

This letter is important and requires your immediate attention. Please read everything in this letter and the appendices carefully.

If you are in any doubt as to the contents of this letter or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are taking advice in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

**Lok'nStore Group PLC
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GU14 8JE
United Kingdom**

**Shurgard Self Storage Limited
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GY1 1EW**

To: Holders of Options ("**Optionholders**") under either (i) the Lok'nStore Group PLC 1010 Partnership Performance Plan or (ii) the Lok'nStore Group PLC 2020 Partnership Performance Plan (the "**2020 PPP**") (collectively, the "**PPP**")

17 May 2024

Dear Optionholder,

RECOMMENDED CASH ACQUISITION OF LOK'NSTORE GROUP PLC BY SHURGARD SELF STORAGE LIMITED

Introduction

As you know, the boards of Shurgard Self Storage Limited ("**Shurgard**") and Lok'nStore Group PLC ("**Lok'nStore**") announced on 11 April 2024 that they had reached agreement on the terms and conditions of a recommended cash offer to be made by Shurgard to acquire the entire issued and to be issued ordinary share capital of Lok'nStore (the "**Acquisition**").

The purpose of this letter is to explain the consequences of the Acquisition on the options you hold under the PPP (the "**PPP Options**").

A summary of the Acquisition and the impact on your PPP Options is set out below. There are also a series of Q&A's which you can find in Appendix 1, which provides further detail.

The Acquisition

The Acquisition is intended to be effected by a scheme of arrangement (the "**Scheme**"). To become effective, the Scheme must be approved by the Lok'nStore Shareholders and sanctioned by the Court (the "**Court Order**") on a date referred to in this letter as the "**Court Order Date**". See Q&A 1 in Appendix 1 for further information about the Scheme.

The terms of the Acquisition are set out in full in the Scheme Document sent to Lok'nStore Shareholders on 17 May 2024 (a copy of which is available on the Lok'nStore website at <https://www.loknstore.co.uk/investors/recommended-cash-offer/>) (the "**Scheme Document**"). This letter should be read with the Scheme Document.

In summary, under the terms of the Acquisition, if the Scheme becomes effective, Lok'nStore Shareholders will receive 1,110 pence (i.e. £11.10) in cash (the "**Consideration**") for each Lok'nStore Share they hold.

Summary of the impact of the Acquisition on your PPP Options

Vested PPP Options - if your PPP Options have already vested or will vest in the ordinary course before the Acquisition takes place, they are or will become, exercisable in accordance with the rules of the PPP (the "**PPP Rules**"). You can exercise your Vested PPP Options in full whenever you choose up until the day they lapse. Unless they lapse earlier in accordance with the PPP Rules, they will lapse one month after the Court Order Date.

Once you exercise your PPP Options, you will become a Lok'nStore Shareholder and if you hold the resulting Lok'nStore Shares at the time of the Acquisition, your Lok'nStore Shares will be acquired by Shurgard under the Scheme for the Consideration, as described in the Scheme Document.

Unvested PPP Options – if your PPP Options have not yet vested, they will vest and become exercisable in full as a consequence of the Acquisition (unless they lapse earlier in accordance with the PPP Rules).

Subject to you choosing to exercise your PPP Options on the Court Order Date and conditional on the Court Order being issued (see Q&A 1 in Appendix 1), the Lok'nStore Shares which you receive on exercise will be acquired by Shurgard under the Scheme for the Consideration.

If the Acquisition does not happen for any reason, your Vested PPP Options will continue to be exercisable until their normal lapse date and your Unvested PPP Options will continue as normal, subject to the PPP Rules.

Q&As and Tax summary

Appendix 1 to this letter contains some Q&As which explain the impact of the Acquisition on your PPP Options in more detail, including in relation to the exercise of your PPP Options and the sale of the resulting Lok'nStore Shares.

Appendix 2 to this letter sets out a summary of the UK tax consequences of the exercise of your PPP Options and selling the resulting Lok'nStore Shares in the context of the Acquisition.

