Scheme Booklet registered with ASIC

- **ASIC has registered the Scheme Booklet in relation to the proposed acquisition of Recall by Iron Mountain**
- **Recall Directors unanimously recommend that Recall shareholders vote in favour of the Scheme, in the absence of a superior proposal**
- **The Independent Expert has concluded that the Scheme is in the best interests of Recall shareholders, in the absence of a superior proposal**

Sydney, Australia: 23 October 2015 Recall Holdings Limited (ASX:REC), a global leader in document storage, digital document management, data protection and secure destruction services, today announced that ASIC has registered the Scheme Booklet in relation to the proposed acquisition of Recall by Iron Mountain Incorporated (NYSE:IRM).

A copy of the Scheme Booklet, including the Independent Expert's Report and a notice of Scheme Meeting, is attached to this announcement and will be mailed to Recall shareholders on or about Monday 2 November 2015.

Vote in favour of the Scheme

Recall Directors unanimously recommend that Recall shareholders vote in favour of the Scheme, in the absence of a superior proposal.

The Recall Board appointed KPMG Corporate Finance, a division of KPMG Financial Advisory Services (Australia) Pty Ltd, as Independent Expert to undertake an independent assessment of the Scheme. The Independent Expert has concluded that the Scheme is in the best interests of Recall shareholders, in the absence of a superior proposal. The Independent Expert's conclusion should be read in context with the full Independent Expert's Report set out in Appendix 1 of the Scheme Booklet.

Scheme Meeting

The Scheme Meeting is currently scheduled to be held at 10.00am on Thursday, 3 December 2015 at the Museum of Sydney, Corner Phillip Street & Bridge Street, Sydney.

All Recall shareholders are encouraged to vote either by attending the Scheme Meeting in person, or by lodging a proxy vote by 10.00am on Tuesday, 1 December 2015. Details of how to lodge a proxy vote are included on the proxy form and in the Scheme Booklet.

Recall Shareholder Information Line

For further information in relation to the Scheme Booklet or the Scheme, Recall shareholders can contact the Recall Shareholder Information Line on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday.

For further information, please contact:

Investor relations inquiries
Bill Frith
Senior Director, Investor Relations
Bill.Frith@recall.com
+61 2 9582 0244

Australian media inquiries
GRACosway
Fleur Jouault
+61 405 669 632

US media inquiries
MSL Group
David Sprague or Amanda Fountain
Recall@mslgroup.com
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About Recall

Recall is a global leader in information management solutions, offering customers complete management of their physical and digital information. Recall's innovative solutions empower organisations to make better business decisions throughout the information lifecycle, while assuring regulatory compliance and eliminating unnecessary resources, time and costs. Recall services more than 80,000 customer accounts in over 300 dedicated facilities, spanning five continents in 25 countries. For more information, please visit www.recall.com.

recall™

RECALL HOLDINGS LIMITED
ABN 27 116 537 832

SCHEME BOOKLET

For a recommended scheme of arrangement in relation to the proposed acquisition of all of your shares in Recall Holdings Limited by a wholly-owned Australian Subsidiary of Iron Mountain Incorporated

VOTE IN FAVOUR

The Recall Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal

The Independent Expert has concluded that the Scheme is in the best interests of Recall Shareholders, in the absence of a Superior Proposal

TIME AND DATE OF SCHEME MEETING

Time: 10.00am

Date: 3 December 2015

Place: Museum of Sydney, Corner Phillip Street & Bridge Street, Sydney NSW 2000

This Booklet is an important document for all Recall Shareholders and requires your immediate attention. The Recall Directors recognise that it is lengthy and, in some places, complex and technical. While much of the content is driven by legal and statutory requirements, the **Overview of the Scheme in Section 4** has been provided to help explain the Scheme in a manner that summarises the key features that are likely to be relevant to how you decide to cast your vote at the Scheme Meeting. You should carefully read this Booklet in its entirety before deciding how to vote on the Scheme. If you are in any doubt as to what you should do, you should seek advice from independent and appropriately licensed financial, legal and taxation advisers before making any decision regarding the Scheme.

If you have any questions in relation to this Booklet or the Scheme, you should call the **Recall Shareholder Information Line** on **1800 209 118** (within Australia), or **+61 1800 209 118** (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday.

UBS Merrill Lynch

Allens > < Linklaters

FINANCIAL ADVISERS

AUSTRALIAN LEGAL ADVISER

Important Notices and Disclaimers

GENERAL

This Booklet is an important document for all Recall Shareholders and requires your immediate attention. If you have sold all of your Recall Shares as at the date of this Booklet, please ignore this Booklet and kindly recycle. If you are a Recall Shareholder, you should carefully read this Booklet in its entirety before deciding how to vote on the Scheme.

In particular, it is important that you consider the reasons to vote in favour of the Scheme and the reasons why you may not want to vote in favour of the Scheme which are set out in Section 8, the risks associated with the Scheme which are set out in Section 12 and the views of the Independent Expert which are set out in the Independent Expert's Report in Appendix 1.

If you are in any doubt as to what you should do, you should seek advice from independent and appropriately licensed financial, legal and taxation advisers before making any decision regarding the Scheme.

PURPOSES OF THIS BOOKLET

The purposes of this Booklet are to:

- provide you with information about the proposed acquisition of Recall by Iron Mountain;
- explain the terms and effect of the Scheme;
- explain the manner in which the Scheme will be considered and, if approved, implemented;
- provide you with certain information required by law and all other information known to the Recall Board which is material to your decision to vote in favour of, or against, the Scheme; and
- include the explanatory statement required by Part 5.1 of the Corporations Act in relation to the Scheme.

This Booklet is not a prospectus lodged under Chapter 6D of the Corporations Act in respect of New Iron Mountain Shares. Section 708(17) of the Corporations Act provides that an offer of shares does not need disclosure under Chapter 6D if it is made under a compromise or arrangement under Part 5.1 of the Corporations Act and approved at a scheme meeting held as a result of an order made by a court under section 411(1) or (1A) of the Corporations Act.

RESPONSIBILITY FOR INFORMATION

Other than as set out below, this Booklet has been prepared by, and is the responsibility of, Recall:

- the Iron Mountain Information has been prepared by, and is the responsibility of, Iron Mountain. The Recall Parties do not assume any responsibility for the accuracy or completeness of the Iron Mountain Information;
- the Independent Expert's Report contained in Appendix 1 has been prepared by, and is the responsibility of, the Independent Expert. The Recall Parties and the Iron Mountain Parties do not assume any responsibility for the accuracy or completeness of the Independent Expert's Report; and
- the Investigating Accountant's Report contained in Appendix 2 has been prepared by, and is the responsibility of, the Investigating Accountant. The Recall Parties and the Iron Mountain Parties do not assume any responsibility for the accuracy or completeness of the Investigating Accountant's Report.

ROLE OF ASIC AND ASX

A copy of this Booklet was provided to ASIC for examination in accordance with section 411(2) of the Corporations Act and has been lodged with, and registered by, ASIC under section 412(6) of the Corporations Act. Recall has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court on the Second Court Date.

A copy of this Booklet has also been lodged with ASX.

None of ASIC, ASX or any of their officers takes any responsibility for the content of this Booklet.

IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SECTION 411(1) OF THE CORPORATIONS ACT

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened and has approved the Booklet required to accompany the Notice of the Scheme Meeting, does not mean that the Court:

- has formed any view as to the merits of the Scheme or as to how you should vote on the Scheme (on this matter, you must reach your own decision);
- has prepared, or is responsible for, the content of this Booklet; or
- has approved or will approve the terms of the Scheme.

NOTICE OF THE SECOND COURT HEARING

If you wish to oppose approval of the Scheme at the Second Court Hearing, you may do so by filing with the Court and serving on Recall a notice of appearance in the prescribed form together with any affidavit that you propose to rely on. You may appear at the Second Court Hearing to be held at the Federal Court of Australia, Level 17, Law Courts Building, Queens Square, Sydney NSW 2000.

YOUR DECISION

This Booklet does not take into account your individual investment objectives, financial situation or needs. You must make your own decisions in this regard.

The information and recommendations contained in this Booklet do not constitute, and should not be taken as, financial product advice.

If you are in any doubt as to what you should do, you should seek advice from independent and appropriately licensed financial, legal and taxation advisers before making any decision regarding the Scheme.

