matters must be authorized by a majority of the Directors at a meeting of the Board or by unanimous written consent.
- 4.2.1.3. The Board of directors shall in particular retain sole responsibility for the following matters:
- a. convene the general meeting of shareholders of the Company;
  - b. establish the internal regulations of governance of the Company;
  - c. elect the members of the Audit Committee and of the Nomination and Remuneration Committee;
  - d. appoint and remove the CEO of the Company;
  - e. delegate to the CEO the day-to-day management of the Company;
  - f. appoint and remove the other executive board members when their appointment or removal is proposed by the CEO;
  - g. define the overall Company strategy;
  - h. approve the annual overall Company budget;

- i. approve the annual balance sheet and profit and loss accounts and, propose an allocation of the annual profits<sup>2</sup>;
  - j. approve any acquisition or disposal of assets, properties or subsidiaries, in one or a series of related transactions, with a gross transaction value in excess of EUR 50,000,000; and
  - k. decide on a Company basis on the introduction or major amendments of pension schemes, share option schemes, participation of employees in profits or similar, or similarly important labour relations schemes.
- 4.3. Subject to compliance with the Company's disclosure obligations and the principle of equal treatment of shareholders regarding access to information, the Company establishes a policy of active communication with its shareholders and interested parties may directly contact the Directors and/or the Secretary to address specific topics to the Board. In addition, the Company shall aspire to meet applicable GRESB reporting standards by 2020.

#### **4.4. Functioning**

##### **4.4.1. Organisation of meetings**

###### **4.4.1.1 Convening**

- a. The Chairperson shall convene the Board of directors to meet as often as the interests of the Company require and at least four times a year.
- b. It can only validly deliberate and vote when at least half of the directors are present. No directors may be represented by another director at any meeting of the Board.
- c. Except in case of urgency or with the prior consent of all the directors, at least forty-eight (48) hours' written notice of meetings of the Board shall be given in writing and transmitted by any means of communication allowing for the transmission of a written text.
- d. When drawing up the agenda, the Chairperson shall consider the requests for agenda items or topics made by the Directors.

###### **4.4.1.2. Proceedings at meetings**

- a. The meetings of the Board shall be held at such day, time and place indicated in the convening notice.
- b. All board decisions shall be taken with a simple majority of the directors present.

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<sup>2</sup> The approval by the Board is mandatory under Luxembourg law.

- c. The meetings of the Board of directors shall be conducted in the English language.

#### **4.4.1.3. Conflicts of interests**

- a. In relation to any transaction, submitted for approval to the Board or any committee of the Board conflicting with that of the Company, a director having a direct or indirect financial interest shall notify the Board or any committee of the Board of directors and shall not participate in any discussions or vote of the Board or any committee of the Board, and the decision shall be taken by simple majority of the voting directors.
- b. Where, due to a conflict of interests, the number of directors required to be present for a valid quorum is not reached, the Board may defer the decision to the general meeting of shareholders.
- c. The foregoing paragraphs do not apply if the relevant transaction falls within the ordinary course of business of the Company and is entered into at arm's length under market conditions.
- d. In relation to any transaction between the Company or any of its subsidiaries, on the one hand, and a natural or legal person linked to a shareholder represented at the Board, save in case of current operations, the Board will review that such transaction is concluded in accordance with normal market conditions.

#### **4.4.1.4. Chairperson, Lead Independent Director and Secretary**

- a. The Board of directors shall appoint a chairperson (the “**Chairperson**”) and a lead independent director from among its members (the “**Lead Independent Director**”).
- b. The Lead Independent Director shall be appointed among the independent directors and shall serve as senior independent director of the Company. The Lead Independent Director is specifically responsible for ensuring close compliance with the good governance rules and the information of independent directors. The Lead Independent Director shall be the Chairperson's preferred contact in these areas.
- c. The Chairperson shall keep in regular contact with the Lead Independent Director and shall draw up the measures and initiatives relating to the company's governance issues with the Lead Independent Director.