Proposal in respect of your PPP Options

It is proposed that you exercise your PPP Options in full conditional on the Court Order being issued by using the enclosed Form of Election. By doing so, the Lok'nStore Shares which you receive will be automatically acquired by Shurgard under the Scheme for the Consideration. You will receive the Consideration in cash less an amount to cover the exercise price of your PPP Options and PAYE Income tax and employee and, in the case of PPP Options granted under the 2020 PPP only,

employer National Insurance contributions. If the Court does not sanction the Scheme, your PPP Options will not be exercised by the Form of Election and will continue to be subject to the terms of the PPP Rules.

See Q&A 1-3 in Appendix 1 for further details.

If you wish to exercise your PPP Options using the Form of Election and receive the Consideration (subject to any applicable deductions) at the earliest possible opportunity following the completion of the Acquisition, you need to complete and return the Form of Election as soon as possible and in any event to be received no later than 21 June 2024 (or such other date as is communicated to you).

In making your decision, you should read this letter and the Appendices together with the Scheme Document and the Form of Election carefully.

Please remember that exercise of your PPP Options is subject to the Lok'nStore' share dealing policy, a copy of which is available from raydavies@lokncstore.co.uk

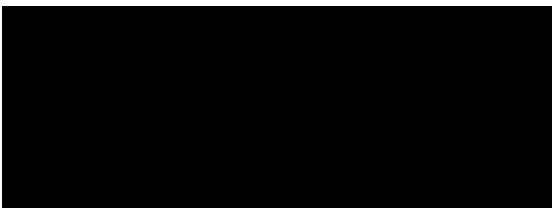
As explained in Q&A 4 in Appendix 1, you can choose to exercise any Vested PPP Options before the Court Order Date. You would need to do this in the usual way and should contact raydavies@lokncstore.co.uk or via telephone at 01252 521010.

What if you do nothing

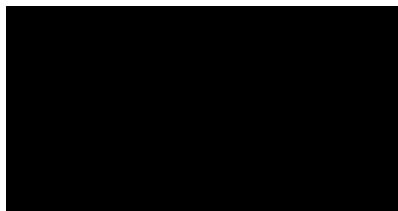
If you do nothing, your PPP Options will lapse at the end of the one-month period after the Court Order Date (or, if shorter, at the end of the normal exercise period for your PPP Options) and will be of no value.

Lok'nStore Directors' statement and recommendation

The Lok'nStore Directors, who have been so advised by Goldman Sachs International and Cavendish Capital Markets Limited, consider the proposal described in this letter and the appendices to be fair and reasonable. The Lok'nStore Directors recommend that Optionholders accept the proposal and conditionally exercise their PPP Options no later than the Court Order Date. You should consider your own personal circumstances, including your tax position, when deciding your preferred timing for exercising your PPP Options. In providing advice as to the financial terms of the proposal to the Lok'nStore Directors, Goldman Sachs International and Cavendish Capital Markets Limited have taken into account the commercial assessments of the Lok'nStore Directors.



Andrew Jacobs
for and on behalf of Lok'nStore Group PLC



Marc Oursin
for and on behalf of Shurgard Self Storage Limited

APPENDIX 1

Q&A

1. **What's happening?**

As noted in the letter, the boards of Lok'nStore and Shurgard have reached an agreement in relation to the Acquisition by Shurgard of Lok'nStore. The Acquisition is intended to be effected via the Scheme.

If the Scheme becomes effective, each Lok'nStore Shareholder will receive the Consideration for each Lok'nStore Share they hold.

The timing of the Acquisition will depend on a number of factors, including approval by the Lok'nStore Shareholders. Subject to certain conditions relating to the Acquisition being satisfied, it is currently expected that the date on which Acquisition will complete (the "Effective Date") will take place on 1 August 2024. From the Effective Date Lok'nStore will be fully owned by Shurgard.

The terms of the Acquisition are set out in full in the Scheme Document.

2. **What do I have to do to exercise my PPP Options and acquire Lok'nStore Shares?**

If you wish to exercise your PPP Options as part of the Acquisition, you can do so using the Form of Election. If you do this, you will receive the Consideration (subject to any applicable deductions) at the earliest possible opportunity (see Q&A 3 below) following the completion of the Acquisition. The Form of Election should be completed and returned to the address stated therein as soon as possible, and in any event, to be received no later than 21 June 2024 (or such other date as is communicated to you).