FORWARD LOOKING STATEMENTS

This Booklet contains certain forward looking statements. You should be aware that there are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of Recall, Iron Mountain or the Combined Group to be materially different from the future conduct, results, performance or achievements expressed or implied by such statements or that could cause the future conduct to be materially different from historical conduct. Deviations as to future conduct, market conditions, results, performance and achievements are both normal and to be expected. Further detail on the risks associated with the Scheme are set out in Section 12.

Forward looking statements generally may be identified by the use of forward looking words such as 'aim', 'anticipate', 'believe', 'estimate', 'expect', 'forecast', 'foresee', 'future', 'intend', 'likely', 'may', 'planned', 'potential', 'should', or other similar words.

None of the Recall Parties, the Iron Mountain Parties or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Booklet will actually occur. You are cautioned against relying on any such forward looking statements.

The historical financial performance of Recall or Iron Mountain is no assurance or indicator of future financial performance of the Combined Group (or Recall or Iron Mountain in the scenario where the Scheme does not proceed). Neither Recall nor Iron Mountain guarantees any particular rate of return or the performance of the Combined Group, nor do they guarantee the repayment of capital or any particular tax treatment in respect of any investment in the Combined Group.

The forward looking statements in this Booklet reflect views held only as at the date of this Booklet. Additionally, statements of the intentions of Iron Mountain reflect present intentions as at the date of this Booklet and may be subject to change.

Subject to the Corporations Act and any other applicable laws or regulations, Recall and Iron Mountain disclaim any duty to update any forward looking statements other than with respect to information that they become aware of prior to the Scheme Meeting which is material to making a decision whether or not to vote in favour of the Scheme.

IMPLIED VALUE

You may receive some of your Scheme Consideration as New Iron Mountain Securities. The value of your Scheme Consideration will therefore vary based on changes in the Iron Mountain Share Price and the AUD/USD exchange rate. Any reference to the implied value of the Scheme Consideration should not be taken as an indication that the implied value is fixed.

If you are an Ineligible Foreign Shareholder, this also applies to the New Iron Mountain Shares which will be remitted to the Sale Agent to sell on your behalf. Any cash remitted to you under the Sale Facility will depend on the market price of Iron Mountain Shares and the AUD/USD exchange rate at the time of sale by the Sale Agent.

NOTICE TO RECALL SHAREHOLDERS IN JURISDICTIONS OUTSIDE AUSTRALIA

The release, publication or distribution of this Booklet (electronically or otherwise) may be restricted by law or regulation in jurisdictions other than Australia and if you are outside Australia and come into possession of this Booklet, you should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Booklet has been prepared in accordance with the laws and regulations of Australia and the information contained in this Booklet may not be the same as that which would have been disclosed if this Booklet had been prepared in accordance with the laws and regulations outside Australia.

This Booklet and the Scheme do not in any way constitute an offer of shares in any place in which, or to any person to whom, it would not be lawful to make such an offer.

If you are an Ineligible Foreign Shareholder, you will not be able to receive New Iron Mountain Shares. Any New Iron Mountain Shares to which you would otherwise be entitled will be issued to the Sale Agent and sold through the Sale Facility.

For details regarding Ineligible Foreign Shareholders and foreign selling restrictions that apply in connection with the Scheme, you should refer to Sections 7.4, 15.5 and 15.12.

PRIVACY AND PERSONAL INFORMATION

Recall, Iron Mountain and their respective share registries may need to collect personal information to implement the Scheme. The personal information collected may include your name, contact details and details of holdings, together with contact details of individuals appointed as proxies, attorneys or corporate representatives for the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist Recall to conduct the Scheme Meeting and to assist Recall and Iron Mountain to implement the Scheme.

If you are an individual, you, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected. If you wish to exercise these rights, you may contact the Recall Shareholder Information Line on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday.

The personal information collected may be disclosed to Recall, Iron Mountain and their respective related bodies corporate and advisers, print and mail service providers, share registries, share brokers and any other service provider to the extent necessary to implement the Scheme.

If the personal information outlined above is not collected, Recall may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme.

If you appoint an individual as your proxy, attorney or corporate representative to vote at the Scheme Meeting, you should inform that individual of the matters outlined above.

DEFINED TERMS

Capitalised terms used in this Booklet are defined in Section 17, or defined within the Section that they appear.

DIAGRAMS, CHARTS, MAPS, GRAPHS AND TABLES

Any diagrams, charts, maps, graphs and tables appearing in this Booklet are illustrative only and may not be drawn to scale.

EFFECT OF ROUNDING

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Booklet are subject to the effect of rounding. Accordingly, actual calculations may differ from amounts set out in this Booklet.

TIMETABLE AND DATES

All references to times in this Booklet are references to the time in Sydney, Australia, unless otherwise stated.

The dates and times set out in the timetable in Section 1 are indicative only and are subject to change. Any changes to the timetable will be announced to ASX and published on Recall's website at www.recall.com.

EXCHANGE RATE

Unless otherwise stated, references to the AUD/USD exchange rate are to be determined by reference to the mid-point of the buy/sell price quoted in The Australian Financial Review on the Record Date.

NO INTERNET SITE IS PART OF THIS BOOKLET

Recall and Iron Mountain maintain websites. Any references in this Booklet to any website are for informational purposes only and no information contained on any website forms part of this Booklet.

SUPPLEMENTARY INFORMATION

Please refer to Section 16.9 for information about the steps that Recall will take if information about the Scheme needs to be updated.

If you have any questions or require further information in relation to the Scheme or this Booklet, you should contact the Recall Shareholder Information Line on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday.

DATE OF THIS BOOKLET

This Booklet is dated 23 October 2015.

Table of Contents

A

Summary of the Scheme

1 Key Times and Dates

EVENT	INDICATIVE TIME AND DATE
Date of this Booklet	23 October 2015
Deadline for receipt of the Scheme Meeting Proxy Form	10.00am on 1 December 2015
Voting Record Date Determination of eligibility to vote at the Scheme Meeting	7.00pm on 1 December 2015
Scheme Meeting	10.00am on 3 December 2015
If the Scheme is approved by Recall Shareholders, and all other Conditions Precedent (other than Court approval of the Scheme) are satisfied or waived (if applicable), on or before 16 December 2015, the following key dates will apply:	
Second Court Hearing Court hearing for approval of the Scheme	10.00am on 16 December 2015
Effective Date Last date Recall Shares will trade on ASX	17 December 2015
Election Date Deadline for receipt of the Election Form	5.00pm on 18 December 2015
Commencement of trading of New Iron Mountain CDIs on ASX under the symbol INM (deferred settlement basis)[1]	18 December 2015
Record Date Determination of entitlement of Scheme Shareholders to receive the Scheme Consideration	29 December 2015
Implementation Date Transfer of all Scheme Shares to Iron Mountain and issue or payment (as applicable) of Scheme Consideration to Scheme Shareholders	4 January 2016
Despatch of holding statements for New Iron Mountain Securities	4 January 2016
Commencement of trading of New Iron Mountain CDIs on ASX under the symbol INM (normal settlement basis) Commencement of trading of New Iron Mountain Shares on NYSE	5 January 2016

If the Scheme is approved by Recall Shareholders, but any Conditions Precedent remain outstanding on the scheduled date for the Second Court Hearing (other than Court approval of the Scheme), the Second Court Hearing will be held as soon as reasonably practicable after those Conditions Precedent have been satisfied or waived (if applicable).

These dates and times are indicative only and are subject to change. The actual timetable will depend on many factors outside the control of Recall, including approvals from the Court and Regulatory Authorities. Any changes to the above timetable will be announced to ASX and published on Recall's website at www.recall.com.

Recall and Iron Mountain have agreed that, in order to facilitate REIT compliance measures, the Implementation Date should occur within the first 30 days of any given calendar quarter, and that it may be necessary to adjust the date of the Second Court Hearing to achieve that objective.

1 The exact number of New Iron Mountain Securities to be issued to you will not be known until after the Record Date and will not be communicated to you until after you receive your holding statements following the Implementation Date. Therefore, please be aware that, if you trade in New Iron Mountain CDIs during the deferred settlement period and prior to receipt of your holding statement, you do so at your own risk. See Section 12.4.5 for further details.

