

B REMUNERATION POLICY

PRELIMINARY NOTE

The principles set out in this remuneration policy do not substantially differ from the ones set out as of December 31, 2018. These principles apply to the Senior Management and the Directors of Shurgard, irrespective of the nature of their contractual relationship and they shall not be construed as giving rise to an employment relationship where a specific employment contract has not been concluded nor to contractual rights to the remuneration described herein. Where adjustments have been made, these take the form of additional information being provided to take into account the provisions of the Luxembourg law of August 1, 2019 modifying the law of May 24, 2011 on the exercise of certain rights of shareholders in general meetings of listed companies and implementing Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement.

PRINCIPLES

Shurgard's compensation principles are designed to promote a well-governed approach to remuneration. It includes pay practices that attract and retain exceptional executives and align the interests of management with the interests of the shareholders to create long-term shareholder value. The following key features of the remuneration program reflect Shurgard's principles:

What we do:

- Align pay with performance by putting a substantial portion of our executive officers' remuneration "at risk".
- Promote retention and increase long-term shareholder value. Equity award grants to executive officers only fully vest several years after the grant.
- Mitigate undue risk in our executive compensation program. Financial targets for bonuses are based on selected metrics determined by the Committee to avoid inordinate focus on any particular metric. Bonus payments are capped at a maximum pay out level.
- Equity ownership guidelines for executive officers. We have robust stock ownership guidelines that must be met by our executive officers within five years of our IPO. Our minimum equity ownership guidelines are 2.5X annual base salary for our CEO and 1.5X-2X annual base salary for all our other executive officers.
- Pay a high percentage of executive remuneration in equity. Our executive officers receive a high percentage of their total compensation in equity, thus aligning their interests closely with our shareholders.
- Clawback of unvested equity awards. Awards granted through our Equity Plan are subject to mandatory cancellation if the Company's financial statements are restated as a result of errors, omissions or fraud, or if a grantee engaged in conduct that resulted in substantial losses or is responsible for such losses.

What we do not do:

- No "golden parachute".
- No guaranteed bonus arrangements with our executive officers except in connection with new hires as an inducement to attract the best candidates. Variable remuneration may even go down to zero at Shurgard's discretion.
- No excessive prerequisites. The Company does not offer prerequisites to our executive officers except for prerequisites that are available to employees generally such as contributions to pension plans and Company car or allowance.
- No repricing of stock options.
- No tax gross ups. The Company does not provide "gross-ups" or an increase in income payments to account for deductions like tax. Nor do we provide change in control benefits to our executive officers that are not available to other employees generally.

- No supplemental retirement plans. Other than pension plans, the Company does not provide supplemental retirement benefits to our executive officers.
- No hedging against price fluctuations in the Company's securities is permitted.

GOVERNANCE

Role of the Nomination and Remuneration Committee

Each component of compensation paid to our executives – salary, cash bonuses and equity – is based on the Nomination and Remuneration Committee's subjective assessment of each individual's role and responsibilities and consideration of market compensation.

As part of such assessment, the Nomination and Remuneration Committee also considers performance through different financial (including but not limited to revenue performance, NOI growth and Adj. EPRA earnings, new developed square meters) and non-financial criteria (including but not limited to quality of performance, management of additional projects, promotion of team spirit and general wider contribution to the Company). The performance criteria and their respective weighting are determined at the Nomination and Remuneration Committee and are modified/updated based on business considerations.

In targeting levels of compensation for Senior Management, the Nomination and Remuneration Committee considers market rates by reviewing public disclosures of compensation paid to Senior Management by other companies of comparable size and market capitalization and market compensation surveys.

All the members of the Nomination and Remuneration Committee are considered independent board members. Further information on Directors' and Management conflicts of interests is available under the section 'Corporate Governance' on page 71 of this annual report.

Role of Board and Management

The Nomination and Remuneration Committee solicits the views of the Board on compensation of all the executives, particularly the CEO. The latter attends all meetings of the Committee where discussion includes: (i) compensation of the other members of the Senior Management, (ii) Company-wide compensation matters, such as consideration of new equity plans, or (iii) Senior Management succession planning. The CEO does not vote on items before the Nomination and Remuneration Committee and is not present during the Committee's discussion and determination of his compensation. For other members of the Senior Management, the Nomination and Remuneration Committee sets their base salaries, bonus and equity compensation after consideration of the recommendations from the CEO.

Derogations from the Remuneration Policy

Derogations from the remuneration policy will be considered by the Nomination and Remuneration Committee only to the extent it is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability. Derogations would only be in relation to the Senior Management' compensation package and could for example result in granting exceptional variable remuneration components such as retention bonuses. The Committee will solicit the views and specific approval of the Board on such derogations.

COMPONENTS OF EXECUTIVE REMUNERATION

The executive compensation design is simple, effective and links pay to performance, which is assessed on a regular basis through performance assessment meetings held at least once a year. We create shareholder value by driving financial performance and aligning the interests of our executive team with the interests of our shareholders.

To achieve our compensation objectives, we believe that total executive compensation should be balanced among the following components:

- a competitive annual base salary;
- short term performance-based incentive opportunities in the form of bonuses that are generally paid in cash; and,
- long term performance-based equity awards that correlate with shareholders' long-term financial objectives.

Shurgard links these components of its executive compensation program to its business and talent strategies as follows:

Elements of pay	Form	Links to business and talent strategies
Annual base salary (fixed)	Cash	<ul style="list-style-type: none"> • Customary, fixed element of compensation intended to attract and retain exceptional executives. • The Nomination and Remuneration Committee considers market data of comparable companies and/or competitive conditions in the market, the individual's performance and responsibilities, and its business judgment.
Annual short-term performance-based bonus awards (variable)	Cash	<ul style="list-style-type: none"> • Aligns pay with the achievement of short-term objectives. • Pay-outs based on achievement of corporate and individual performance goals, or a combination of the two. • Actual bonus amounts are decided by the Nomination and Remuneration Committee based on the collective business judgment of its members.
Long-term performance-based equity awards (variable)	Stock options or RSU	<ul style="list-style-type: none"> • Emphasize long-term shareholder value creation with equity awards, giving executive officers an ongoing stake in the success of the business through stock options. • Stock options are granted with an exercise price of not less than 100% of the fair market value of our stock on the date of grant, which ensures that the executive does not profit from the option unless the price of our stock increases after the grant date.

The ratio of fixed to variable can go up to 1:4.

The CFO, VP Operations, VP Legal-HR and the VP Real Estate hold their positions through employment contracts concluded for an indefinite duration with entities of the Company. Their contracts include termination provisions and termination benefits customary for this type of agreements and based on applicable local legislations. The notice periods in case of termination are determined based on the employees' seniority and the local applicable law. Golden parachutes are excluded from Shurgard's remuneration policy. Severance payments are also based on the employees' seniority and the local applicable law. The current CEO has a management agreement and is appointed and may be removed by the Board of Directors.