3. **When will I receive the Consideration relating to the sale of Lok'nStore Shares I acquire by exercising my PPP Options using the Form of Election?**

The Consideration (less any applicable deductions) will be paid to you via payroll as soon as possible following the completion of the Acquisition on the Effective Date. Assuming the Effective Date is on 1 August 2024 you will be paid the Consideration as soon as possible in August 2024.

4. **If my PPP Options have already vested or will vest before the Acquisition takes place, can I exercise them?**

Yes, you can choose to exercise any Vested PPP Options before the Court Order Date. You would need to do this in the usual way and should contact raydavies@lokncstore.co.uk or via telephone at 01252 521010.

5. **Have the performance conditions relating to my unvested PPP Options been satisfied?**

Yes. The Remuneration Committee have assessed the satisfaction of the performance conditions in the context of the Acquisition and have concluded that they have been or

are deemed to be satisfied in full. Therefore, your PPP Options will vest in full conditional on the Court Order being issued.

6. Can I choose to exercise my PPP Options after the Acquisition has completed?

Yes, as long as your PPP Options haven't otherwise lapsed, you can exercise them under the PPP Rules during the one-month period after the Court Order Date. If you fail to exercise your PPP Options by the end of this period, they will automatically lapse. There is **no obvious advantage** to you of waiting to exercise your PPP Options until after the Acquisition has completed – this is because Shurgard would immediately acquire the Lok'nStore Shares you acquire and you would still receive the Consideration, albeit later than PPP Optionholders who choose to exercise their PPP Options on the Court Order Date.

7. What are the tax implications?

A summary of the potential UK tax liabilities arising on the exercise of your PPP Options is set out in Appendix 2 (UK tax).

8. Are my employment rights affected by anything in this letter?

No.

9. What if I leave Lok'nStore prior to the Court Order Date?

The leaver provisions set out in the PPP Rules will apply in the normal way.

10. What if the Scheme is not approved by the Court?

If the Scheme is not approved by the Court, your PPP Options will remain unaffected and will continue as before.

11. What if I participate in other Lok'nStore share plans?

If you participate in other Lok'nStore share plans, you will receive a separate letter about your other awards. Please read those letters carefully as the treatment of any options or awards under those plans may be different from the treatment of your PPP Options.

12. Who should I ask any questions I have in relation to the content of the letter and this Appendix?

To the extent that you have questions, please contact Ray Davies raydavies@lokncstore.co.uk or via telephone at 01252 521010. Please note that we will not be able to give you any investment, financial or tax advice. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately.

APPENDIX 2
UK TAX SUMMARY IN THE CONTEXT OF THE ACQUISITION

This Appendix is intended as a general guide to the UK tax implications of your PPP Options being exercised on the Court Order Date and conditional on the Court Order being issued and the resulting Lok'nStore Shares being acquired by Shurgard pursuant to the Scheme if you are resident and domiciled for tax purposes in the UK only, at all material times. This Appendix is not a full description of all the circumstances in which a tax liability may arise.

This Appendix does not cover the tax treatment of the exercise of PPP Options before the Court Order Date and/or the sale of any Lok'nStore Shares that you already hold as at the date of this letter. To the extent that you hold any other Lok'nStore Shares which are being sold as part of the Acquisition, please refer to Part 6 of the Scheme Document.

1. Income tax and National Insurance Contributions

1.1 If you exercise your PPP Options in connection with the Acquisition, an income tax and employee's and, in the case of PPP Options granted under the 2020 PPP only, employer National Insurance contributions charge (the "**Tax Liability**") will arise on the excess of the market value of any Lok'nStore Share you acquire over and above the exercise price per Share (the "**Option Gain**"). The market value of Lok'nStore Shares will be equal to the Consideration.

1.2 The Tax Liability must be accounted for by Lok'nStore (or the relevant employing company) to HMRC on your behalf under the PAYE system (see paragraph 2 below).

2. Payment of exercise price and recovery of Income Tax and National Insurance contributions through PAYE

2.1 Lok'nStore will deduct from the Consideration (relating to the totality of the Lok'nStore Shares acquired as a result of the exercise of your PPP Options), an amount equal to the total exercise price payable in relation to the exercise of your PPP Options and the Tax Liability due. The Tax Liability will be accounted to HMRC under the PAYE system.