2 Letter from the Chairman of Recall

23 October 2015

Dear Recall Shareholder,

On behalf of the Recall Board, I am pleased to present this Booklet containing information about the proposed acquisition of Recall by Iron Mountain, a global leader in storage and information management solutions, based in the US.

The Recall Board believes that the combination of Recall and Iron Mountain makes strong commercial sense and represents a compelling opportunity. The terms of the Scheme enable Recall Shareholders to realise immediate value for their shares including some of the longer term potential from expected synergies in the Combined Group. In addition, those Recall Shareholders who choose to remain as Iron Mountain stockholders retain the opportunity for additional value over time to the extent that further benefits are realised.

This Booklet is intended to enable you to assess the transaction, which is to be implemented by way of a court approved scheme of arrangement, and to determine whether to vote in favour of the Scheme.

The position of the Recall Directors is that, in the absence of a Superior Proposal, we unanimously recommend that you vote in favour of the Scheme and each Recall Director intends to vote all of the Recall Shares held or controlled by them in favour of the Scheme.

The Independent Expert has concluded that the Scheme is in the best interests of Recall Shareholders, in the absence of a Superior Proposal.

If you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme. See Section 5 for further information regarding what you should do next.

Recognising that this is a complex and lengthy document, this letter and the Overview of the Scheme in Section 4 contain the key elements of the Scheme and the Booklet. However, I encourage you to carefully read this Booklet in its entirety before deciding how to vote on the Scheme.

SUMMARY OF THE OFFER VALUE FOR RECALL SHAREHOLDERS

If the Scheme is approved and implemented, you will be entitled to receive the Standard Consideration for each Recall Share you hold on the Record Date[2]. The Standard Consideration will comprise US$0.50[3] cash, plus 0.1722 New Iron Mountain Securities per Recall Share.[4,5] As at 20 October 2015, being the last practicable date prior to the date of this Booklet, the implied value of the Standard Consideration was A$8.14 per Recall Share.[6]

As an alternative to the Standard Consideration, you can make a Cash Election to receive the Cash Alternative of A$8.50 cash per Recall Share you hold on the Record Date. The total Cash Pool that is available to satisfy such Cash Elections is capped at A$225 million.[7]

If the Cash Pool is not sufficient to satisfy all Cash Elections, the Scale Back Mechanism will apply. In calculating any scale back, preferential access to the Cash Pool is expected for the first 5,000 Scheme Shares[8] held by each Scheme Shareholder on the Recall Share Register as at 11 June 2015,[9] provided such shareholders continue to hold those shares until the Record Date.

2 Currently scheduled to be 29 December 2015.

3 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

4 Ineligible Foreign Shareholders will not be entitled to receive any New Iron Mountain Shares and will instead receive cash under the Sale Facility for any New Iron Mountain Shares that they would otherwise have been entitled to receive.

5 Unless they request otherwise, Scheme Shareholders whose address on the Recall Share Register is within Australia will receive New Iron Mountain CDIs, which are tradeable on ASX, and are described in detail in this Booklet. Recall Shareholders whose address on the Recall Share Register is outside Australia, and who are not Ineligible Foreign Shareholders, will receive New Iron Mountain Shares tradeable on NYSE. For further details on making a request to receive New Iron Mountain Securities other than in the form determined by reference to a Scheme Shareholder's registered address, see Section 15.4.

6 Based on the Iron Mountain Share Price of US$31.41 and the AUD/USD exchange rate of 0.7261.

7 The Cash Alternative of A$8.50 per Scheme Share includes the Cash Supplement Amount (being US$0.50 in cash to be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date), plus the Cash Base Amount. The payment of the Cash Supplement Amount per Scheme Share is not sourced from the A$225 million Cash Pool.

8 Or such lower number if 5,000 Preferential Access Shares would cause the Cash Pool of A$225 million to be exceeded, including as a result of Recall exercising its discretion to allow Nominee Shareholders to make Cash Elections in respect of multiple underlying beneficial holdings. See Sections 7.3.4 and 15.2.5 for further details.

9 Being three ASX trading days after the date of the announcement in the US of the proposed Scheme, namely, 8 June 2015.

A | Summary of the Scheme
B | Detailed Information About the Scheme
C | Independent Expert's Report
D | Investigating Accountant's Report
E | Appendices

At 11 June 2015, 98% of Recall Shareholders held 5,000 Recall Shares or less and would have been able to receive the Cash Alternative for all of their Recall Shares.[10] If you make a Cash Election and are subject to the Scale Back Mechanism,[11] you will receive A$8.50 in cash per Scheme Share for that proportion of your Scheme Shares that is able to be satisfied out of the Cash Pool, plus the Standard Consideration for that remaining proportion of your Scheme Shares that is not.[12]

If you do not make a Cash Election, you will automatically receive the Standard Consideration for each Recall Share you hold on the Record Date.

The above is a summary only. For further information on the Scheme Consideration (including the Standard Consideration, the Cash Alternative and the Scale Back Mechanism) see Section 7. For an illustrative example of the operation of the Scale Back Mechanism for different Recall Shareholders, see Section 7.3.3.

Until the implementation of the Scheme, Recall intends to continue to pay dividends in amounts consistent with its existing dividend policy. The Recall Board intends to pay an ordinary dividend to Recall Shareholders for the half year period from 1 July 2015 to 31 December 2015, subject to applicable law.

BENEFITS OF THE SCHEME

The Recall Board believes that the proposed Scheme is attractive for Recall Shareholders. The implied value of the Scheme Consideration[13] is at a significant premium to the trading value of Recall Shares of A$5.02 on 29 September 2014, being the day before public market speculation about a potential transaction with Iron Mountain began.

The Recall Directors believe the Scheme will deliver immediate value for their shares including some of the longer term potential from expected synergies in the Combined Group. In addition, those Recall Shareholders who choose to remain as Iron Mountain stockholders retain the opportunity for additional value over time to the extent that further benefits are realised.

Expected benefits of the Scheme include:

- the combination will create a leading global provider of document storage and information management services, with enhanced operational and geographic reach and greater financial strength;
- the combination of Recall and Iron Mountain is expected to result in significant synergies and accretion in the earnings and, accordingly, the value of Iron Mountain; and
- Recall Shareholders are also expected to benefit from Iron Mountain's attractive dividend profile. Iron Mountain has elected to be treated as a real estate investment trust for US federal income tax purposes (a ***REIT***), which means it must, among other things, distribute at least 90% of its REIT taxable income to shareholders. Further details on REITs and Iron Mountain's REIT status are set out in Section 10.6.

Further information on these expected benefits is set out in Sections 8.2 and 11.

If the Scheme is implemented, Recall Shareholders will own up to 21% of the Combined Group and two current Recall Directors, Neil Chatfield and Wendy Murdock, will be appointed to the Combined Group Board.

OTHER CONSIDERATIONS

You should consider the reasons why you may not want to vote in favour of the Scheme. These reasons include:

- the value of the New Iron Mountain Securities which form part of the Standard Consideration is not certain and is dependent on the prevailing Iron Mountain Share Price and the AUD/USD exchange rate. Variations in the implied value of the Standard Consideration due to fluctuations in the Iron Mountain Share Price and the AUD/USD exchange rate will continue until the Standard Consideration is provided on the Implementation Date;
- if you make a Cash Election, the amount of cash that you receive may be subject to the Scale Back Mechanism; and
- you may disagree with the Recall Directors' recommendation and the Independent Expert's conclusion and prefer Recall to continue to operate as a standalone entity, or may consider that there is a possibility that a Superior Proposal could emerge in relation to Recall in the foreseeable future.

Further information on these reasons are described in detail in Section 8.3.

You should also consider the risks associated with a shareholding in the Combined Group. These risks include:

- Recall and Iron Mountain may not be able to achieve some or all of the expected benefits of the Scheme;
- by holding New Iron Mountain Securities, you will be exposed to risk factors relating to Iron Mountain and the Combined Group. In some cases, those risks are different from or additional to those related to Recall and you may prefer the risks and the investment profile of the Recall business as an standalone entity; and
- if Iron Mountain fails to remain qualified as a REIT, it will be subject to tax at corporate income tax rates and will not be able to deduct distributions to its shareholders when computing its taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for other purposes.

Further information on these risks are described in detail in Section 12.

10 This excludes the potential impact of Recall exercising its discretion to allow any Nominee Shareholders to make a Cash Election in respect of multiple underlying beneficial holdings. See Section 15.2.5 for further details.

