

**Shurgard Self Storage Limited**

Registered office: 1<sup>st</sup> and 2<sup>nd</sup> Floors, Elizabeth House, Les Ruettes Brayes,  
St Peter Port, Guernsey, GY1, 1EW  
(the "**Company**")

**Internal Rules and Regulations of the Audit Committee**

The following internal rules and regulations (the "**Internal Regulations**") have been adopted by the board of directors of the Company (the "**Board**"), to govern the operation of the audit committee (the "**Audit Committee**"), a committee of the Board, established in accordance with the Articles of Incorporation of the Company (the "**Articles**"). Unless otherwise defined, terms in these terms of reference shall have the meaning given to them in the Articles.

**1 Mission of the Audit Committee**

**1.1** The mission of the Audit Committee is defined in (i) applicable Guernsey laws (the "**Laws**"), including notably the Companies (Guernsey) law, 2008 as amended regarding commercial companies (the "**Guernsey Company Law**"), (ii) the Articles, as amended from time to time, (iii) the resolution(s) of the Board to set-up and delegate powers to the Audit Committee and (iv) these Internal Regulations.

**1.2** The Audit Committee shall be responsible for all matters set forth in the Guernsey Company Law relating to audit and in these Internal Regulations.

**1.3** The Audit Committee shall perform the following activities:

**1.3.1** inform the Board of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the audit committee was in that process;

**1.3.2** monitor the financial reporting drawing-up process and submit recommendations or proposals to ensure its integrity;

**1.3.3** monitor the effectiveness of the Company's internal quality control and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the Company, without breaching its independence;

**1.3.4** monitor the statutory audit of the annual and consolidated financial statements, in particular, its performance;

**1.3.5** review and monitor the independence of the approved statutory auditor(s); and

**1.3.6** be responsible for the selection of the approved statutory auditor(s) and ensure that they are duly qualified for appointment pursuant to the Guernsey Company Law.

**1.4** The Audit Committee shall also be responsible for the following activities:

**1.4.1** review the annual and consolidated financial statements;

**1.4.2** supervise the internal audit function;

**1.4.3** monitor the financial reporting, internal control and risk management of the Company; and

**1.4.4** coordination with the statutory auditor(s) and monitoring of the audit process;

- 1.4.5 assist the Board in monitoring the reliability and integrity of the financial information provided by the Company, in particular by satisfying itself of the relevance and consistency of the accounting standards applied by the Company (including the consolidation criteria);
  - 1.4.6 assist the Board in reviewing and assessing the Company risks;
  - 1.4.7 maintain an effective working relationship with the executive management, the internal auditor, statutory auditor(s) and act as the principal contact point;
  - 1.4.8 ensure that the internal auditor and statutory auditor(s) may approach the chairperson of the Audit Committee or the chairperson of the Board directly at all times;
  - 1.4.9 attend promptly to any issue raised by the internal auditor or by the statutory auditor(s);
  - 1.4.10 receive periodic summaries on the internal auditor's work program and of the work of the internal auditor and make recommendations regarding the work program;
  - 1.4.11 monitor the effectiveness of the internal audit function and make sure that the internal audit function has adequate resources to perform the tasks entrusted to it;
  - 1.4.12 make recommendations regarding the selection, appointment and dismissal of the internal auditor;
  - 1.4.13 in the event that the internal auditor resigns, investigate any issues that may have led to that resignation, and make recommendations regarding any measures that are needed;
  - 1.4.14 receive information on the work program of the statutory auditor(s) and receive a report from the latter describing all existing relationships between the statutory auditor(s) and the Company and its group;
  - 1.4.15 make recommendations to the Board regarding the selection, appointment, reappointment and dismissal of the statutory auditor(s) as well as the terms and conditions of his/(their) remuneration;
  - 1.4.16 in the event that the statutory auditor(s) resign(s), investigate any issues that may have led to that resignation, and make recommendations regarding any measures that are needed; and
  - 1.4.17 assess the work performed by the statutory auditor(s) on a regular basis and review the length of the remit of the audit firm and/or of the partners responsible for certifying the financial statements.
- 1.5** The Audit Committee shall ensure that the following rules are observed when engaging statutory auditor(s):
- 1.5.1 non-auditing services by statutory auditor(s) shall be limited to no more than 25% of the services performed; and
  - 1.5.2 no alternative dispute resolution procedures shall be foreseen in the engagement letter of the statutory auditor(s).
- 1.6** The Audit Committee shall meet with the internal auditor and with the statutory auditor(s) at least once a year without the presence of any executives.