2.2 You will then receive the net amount due to you through the relevant Lok'nStore payroll.

3. Capital gains tax (CGT)

3.1 If you exercise your PPP Options conditional on the Court Order being issued you will not become liable to CGT because no capital gain will be realised by you over and above the Option Gain (see 1.1 above).

4. Accounting For Tax Under Self-Assessment

4.1 Under the self-assessment regime, taxpayers are required to provide HMRC with all the information needed to calculate their taxable income (from all sources) and any chargeable gains. The calculation of tax may then be carried out either by the taxpayer or by HMRC. The time limit for filing a return on-line and paying your tax (if any) for the 2024/2025 tax year is 31 January 2026.

4.2 If you exercise your PPP Options whilst you continue to be an employee or director of Lok'nStore (or another company within the Lok'nStore group), the entire Tax Liability due will be accounted for under PAYE directly to HMRC (and if this is the case you should not need to complete a tax return unless you are required to do so in the ordinary course). If you exercise your PPP Options after you have ceased to be an employee or director of Lok'nStore, or another company within the group (and you are a higher or additional rate taxpayer), then there may be some further income tax to pay under the self-assessment regime described above (and if this is the case you must complete a tax return).

Notes

1. Receipt of documents will not be acknowledged. Documents sent to or by a participant in the PPP will be sent at the individual's own risk.
2. The proposal described in this letter and, if applicable, acceptances in respect of the proposal shall be governed by and construed in accordance with English law.
3. A copy of the PPP Rules is available for inspection at Lok'nStore Group PLC, 112 Hawley Lane, Farnborough, GU14 8JE, United Kingdom during usual business hours or upon request to Lok'nStore's Company Secretary Dentons Secretaries Limited at the same address.
4. Unless the context otherwise requires, words and expressions defined in the Scheme Document have the same meaning in this letter.
5. The Form of Election, including the instructions and notes thereon, shall be deemed an integral part of this letter and the proposal.
6. In the event of any differences between this letter and the PPP Rules or the applicable legislation, the PPP Rules or the applicable legislation (as appropriate) will prevail.
7. The Lok'nStore Directors, whose names are set out in paragraph 2.1, Part 7 of the Scheme Document, accept responsibility for the information contained in this letter (including expressions of opinion), other than information for which responsibility is taken by the Shurgard Directors pursuant to paragraph 1.2, Part 7 of the Scheme Document. To the best of the knowledge and belief of the Lok'nStore Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
8. The Shurgard Directors, whose names are set out in paragraph 2.2, Part 7 of the Scheme Document, accept responsibility for all the information (including expressions of opinion) contained in this letter relating to Shurgard and the Wider Shurgard Group, the Shurgard Directors and their respective close relatives, related trusts and persons connected with the Shurgard Directors, and persons acting in concert (as such term is defined in the Code) with Shurgard. To the best of the knowledge and belief of the Shurgard Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
9. Goldman Sachs International, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**"), is acting exclusively for Lok'nStore and no one else in connection with the subject matter of this letter and will not be responsible to anyone other than Lok'nStore for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this letter. Goldman Sachs International has given and not withdrawn its written consent to the issue of this letter with the inclusion of the references to its name in the form and context in which it appears.

10. Cavendish Capital Markets Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Lok'nStore and no one else in connection with the Acquisition and will not be responsible to anyone other than Lok'nStore for providing the protections afforded to clients of Cavendish Capital Markets Limited nor for providing advice in relation to the Acquisition or any other matter or arrangement referred to in this Document. Cavendish Capital Markets Limited has given and not withdrawn its written consent to the issue of this letter with the inclusion of the references to its name in the form and context in which it appears.
11. Accidental omission to despatch this letter to, or any failure to receive the same by, any person to whom the proposal is made or should be made, shall not invalidate the proposal in any way.
12. A copy of this letter, together with all information incorporated by reference into this letter, will be available, free of charge, on the Lok'nStore website at <https://www.loknstore.co.uk/investors/recommended-cash-offer/>
13. Any person entitled to receive a copy of documents, announcements and information relating to the Acquisition is entitled to receive such documents in hard copy form free of charge. A person may also request that all future documents, announcements and information in relation to the Acquisition are sent to them in hard copy form. A hard copy of this document may be requested by such persons by contacting Ray Davies using the contact details set out above.
14. The release, publication or distribution of this letter in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this letter comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.