11 The total Cash Pool of A$225 million represents approximately 9% of the cash which would be required if all Recall Shareholders made Cash Elections. Accordingly, Scheme Shareholders may be subject to material scale back in respect of Scheme Shares that do not have preferential access to the Cash Pool.

12 Ineligible Foreign Shareholders will not be entitled to receive any New Iron Mountain Shares and will instead receive cash under the Sale Facility for any New Iron Mountain Shares that they would otherwise have been entitled to receive.

13 Based on the Iron Mountain Share Price of US$31.41 and the AUD/USD exchange rate of 0.7261 as at 20 October 2015, being the last practicable date before the date of this Booklet.

INDEPENDENT EXPERT

The Recall Board appointed KPMG Corporate Finance as Independent Expert to undertake an independent assessment of the Scheme. The Independent Expert has concluded that the Scheme is in the best interests of Recall Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the standalone value of Recall on a control basis to be in the range of A$7.51 to A$8.37 per Recall Share.[14] This compares to the value of the Standard Consideration, which was assessed by the Independent Expert to be in the range of A$7.53 to A$8.71 per Recall Share, and the Cash Alternative of A$8.50 cash per Recall Share (noting that the Cash Alternative is subject to the Scale Back Mechanism). The Independent Expert's valuation of the Standard Consideration was based on a value range for Iron Mountain Shares of US$29.00 to US$34.00 (on a minority interest basis) and an AUD/USD exchange rate of 0.73.

The Independent Expert's Report is set out in Appendix 1.

YOUR VOTE IS IMPORTANT

Your vote is important regardless of how many Recall Shares you own and I encourage you to vote on the Scheme. Information on how to vote is set out in Section 5.

CONDITIONS PRECEDENT

The Scheme is subject to approval by Recall Shareholders and by the Court. It also remains subject to a number of other Conditions Precedent, including approval by ordinary resolution at a meeting of Iron Mountain stockholders currently intended to be held on 19 November 2015, and certain Competition Approvals. Further details on the Conditions Precedent and their status are set out in Section 15.14.

As at the date of this Booklet, the relevant Competition Authorities have not provided any indication of the prospects or timing of obtaining the Competition Approvals. If necessary approvals from Regulatory Authorities have not been obtained prior to the scheduled date of the Scheme Meeting, or Recall is not reasonably certain of the likely outcome of those necessary approvals by that date, Recall intends to defer the Scheme Meeting until such time as those approvals are obtained, or it is reasonably certain of the likely outcome of those approvals (and that those approvals can be obtained prior to the rescheduled date of the Second Court Hearing). Recall intends to provide supplementary information to Recall Shareholders if, between the date of this Booklet and the Scheme Meeting, there is new material information in relation to the approvals from Regulatory Authorities, including any conditions of those approvals which may have a material impact on the value of the consideration being offered.

FURTHER INFORMATION

Please read this document carefully as it will assist you in making an informed decision on how to vote. If you are in any doubt as to what you should do, I would encourage you to seek advice from independent and appropriately licensed financial, legal and taxation advisers before making your decision in relation to your Recall Shares.

If you have any questions in relation to the Scheme or this Booklet, please contact the Recall Shareholder Information Line on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday.

On behalf of the Recall Board, I would like to reiterate our support for the Scheme. We believe that it represents a compelling opportunity and attractive value for Recall Shareholders, and encourage you to vote in favour of the Scheme, in the absence of a Superior Proposal.

I would also like to take this opportunity to thank you for your continued support of Recall.

Yours sincerely,

Ian Blackburne
Chairman

Recall

14 Based on an AUD/USD exchange rate of 0.73.

3 Letter from the Chairman and President and CEO of Iron Mountain

23 October 2015

Dear Recall Shareholder,

The board of directors and management of Iron Mountain are pleased to provide you with the opportunity to participate in the combination of Iron Mountain and Recall, which will create a global leader in the information management industry.

The Iron Mountain Board unanimously supports the Scheme, and we encourage you to vote in favour of the combination at the Scheme Meeting scheduled to be held on 3 December 2015. As a Recall Shareholder, your vote is important in order to realise the attractive value being offered under the Scheme.

The Scheme makes strong commercial sense, and is expected to result in the:

- creation of a leading global provider of information management solutions with extensive operational and geographic reach;
- realisation of immediate value for the longer term potential of the Recall business, as well as upfront value for the synergies that will be created within the Combined Group; and
- generation of significant synergies and accretion for the Combined Group.

Further details of the benefits of the Scheme are provided in Sections 8.2 and 11.

The implied value of the Scheme Consideration offers an attractive premium to the undisturbed trading prices of your Recall Shares on ASX at various times prior to rumours of a potential transaction.[15] In addition, the Scheme provides additional flexibility for you to choose how to realise value for your Recall Shares, by either receiving the Standard Consideration or by making a Cash Election, subject to a limited Cash Pool of A$225 million.

If you receive New Iron Mountain Securities as part of your Scheme Consideration, you will have the opportunity to participate in the future performance of the Combined Group and the potential benefits described above.

If the Scheme is approved, two of Recall's current Directors, Neil Chatfield and Wendy Murdock, will be appointed to the Combined Group Board.

As you may know, Iron Mountain requires the approval of Iron Mountain stockholders for the issue of New Iron Mountain Securities as Scheme Consideration. A special meeting of Iron Mountain stockholders is currently intended to be held on 19 November 2015. The Iron Mountain Board has unanimously recommended that Iron Mountain stockholders vote in favour of the proposals to be considered and voted upon at the special meeting.

This Booklet provides important information in relation to the Scheme, and on behalf of the Iron Mountain Board, I encourage you to vote in favour of the Scheme at the Scheme Meeting.

I look forward to welcoming those of you who receive New Iron Mountain Securities as an Iron Mountain stockholder or CDI holder following the successful implementation of the Scheme.

Yours sincerely,

William L. Meaney **President and CEO** **Iron Mountain**	**Alfred J. Verrecchia** **Chairman** **Iron Mountain**

15 Based on the implied value of the Standard Consideration as at 20 October 2015, being the last practicable date prior to the date of this Booklet.

4 Overview of the Scheme

WHAT IS THE SCHEME?

The Scheme is a proposed transaction under which Iron Mountain would, through a wholly-owned Australian Subsidiary, acquire all of the issued share capital of Recall. If the Scheme becomes Effective, all Scheme Shareholders will receive the Scheme Consideration (as summarised below and in more detail in Section 7) and Recall will be delisted from ASX and will become a wholly-owned Australian Subsidiary of Iron Mountain.

WHO IS IRON MOUNTAIN?

Iron Mountain is a leading global provider of storage and information management solutions, with more than 155,000 customers in 36 countries on five continents. Iron Mountain is listed on the NYSE with a market capitalisation of approximately US$6.6 billion. [16] Iron Mountain is organised and operated as a REIT for US federal income tax purposes. For further details on Iron Mountain, see Section 10.

WHAT WILL YOU RECEIVE?

If the Scheme is approved and implemented, you will be entitled to receive the Standard Consideration for each Recall Share you hold on the Record Date:

STANDARD CONSIDERATION
US$0.50 cash [17] **+** **0.1722 New Iron Mountain Securities** [18]
Received by all Scheme Shareholders unless you make a Cash Election

Alternatively, you can make a Cash Election to receive the Cash Alternative for each Recall Share you hold on the Record Date.

CASH ALTERNATIVE
A$8.50 cash
The total Cash Pool available to satisfy Cash Elections is capped at A$225 million. [19] *If the Cash Pool is not sufficient to satisfy all Cash Elections, the Scale Back Mechanism will apply.* *For those Recall Shareholders on the Recall Share Register as at 11 June 2015, preferential access to the Cash Pool is expected for their first 5,000 Scheme Shares, provided such shareholders continue to hold those shares until the Record Date.* *If you make a Cash Election and are subject to the Scale Back Mechanism,* [20] *you will receive A$8.50 in cash per Scheme Share for that proportion of your Scheme Shares that is able to be satisfied out of the Cash Pool, plus the Standard Consideration for that remaining proportion of your Scheme Shares that is not.* [18]

The above is a summary only. For further information on the Scheme Consideration (including the Standard Consideration, the Cash Alternative and the Scale Back Mechanism), see Section 7. For an illustrative example of the operation of the Scale Back Mechanism for different Recall Shareholders, see Section 7.3.3.