- d. The Chairperson and Lead Independent Director shall hold office until the end of their mandate as director or their resignation or revocation as Chairperson / Lead Independent Director.
- e. The Chairperson shall preside at all meetings of the shareholders and of the Board. In case of absence of the Chairperson, the director designated by the meeting shall preside at the meeting.
- f. The Chairperson shall prepare the agenda of the Board after consultation with the CEO and/or the Lead Independent Director, as the case may be.
- g. The Chairperson shall ensure that the procedures relating to Board meetings, the preparation of meetings, deliberations, and for taking and implementing decisions, are correctly applied. The Chairperson shall take the necessary steps to create a climate of trust within the Board, contributing to open discussion, the constructive expression of the opinions of each of its members, and support for decisions taken by the Board.
- h. The Board shall appoint a secretary of the Board (the “**Secretary**”). The Secretary shall participate in the preparation of the meetings of the Board, keep the minutes of the meetings of the Board as well as carry out such administrative and other duties as directed from time to time by the Board.
- i. The CEO shall maintain close contact with the Lead Independent Director as well as the Chairperson.

#### **4.4.1.5. Directors compensation**

- a. The General Meeting of shareholders may allocate any remuneration and/or directors’ compensation which may be in the form of cash and/or Company equity to the directors that shall be recorded as general expenses.
- b. In addition, the Company may reimburse directors for all other expenses whatsoever incurred by the relevant director in relation to the management of the Company.
- c. The Board may grant additional remuneration or indemnities to directors who are in charge of specific duties or missions, and such remuneration shall be added to the general expenses.

#### **4.4.1.6. Evaluation of performance**

- a. At least annually, the Board shall devote a point on the agenda of one of its meetings to a discussion regarding the way in which it

operates, the effective fulfilment of its role and compliance with the rules of good governance.

## **5. BOARD COMMITTEES**

The Board of Directors may appoint an audit committee, a nomination and remuneration committee, a real estate investment committee and/or any other committees or sub-committees it may deem necessary in order to deal with specific tasks, to advise the Board of Directors or to make recommendations to the Board of Directors and/or as the case may be, to the General Meeting. Each committee is governed by internal rules and regulations approved by the Board.

#### **5.4. Audit Committee**

The Audit Committee shall perform the functions attributable to it under Luxembourg law and under its internal rules and regulations.

At any meeting of the Audit Committee, each member shall have one vote and decisions shall be taken at simple majority of the votes.

#### **5.5. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall perform the functions attributable to it under its internal rules and regulations.

At any meeting of the Nomination and Remuneration Committee, each member shall have one vote and decisions shall be taken at simple majority of the votes.

#### **5.6. Real Estate Investment Committee**

The Real Estate Investment Committee is authorized by the Board to review and approve all real estate investments and dispositions by the Company, including real property assets and/or equity investments in real property assets.

At any meeting of the Real Estate Investment Committee, each member shall have one vote and decisions shall be taken at simple majority of the votes.

### **6. Chief Executive Officer**

6.1. The Board has delegated the day-to-day management of the Company and the representation of the Company within such powers, to the chief executive officer (the “CEO”).

6.2. The CEO shall:

- a. Be entrusted with the day-to-day running of the Company;
- b. Be responsible for preparing complete, timely, reliable and accurate financial statements in accordance with the accounting standards and policies of the Company;
- c. Submit an objective and understandable assessment of the Company’s financial situation to the Board;
- d. Regularly submit proposals to the Board regarding strategy definition;
- e. Be responsible for preparing complete, timely, reliable and accurate CSR reports and submit such reports to the Board on a regular basis;
- f. Prepare the decisions to be taken by the Board;
- g. Supply the Board with all the information necessary for the discharge of its obligations in a timely fashion;
- h. Set up internal controls (systems for the identification, assessment, management and monitoring of financial and other risks), without prejudice to the Board’s role in this matter;



- i. Regularly account to the Board regarding the discharge of their responsibilities;
  - j. Establish through its chairperson close relations with the chairperson of the Board with a view to the organisation and coordination of the above duties;
  - k. Prepare and propose strategic objectives to be approved by the Board or Board committees;
  - l. powers to approve any development or refurbishments of real estate assets;  
and
  - m. Execute the strategic objectives as approved by the Board or Board committees.
- 6.3. The CEO shall also have powers to represent the Company in relation to the day-to-day management of the Company and in relation within the above matters. The Company shall be represented by the CEO who shall have full power of substitution.