1.7 In order to carry out these functions, the Audit Committee shall operate in accordance with the terms of reference herein.

## 2 Membership

2.1 The Audit Committee shall be composed of non-executive directors of the Board. A majority of the members of the Audit Committee shall be independent directors.

2.2 At least one member of the Audit Committee shall have competence in accounting and/or auditing.

2.3 The Audit Committee members as a whole shall have competence relevant to the sector in which the Company is operating.

2.4 The Audit Committee may invite persons who are not members of the Audit Committee to attend Audit Committee meetings or to assist in its work.

2.5 Appointments to the Audit Committee shall be for a period of one year, which may be extended for further periods of one year, provided the member meets the criteria for membership of the Audit Committee. When a member of the Audit Committee is also a member of the Board, his/her membership of the Audit Committee will automatically cease upon termination of his/her mandate as Board member.

2.6 The chairperson of the Audit Committee shall be appointed by its members and shall be independent of the Company. The chairperson will preside over all meetings of the Audit Committee, except that in his/her absence the Audit Committee may appoint another member as chairperson *pro tempore* by majority vote of the members present or represented at such meeting.

## 3 Quorum and Vote

3.1 Any meeting of the Audit Committee shall only be quorate, if at least half of its members are present or represented.

3.2 At any meeting of the Audit Committee, each member, including the chairperson, shall have one vote and decisions shall be taken at simple majority of the votes. In the event of a tie, the resolution shall not be approved.

3.3 A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Audit Committee.

## 4 Meetings

4.1 The Audit Committee shall meet at appropriate times in the reporting and audit cycle and as often as it considers necessary, but at least three times a year.

4.2 One or more members of the Audit Committee may participate in a meeting by conference call, video-conference or any similar means of communication enabling thus several persons participating therein to simultaneously communicate with each other. Such participation shall be deemed equivalent to a physical presence at the meeting.

4.3 Any member of the Audit Committee shall recuse himself from, and abstain from voting in, any meeting or part of a meeting of the Audit Committee that shall consider a matter in which he (directly or indirectly) has a personal interest.

## **5 Notice of Meetings**

- 5.1** Meetings of the Audit Committee shall be called by the chairperson of the Audit Committee or by any two members acting jointly.
- 5.2** Except in cases of urgency or with the prior consent of all those entitled to attend, at least 48 hours prior written notice of meetings of the Audit Committee shall be given in writing and transmitted by any means of communication allowing for the transmission of a written text (including by fax or email). Any such notice shall specify the time and the place of the meeting as well as the agenda and the nature of the business to be transacted. The notice may be waived by properly documented consent of each member of the Audit Committee. No separate notice is required for meetings held at times and places specified in a time schedule previously adopted by resolution of the Audit Committee.
- 5.3** The meetings of the Audit Committee shall be held in the UK, or at such other place as may from time to time be determined in the convening notice.

## **6 Minutes of Meetings**

- 6.1** The minutes of the proceedings and resolutions of all meetings of the Audit Committee, which shall include the names of those present and in attendance, shall be signed by the Delegate (as defined in the Articles) or the chairperson of the Audit Committee, or in his/her absence, the chairperson *pro tempore* who presided over such meeting.
- 6.2** A written decision of the Audit Committee, signed by all the members, is proper and valid as though it had been adopted at a meeting of the Audit Committee which was duly convened and held. Such a decision may be documented in a single document or in several separate documents having the same content and each of them signed by one or several members.
- 6.3** A copy of the minutes of a meeting of the Audit Committee or a copy of the written decisions shall be circulated to each member of the Audit Committee.

## **7 Assessment and Reporting**

- 7.1** The Audit Committee shall assess its own effectiveness on a yearly basis and make recommendations to the Board regarding the necessary adjustments to these Internal Regulations.
- 7.2** After each meeting of the Audit Committee, the chairperson of the Audit Committee, or in its absence, the chairperson *pro tempore* who presided over such meeting, shall make a report to the Board.

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