16 Based on the Iron Mountain Share Price of US$31.41 and 210.7 million Iron Mountain Shares on issue as at 20 October 2015, being the last practicable date before the date of this Booklet.

17 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

18 Ineligible Foreign Shareholders will not be entitled to receive any New Iron Mountain Shares, and will instead receive cash under the Sale Facility for any New Iron Mountain Shares that they would otherwise have been entitled to receive.

19 The Cash Alternative of A$8.50 per Scheme Share includes the Cash Supplement Amount (being US$0.50 in cash to be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date), plus the Cash Base Amount. The payment of the Cash Supplement Amount per Scheme Share is not sourced from the A$225 million Cash Pool.

20 The total Cash Pool of A$225 million represents approximately 9% of the cash which would be required if all Recall Shareholders made Cash Elections. Accordingly, Scheme Shareholders may be subject to material scale back in respect of Scheme Shares that do not have preferential access to the Cash Pool.

WHAT ARE THE NEW IRON MOUNTAIN SECURITIES?

Subject to the comments below, if your address shown in the Recall Share Register as at the Record Date is:

- in Australia, you will receive any New Iron Mountain Securities to be issued to you as part of your Scheme Consideration in the form of New Iron Mountain CDIs; and
- outside Australia, you will receive any New Iron Mountain Securities to be issued to you as part of your Scheme Consideration in the form of New Iron Mountain Shares.

CDIs, or CHESS depositary interests, are instruments through which Iron Mountain Shares can be traded on ASX. Each New Iron Mountain CDI will represent a beneficial interest in one Iron Mountain Share. New Iron Mountain CDIs can be converted into Iron Mountain Shares at any time and vice versa.

If you want to receive New Iron Mountain Shares rather than New Iron Mountain CDIs, or vice versa, please see Section 15.4 and contact the Recall Registry on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm, Monday to Friday.

For further details on New Iron Mountain Securities (including the differences between New Iron Mountain Shares and New Iron Mountain CDIs), see Section 15.3.

REASONS TO VOTE IN FAVOUR OF THE SCHEME

- ✓ The Recall Directors believe that the Scheme delivers immediate value to Recall Shareholders for their shares including some of the longer term potential from expected synergies in the Combined Group
- ✓ The Independent Expert has concluded that the Scheme is in the best interests of Recall Shareholders, in the absence of a Superior Proposal
- ✓ The implied value of the Scheme Consideration is at a significant premium to the trading prices of Recall Shares on ASX prior to rumours of a potential transaction
- ✓ The Scheme will create a leading global provider of document storage and information management services
- ✓ The Scheme is expected to generate significant synergies and accretion for the Combined Group
- ✓ Recall Shareholders are expected to benefit from Iron Mountain's attractive dividend profile, supported by its REIT structure
- ✓ The Scheme provides flexibility to make a Cash Election (subject to the Scale Back Mechanism)
- ✓ If the Scheme does not proceed, the Recall Share Price may fall
- ✓ Recall Shareholders resident in Australia for tax purposes may be eligible for CGT roll-over relief in respect of New Iron Mountain Securities received

Further details on the reasons to vote in favour of the Scheme are set out in Section 8.2.

REASONS WHY YOU MAY NOT WANT TO VOTE IN FAVOUR OF THE SCHEME

- × You may disagree with the Recall Directors' recommendation and the Independent Expert's conclusion and prefer Recall to continue to operate as a standalone entity
- × The value of the New Iron Mountain Securities which form part of the Standard Consideration is not certain
- × If you make a Cash Election, the amount of cash that you receive may be subject to the Scale Back Mechanism
- × There are risks associated with implementing the Scheme which you may consider exceed the benefits of the Scheme
- × There are risks associated with a shareholding in the Combined Group that are different from those associated with your shareholding in Recall
- × You may consider that there is a possibility that a Superior Proposal could emerge in relation to Recall in the foreseeable future
- × The tax consequences of the Scheme may not be suitable to your financial position

Further details on the reasons why you may not want to vote in favour of the Scheme are set out in Section 8.3.

5 What should you do?

There are three steps that you should take in relation to the Scheme:

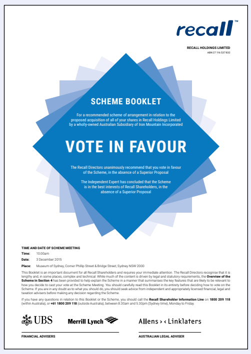
STEP 1 **CAREFULLY READ THIS BOOKLET IN ITS ENTIRETY AND SEEK ADVICE IF YOU HAVE ANY QUESTIONS;**

STEP 2 **VOTE ON THE SCHEME; AND**

STEP 3 **REGARDLESS OF YOUR VOTE, DECIDE WHETHER TO MAKE A CASH ELECTION.**

STEP 1

CAREFULLY READ THIS BOOKLET IN ITS ENTIRETY AND SEEK ADVICE IF YOU HAVE ANY QUESTIONS



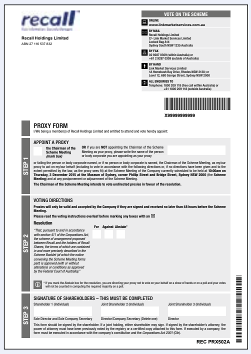
- You should carefully read this Booklet in its entirety to assist you in making an informed decision on how to vote on the Scheme.
- This Booklet contains important information, including:
  - the reasons for the Recall Directors' recommendation;
  - the reasons why you may choose to vote for or against the Scheme;
  - information about the Scheme Consideration;
  - information about Recall, Iron Mountain and the Combined Group;
  - key risks associated with the Scheme and investing in the Combined Group; and
  - the Independent Expert's Report.
- If you have further questions, you can call the Recall Shareholder Information Line on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday.
- If you are in any doubt as to what you should do, you should seek advice from independent and appropriately licensed financial, legal and taxation advisers before making any decision regarding the Scheme.

A | Summary of the Scheme
B | Detailed Information About the Scheme
C | Independent Expert's Report
D | Investigating Accountant's Report
E | Appendices

STEP 2

VOTE ON THE SCHEME

- If you are a Recall Shareholder on the Voting Record Date, which is scheduled to be 7.00pm on 1 December 2015, you are entitled to vote on the Scheme.
- Recall Shareholders can vote in person, or by appointing a proxy, attorney or, if applicable, corporate representative to vote on your behalf.
- The Scheme Meeting will be held at Museum of Sydney, Corner Phillip Street & Bridge Street, Sydney NSW 2000 on 3 December 2015 at 10.00am (Sydney time).


recall
VOTE ON THE SCHEME
PROXY FORM
STEP 1
STEP 2
STEP 3

HOW TO VOTE

Recall Shareholders can vote:

- **in person**, by attending the Scheme Meeting;
- **by proxy**, by completing, signing and lodging the original Scheme Meeting Proxy Form in accordance with the instructions set out on the form. You should arrange to have your proxy or proxies attend if you are appointing a person other than the Chairman of the Scheme Meeting as your proxy;
- **by attorney**, by appointing an attorney to attend and vote at the Scheme Meeting on your behalf, and providing a duly executed power of attorney to the registered office of Recall by 10.00am (Sydney time) on Tuesday, 1 December 2015; or
- **by corporate representative** (if you are a body corporate), by appointing a corporate representative to attend and vote at the Scheme Meeting on your behalf, and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to admission to the Scheme Meeting.

Further details on how to vote on the Scheme, including how to appoint a proxy, attorney, or, if applicable, corporate representative to vote on your behalf are set out in Appendix 5.

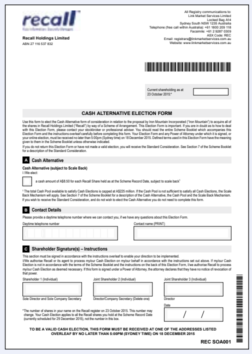
If you wish to lodge your Scheme Meeting Proxy Form, to be valid it must be received by 10.00am (Sydney time) on Tuesday, 1 December 2015. You can lodge a Scheme Meeting Proxy Form:

- online at www.recall.com or www.linkmarketservices.com.au;
- by mail to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 (using the reply paid envelope provided) or the registered office of Recall;
- by fax to 02 9287 0309 (within Australia), or +61 2 9287 0309 (outside Australia); or
- in person during business hours to the Recall Registry at Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

STEP 3

REGARDLESS OF YOUR VOTE, DECIDE WHETHER TO MAKE A CASH ELECTION

You may make a Cash Election to receive the Cash Alternative by submitting the Election Form by the Election Date. If you do not make a Cash Election, you will receive the Standard Consideration for each Recall Share you hold on the Record Date. You do not need to submit the Election Form to receive the Standard Consideration.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CASH ALTERNATIVE ELECTION FORM

If you make a Cash Election, it will apply to all of your Recall Shares.