## **7. STATUTORY AUDITOR**

- 7.1. In accordance with the Luxembourg law on commercial companies, the Company's annual and consolidated accounts are certified by an approved statutory auditor(s) (*réviseur(s) d'entreprises agréé(s)*) appointed at the Annual General Meeting of Shareholders.

## **8. COMPENSATION POLICY**

- 8.1. The remuneration of the executive officers shall be set in accordance with the executive compensation policy, as adopted and amended by the Board from time to time.

## **9. INSIDER DEALING CODE**

- 9.1. Applicable Belgian and Luxembourg market abuse rules restrict persons who have material non-public information about the Company from dealing in shares and from committing market manipulations.
- 9.2. A detailed Dealing Code contains restrictions on dealings by directors and certain employees of the Company and its subsidiaries or associated companies.
- 9.3. The persons concerned by the restrictions are:
- 9.3.1. The members of the Board and the senior management
  - 9.3.2. All employees of the Company and directors and employees of any subsidiary or affiliated company of the Company who because of their position or activities may have access to unpublished price sensitive information.
- 9.4. Those subject to the dealing in shares restriction must comply with the obligations as further laid down in the Insider Dealing Code.

## **10. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRINCIPLES**

### **10.3. Environmental matters**

#### **10.3.1. Climate Risk**

The Company is committed to reducing energy consumption, and is committed to focused considerations of renewable energy sources and energy efficiency standards in its operations and development activities – all of which support the Company addressing issues relating to climate change responsibly and in support of sustained growth in the Company’s financial performance.

#### **10.3.2. Resource management**

The Company is committed to resource efficiency and recycling, including increasing efficiency and sustainability in its buildings and to reduce contributions to landfills.

#### **10.3.3. Water risks**

Water is an essential resource to many businesses, and impairments of the quality or decreases in the quantity of available water can pose material risks. The Company is committed to continuous improvement and reducing water consumption.

### **10.4. Employee matters**

#### **10.4.1. Labor rights**

- a. The Company is committed to labor rights and workplace fairness as integral to sound corporate culture and long-term value creation.
- b. The Company is committed to protect all employees who report human rights violations, including maintaining its established reporting procedures to ensure this protection, and to inform employees about such procedures.
- c. The Company also has a policy of respect for all employees and zero tolerance for violence in the workplace.

#### **10.4.2. Equal employment / Diversity**

##### **a. Equal Employment Opportunity**

The Company is committed to foster an environment of respect and tolerance and all forms of discrimination is prohibited.

##### **b. Diversity**

The Company is committed to achieve a high level of diversity at all levels in diversity enhancing qualities such as age, gender, race, ethnicity, geography, sexual orientation, gender identity and diverse background. The commitment to diversity also extends to the

Company's Board. Our Board reflects diverse perspectives, including a complementary mix of skills, experience and backgrounds, which we believe is paramount to the Company's ability to represent the interest of all shareholders.

**10.5. Anti-corruption and Anti-bribery**

10.5.1. The Company complies with the anti-corruption and anti-bribery laws of the countries in which it does business.

10.5.2. The Company does not directly or indirectly offer or give anything of value to any government official, including employees of state-owned enterprises, for the purpose of influencing any act or decision in order to assist the Company in obtaining or retaining business or to direct business to anyone.

10.5.3. The Company also requires that any agents it engages to conduct business on its behalf are reputable and that they comply with these guidelines.

**10.6. Environmental, Social and Governance reporting**

10.6.1. The Company will report on an annual basis in its annual report its progress on its environmental, social and employee matters, respect for human rights and anti-corruption and bribery matters commitments.