The total Cash Pool available to satisfy Cash Elections is capped at A$225 million.[21] If the Cash Pool is not sufficient to satisfy all Cash Elections, the Scale Back Mechanism will apply.

The above is a summary only. See Section 7 for more detailed information regarding the Scheme Consideration, and specifically Section 7.2 for further details on the Cash Alternative and Section 7.3 for further details on the Scale Back Mechanism.

You can make a Cash Election even if you choose to vote against the Scheme or not to vote. This is because, if the Scheme is implemented, all Scheme Shareholders will receive the Scheme Consideration, whether they voted for or against the Scheme, or did not vote.

HOW TO SUBMIT THE CASH ELECTION FORM (IF REQUIRED)

If you wish to submit the Election Form, it must be completed in accordance with the instructions specified in this Booklet and in the Election Form. Completed Election Forms must be submitted by one of the methods stated below and received by the Recall Registry prior to 5.00pm (Sydney time) on the Election Date:

- online at www.recall.com;
- by mail to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 (using the reply paid envelope provided) or the registered office of Recall;
- by fax to 02 9287 0309 (within Australia), or +61 2 9287 0309 (international); or
- in person during business hours to the Recall Registry at Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

An Election Form that is not submitted in accordance with the instructions specified in this Booklet and in the Election Form (including if the Election Form is not received by the Recall Registry prior to 5.00pm (Sydney time) on the Election Date) will not be a valid Cash Election for the purpose of the Scheme and will not be recognised by Recall or Iron Mountain for any purpose. In addition, Recall may, with the agreement of Iron Mountain, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any Cash Election, and any such decision will be conclusive and binding on the relevant Recall Shareholder.

21 The Cash Alternative of A$8.50 per Scheme Share includes the Cash Supplement Amount (being US$0.50 in cash to be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date), plus the Cash Base Amount. The payment of the Cash Supplement Amount per Scheme Share is not sourced from the A$225 million Cash Pool.

6 Frequently Asked Questions

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TOPIC	FURTHER INFORMATION
Details of the Scheme	
1. Why have I received this Booklet? You have received this Booklet because you are a Recall Shareholder and you are being asked to vote on the Scheme, in respect of the proposed acquisition of Recall by a wholly-owned Australian Subsidiary of Iron Mountain. This Booklet contains important information, including: • the reasons for the Recall Directors' recommendation; • the reasons why you may choose to vote for or against the Scheme; • information about the Scheme Consideration; • information about Recall, Iron Mountain and the Combined Group; • key risks associated with the Scheme; and • the Independent Expert's Report.	**Section 4**
2. What will be the effect of the Scheme? If the Scheme is approved by Recall Shareholders, all other Conditions Precedent are satisfied or waived (if applicable) and the Scheme is implemented: • all Scheme Shares will be transferred to a wholly-owned Australian Subsidiary of Iron Mountain; • all Recall Shareholders as at the Record Date (whether they voted for or against the Scheme, or did not vote) will receive the Scheme Consideration; and • Recall will be delisted from ASX.	**Sections 4 and 15.8.8**
3. Will I be entitled to receive the Scheme Consideration? You will be entitled to receive the Scheme Consideration if you are a Recall Shareholder as at the Record Date and the Scheme is approved by Recall Shareholders and is implemented (whether you voted for or against the Scheme, or did not vote).	**Sections 4 and 15.9**
4. Who is Iron Mountain? Iron Mountain is a leading global provider of storage and information management solutions, with more than 155,000 customers in 36 countries on five continents. Iron Mountain is listed on the NYSE with a market capitalisation of approximately US$6.6 billion. [22] Iron Mountain is organised and operated as a REIT for US federal income tax purposes. For further details on Iron Mountain, see Section 10	**Section 10**
5. What are Iron Mountain's intentions regarding Recall? If the Scheme is implemented, Iron Mountain intends to operate Recall largely in its current form as part of the Combined Group. Iron Mountain intends that Recall will be integrated into the Iron Mountain Group, including into Iron Mountain's operating and REIT structure, and that Recall's businesses will be operated in accordance with Iron Mountain's strategic plan. Full details of Iron Mountain's intentions are outlined in Section 11.4.	**Section 11.4**
6. What is a REIT? A REIT is an entity that qualifies for special treatment for US federal income tax purposes. As a REIT, Iron Mountain is generally permitted to deduct from US federal 'real estate investment trust taxable income' distributions paid to its stockholders. Thus, Iron Mountain is generally not subject to US federal income taxes on its income and gains that it distributes to its stockholders. If Iron Mountain fails to qualify for taxation as a REIT or elects not to qualify as a REIT, it will be subject to US federal income tax at regular corporate rates as if it were a 'C corporation' – being a company that is taxed separately from its owners.	**Sections 8.2.6, 10.6, 11.3 and 12.5**

22 Based on the Iron Mountain Share Price of US$31.41 and 210.7 million Iron Mountain Shares on issue as at 20 October 2015, being the last practicable date before the date of this Booklet.

TOPIC	FURTHER INFORMATION
7. Is this a takeover? If the Scheme is implemented, the outcome will be similar to a successful 100% takeover bid in that: • all Scheme Shares will be transferred to a wholly-owned Australian Subsidiary of Iron Mountain; and • all Scheme Shareholders will receive the Scheme Consideration.	**Sections 4 and 15.8.8**
8. What should I do? You should take three steps in relation to the Scheme: • carefully read this Booklet in its entirety and seek advice if you have any questions; • vote on the Scheme; and • regardless of your vote, decide whether to make a Cash Election.	**Section 4**
9. What is the timing for implementation of the Scheme? The Implementation Date is currently scheduled to be 4 January 2016. Please note however that this date is indicative only and subject to change.	**Section 1**
10. What are the forms accompanying this Booklet? There are two forms accompanying this Booklet: **1. Scheme Meeting Proxy Form** If you are unable or do not wish to attend the Scheme Meeting in person, you should complete and lodge the Scheme Meeting Proxy Form in accordance with the instructions specified in this Booklet and in the Scheme Meeting Proxy Form accompanying this Booklet. **2. Election Form** You need to submit the Election Form to make a Cash Election. If you wish to submit an Election Form, it must be completed and submitted in accordance with the instructions specified in this Booklet and in the Election Form. If you want to receive the Standard Consideration, you do not need to submit the Election Form.	**Sections 4, 15.2, 15.4 and Appendix 5**
What will I receive?	
11. What will I receive if the Scheme is implemented? **Standard Consideration** If the Scheme is approved and implemented, you will be entitled to receive the Standard Consideration for each Recall Share you hold on the Record Date. The Standard Consideration comprises US$0.50 [23] cash, plus 0.1722 New Iron Mountain Securities. [24] As at 20 October 2015, being the last practicable date prior to the date of this Booklet, the implied value of the Standard Consideration was A$8.14 per Recall Share. [25] **Cash Alternative** Alternatively, you can make a Cash Election to receive the Cash Alternative of A$8.50 cash for each Recall Share you hold on the Record Date. However, the total Cash Pool that is available to satisfy all Cash Elections is capped at A$225 million. [26] If the Cash Pool is not sufficient to satisfy all Cash Elections, the Scale Back Mechanism will apply. [27] Details on how the Scale Back Mechanism will work are set out in Section 7.3.	**Section 7**

23 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

24 Ineligible Foreign Shareholders will not be entitled to receive any New Iron Mountain Shares and will instead receive cash under the Sale Facility for any New Iron Mountain Shares that they would otherwise have been entitled to receive.

25 Based on the Iron Mountain Share Price of US$31.41 and the AUD/USD exchange rate of 0.7261.

26 The Cash Alternative of A$8.50 per Scheme Share includes the Cash Supplement Amount (being US$0.50 in cash to be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date), plus the Cash Base Amount. The payment of the Cash Supplement Amount per Scheme Share is not sourced from the A$225 million Cash Pool.

27 The total Cash Pool of A$225 million represents approximately 9% of the cash which would be required if all Recall Shareholders made Cash Elections. Accordingly, Scheme Shareholders may be subject to material scale back in respect of Scheme Shares that do not have preferential access to the Cash Pool.

TOPIC	FURTHER INFORMATION
12. Who is entitled to preferential access to the Cash Pool? If you were a Recall Shareholder as at 11 June 2015, and you make a Cash Election and scale back is required, you will have preferential access to the Cash Pool for the first 5,000 Scheme Shares[28] which you held on 11 June 2015 and continue to hold until the Record Date.	**Section 7.2**
13. When will the Scheme Consideration be issued or paid? If the Scheme is implemented, the Scheme Consideration will be issued or paid (as applicable) to Scheme Shareholders (other than Ineligible Foreign Shareholders) on the Implementation Date, which is currently scheduled to be 4 January 2016. Further detail regarding the treatment of Ineligible Foreign Shareholders is set out in question 25. Cash payments (if any) will be made either by sending you a cheque or by electronic funds transfer into your nominated bank account used for dividend payments.	**Sections 15.8.8 and 15.10**
14. Can I split my shareholding into one or more parcels? Any shareholding splitting or division after 11 June 2015 will not be recognised for the purposes of determining a Scheme Shareholder's access to the Cash Pool and the application of the Scale Back Mechanism. If Recall and Iron Mountain are of the opinion that two or more Scheme Shareholders have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain an advantage in terms of the availability of the Cash Pool, then Recall and Iron Mountain have the discretion to aggregate those holdings for the purposes of the Scheme.	**Sections 7.3.4 and 15.11.2**
15. Can a Nominee Shareholder make a separate Cash Election on behalf of an underlying beneficial owner? A Nominee Shareholder who holds a parcel of Recall Shares on behalf of an underlying beneficial owner of the shares may be able to make a separate Cash Election in respect of that parcel. See Section 15.2.5 for further information regarding how to make such Cash Elections and the evidence required by the Recall Registry. Nominee Shareholders who wish to make such separate Cash Elections should note that Recall has discretion as to whether or not to accept those separate Cash Elections, and whether or not to allow those Nominee Shareholders preferential access for the first 5,000 Scheme Shares in relation to the underlying beneficial holdings. For further details regarding how Recall intends to exercise the discretion, see Section 15.2.5.0	**Sections 7.3.4 and 15.2.5**
Information regarding the Standard Consideration	
16. What is the implied value of the Standard Consideration? As at 20 October 2015, being the last practicable date prior to the date of this Booklet, the implied value of the Standard Consideration was A$8.14 per Recall Share, comprising: • A$0.69 – being the Australian dollar equivalent of US$0.50;[29] and • A$7.45 – being the Australian dollar equivalent of the price of 0.1722 Iron Mountain Shares.[30] The implied value of the Standard Consideration will vary over time depending on the prevailing Iron Mountain Share Price and the AUD/USD exchange rate. Variations will continue until the Standard Consideration is provided on the Implementation Date.	**Sections 7.1.4 and 12.2.1**

28 Or such lower number if 5,000 Preferential Access Shares would cause the Cash Pool of A$225 million to be exceeded, including as a result of Recall exercising its discretion to allow Nominee Shareholders to make Cash Elections in respect of multiple underlying beneficial holdings. See Sections 7.3.4 and 15.2.5 for further details.

29 Based on the AUD/USD exchange rate of 0.7261.

30 Based on the Iron Mountain Share Price of US$31.41 and the AUD/USD exchange rate of 0.7261.

TOPIC	FURTHER INFORMATION
17. What are the New Iron Mountain Securities? The New Iron Mountain Securities comprise either New Iron Mountain Shares or New Iron Mountain CDIs. If your address as shown in the Recall Share Register as at the Record Date is: • in Australia, you will receive any New Iron Mountain Securities in the form of New Iron Mountain CDIs; and • outside Australia, you will receive any New Iron Mountain Securities in the form of New Iron Mountain Shares. You may request to receive New Iron Mountain Shares rather than New Iron Mountain CDIs, or vice versa; see Section 15.4.	**Sections 5, 7.1.3, 15.3 and 15.4**
18. What is a CDI? CDIs, or CHESS depositary interests, are instruments through which shares of foreign companies such as Iron Mountain Shares can be traded on ASX. Each New Iron Mountain CDI will represent a beneficial interest in one Iron Mountain Share.	**Sections 5, 15.3.2 and 15.3.3**
19. What is the difference between New Iron Mountain Shares and New Iron Mountain CDIs? New Iron Mountain Shares will be fully paid common shares in the capital of Iron Mountain, ranking equally in all respects with all other Iron Mountain Shares on issue. New Iron Mountain Shares will be listed and traded on NYSE in US dollars. A New Iron Mountain CDI will have rights that are economically equivalent to the rights attaching to an Iron Mountain Share. New Iron Mountain CDIs will be quoted and traded on ASX in Australian dollars under the symbol INM. A holder of New Iron Mountain CDIs will not be a registered Iron Mountain stockholder. Instead, New Iron Mountain Shares represented by New Iron Mountain CDIs will be held by the CDI Nominee, a Subsidiary of ASX. A New Iron Mountain CDI holder can direct the CDI Nominee to vote, in accordance with the CDI holder's directions, the New Iron Mountain Shares represented by its New Iron Mountain CDIs (or appoint the CDI holder or another person to do so). For further detail on the differences between New Iron Mountain Shares and New Iron Mountain CDIs, see Section 15.3.4.	**Sections 12.5.1 and 15.3.4**
20. Can I request to receive New Iron Mountain Shares rather than New Iron Mountain CDIs (and vice versa)? Yes. If you wish to make such a request, please contact the Recall Registry on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm, Monday to Friday.	**Section 15.4**
21. Can I convert my New Iron Mountain CDIs to Iron Mountain Shares (and vice versa)? New Iron Mountain CDIs can be converted into Iron Mountain Shares at any time and vice versa. For further detail on the conversion of New Iron Mountain CDIs to Iron Mountain Shares (and vice versa), see Sections 15.3.3(ix) and 15.3.3(x).	**Sections 15.3.3(ix) and 15.3.3(x)**
Information regarding the Cash Alternative	
22. What is the Cash Alternative? As an alternative to the Standard Consideration, you can make a Cash Election to receive the Cash Alternative of A$8.50 cash per Recall Share you hold on the Record Date. However, the total Cash Pool that is available to satisfy all Cash Elections is capped at A$225 million.[31] If the Cash Pool is not sufficient to satisfy all Cash Elections, the Scale Back Mechanism will apply. Details on how the Scale Back Mechanism will work are set out in Section 7.3.1. Note that if you were a Recall Shareholder as at 11 June 2015, and you make a Cash Election and scale back is required, you will have preferential access to the Cash Pool for the first 5,000 Scheme Shares[32] which you held on 11 June 2015 and continue to hold until the Record Date.	**Sections 7.2, 7.3, 8.3.3, 12.2.2 and 15.2.3**

31 The Cash Alternative of A$8.50 per Scheme Share includes the Cash Supplement Amount (being US$0.50 in cash to be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date), plus the Cash Base Amount. The payment of the Cash Supplement Amount per Scheme Share is not sourced from the A$225 million Cash Pool.

32 Or such lower number if 5,000 Preferential Access Shares would cause the Cash Pool of A$225 million to be exceeded, including as a result of Recall exercising its discretion to allow Nominee Shareholders to make Cash Elections in respect of multiple underlying beneficial holdings. See Sections 7.3.4 and 15.2.5 for further details.

TOPIC	FURTHER INFORMATION
23. How do I make a Cash Election? You can make a Cash Election by submitting the Election Form in accordance with the instructions specified in this Booklet and the Election Form. If you make a Cash Election, it will apply to all of your Recall Shares. Completed Election Forms can be submitted by post, fax or online or delivered in person, and must be received by the Recall Registry prior to 5.00pm (Sydney time) on the Election Date.	**Sections 7.2 and 15.2**
24. Can I change my Cash Election? You may change your Cash Election by submitting a replacement Election Form, provided that it is received by the Recall Registry prior to 5.00pm (Sydney time) on the Election Date. You can obtain replacement copies of the Election Form by contacting the Recall Shareholder Information Line on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday.	**Section 15.2.6**
Ineligible Foreign Shareholders	
25. Who is classified as an Ineligible Foreign Shareholder? A Scheme Shareholder will be an Ineligible Foreign Shareholder for the purposes of the Scheme if their address as shown in the Recall Share Register at 5.00pm on the Record Date is a place which Iron Mountain reasonably determines is unlawful or unduly onerous to issue that Scheme Shareholder with New Iron Mountain Shares when the Scheme becomes Effective. This will not apply to a Scheme Shareholder with an address as shown in the Recall Share Register at 5.00pm on the Record Date within Australia and its external territories, New Zealand, the United Kingdom (provided that Scheme Shareholder certifies to the reasonable satisfaction of Iron Mountain that it is a UK Qualified Investor), Hong Kong, Singapore, Canada or the US. Please contact the Recall Shareholder Information Line on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday if you have any questions regarding what jurisdictions are impacted by the treatment of Ineligible Foreign Shareholders.	**Sections 7.4 and 15.5**
26. What will Ineligible Foreign Shareholders receive under the Scheme? Any New Iron Mountain Shares that would otherwise be issued to Ineligible Foreign Shareholders will be issued to the Sale Agent. Following implementation of the Scheme, the Sale Agent will sell all New Iron Mountain Shares issued to the Sale Agent. The Sale Agent will then remit the net sale proceeds to Iron Mountain. Iron Mountain will remit the net proceeds of the sale to the Ineligible Foreign Shareholders on a pro rata basis. See Section 15.5.1 for further detail on how these net sale proceeds will be calculated. An Ineligible Foreign Shareholder may make a Cash Election. However, to the extent that an Ineligible Foreign Shareholder makes a Cash Election and is subject to the Scale Back Mechanism, so that they receive Standard Consideration for some or all of their Scheme Shares, the New Iron Mountain Shares that would otherwise be issued to the Ineligible Foreign Shareholder as part of that Standard Consideration will instead be issued to the Sale Agent and sold in the manner described above.	**Sections 4, 7.4 and 15.5**
27. When will Ineligible Foreign Shareholders receive their Scheme Consideration? An Ineligible Foreign Shareholder will receive: • cash for their respective pro rata proportion of the net proceeds of the sale by the Sale Agent of New Iron Mountain Shares under the Sale Facility (if applicable) within 25 Business Days after the Implementation Date; and • all other cash payments due to them under the Standard Consideration or the Cash Alternative (as applicable) on the Implementation Date.	**Sections 7.4, 15.5 and 15.10**

TOPIC	FURTHER INFORMATION
The Recall Directors' recommendation and reasons to vote for or against the Scheme	
28. What do the Recall Directors recommend? The Recall Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal. Each of the Recall Directors intends to vote any Recall Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal.	**Sections 8.1 and 8.2**
29. What is the Independent Expert's opinion? The Recall Board appointed KPMG Corporate Finance as Independent Expert to undertake an independent assessment of the Scheme. The Independent Expert has concluded that the Scheme is in the best interests of Recall Shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the standalone value of Recall on a control basis to be in the range of A$7.51 to A$8.37 per Recall Share. [33] This compares to the value of the Standard Consideration, which was assessed by the Independent Expert to be in the range of A$7.53 to A$8.71 per Recall Share, and the Cash Alternative of A$8.50 cash per Recall Share (noting that the Cash Alternative is subject to the Scale Back Mechanism). The Independent Expert's valuation of the Standard Consideration was based on a value range for Iron Mountain Shares of US$29.00 to US$34.00 (on a minority interest basis) and an AUD/USD exchange rate of 0.73. The Independent Expert's Report is set out in Appendix 1.	**Section 8.2.2 and Appendix 1**
30. What are the reasons to vote in favour of the Scheme? The reasons to vote in favour of the Scheme are described in detail in Section 8.2	**Sections 4 and 8.2**
31. What are the reasons why I may not want to vote in favour of the Scheme? The reasons why you may not want to vote in favour of the Scheme are described in detail in Section 8.3	**Sections 4 and 8.3**
32. What are the key risks associated with the Scheme and the Combined Group? The key risks associated with the Scheme and the Combined Group are described in detail in Section 12 Those risks include: • Recall and Iron Mountain may not be able to achieve some or all of the expected benefits of the Scheme; • by holding New Iron Mountain Securities, you will be exposed to risk factors relating to Iron Mountain and the Combined Group. In some cases, those risks are different from or additional to those related to Recall and you may prefer the risks and the investment profile of the Recall business as an standalone entity; • if Iron Mountain fails to remain qualified as a REIT, it will be subject to tax at corporate income tax rates and will not be able to deduct distributions to its shareholders when computing its taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for other purposes; • the implied value of the Standard Consideration will vary over time depending on the prevailing Iron Mountain Share Price and the AUD/USD exchange rate. As a result of changes in these factors, the implied value of the Standard Consideration is likely to change, including between the date of this Booklet, the date of the Scheme Meeting, the Election Date and the Implementation Date (being the date on which the Standard Consideration is received). Note that Iron Mountain and Recall have agreed that, in order to facilitate REIT compliance measures, the Implementation Date should occur within the first 30 days of any given calendar quarter. Accordingly, if there is a delay in satisfying any of the Conditions Precedent which delays the Implementation Date beyond 30 January 2016, implementation of the Scheme may be further delayed until April 2016. Such a delay may mean that the value of the Standard Consideration is materially different at the time of the Implementation Date than at the date of the Scheme Meeting due to the Iron Mountain Share Price and AUD/USD exchange rate fluctuating during this time; and • the total Cash Pool of A$225 million represents approximately 9% of the cash which would be required if all Recall Shareholders made Cash Elections. Accordingly, Scheme Shareholders may be subject to material scale back in respect of Scheme Shares that do not have preferential access to the Cash Pool.	**Sections 7.1.4, 8.3.4, 8.3.5 and 12**

33 Based on an AUD/USD exchange rate of 0.73.

TOPIC	FURTHER INFORMATION
Voting on the Scheme	
33. Where and when is the Scheme Meeting? The Scheme Meeting is scheduled to be held at Museum of Sydney, Corner Phillip Street & Bridge Street, Sydney NSW 2000 at 10.00am (Sydney time) on Thursday, 3 December 2015.	**Appendix 5**
34. Who can vote at the Scheme Meeting? If you are on the Recall Share Register on the Voting Record Date (being 7.00pm (Sydney time) on 1 December 2015), you may vote at the Scheme Meeting. In addition, if you are a Scheme Shareholder and have appointed a proxy, attorney or corporate representative, that individual may vote at the Scheme Meeting on your behalf.	**Sections 15.8.4 and 15.9 and Appendix 5**
35. Is voting compulsory? Why should I vote? Voting is not compulsory. However, your vote will be important in determining whether the Scheme will proceed, as only those votes cast by Scheme Shareholders on the Scheme will be counted in determining whether the Scheme has been approved by the requisite majorities of Scheme Shareholders.	**Sections 8.4.2, 8.4.3 and 15.14.2**
36. How do I vote? If you are eligible to vote, you can vote on the Scheme in person by attending the Scheme Meeting or by appointing a proxy (using the Scheme Meeting Proxy Form), attorney or corporate representative to vote on your behalf.	**Section 5 and Appendix 5**
37. What are the voting thresholds? For the Scheme to be approved, the Scheme Resolution must be passed by the requisite majorities, being: • more than 50% in number of Recall Shareholders who are present and voting, either in person or by proxy, by attorney or, in the case of a corporation, by its duly appointed corporate representative, at the Scheme Meeting; and • at least 75% of the total number of votes cast on the Scheme Resolution.	**Sections 15.8.3 and 15.14.2**
38. What if I do not vote at the Scheme Meeting or if I vote against the Scheme? If the Scheme is approved by the requisite majorities of Recall Shareholders, then, subject to the other Conditions Precedent being satisfied or waived (if applicable) and the Scheme becoming Effective, the Scheme will be implemented and will be binding on all Scheme Shareholders, including those who voted against the Scheme, or did not vote.	**Section 8.4.2**
39. Can I oppose the Scheme at the Second Court Hearing? You have the right as a Recall Shareholder to appear and make submissions at the Second Court Hearing which is scheduled to be held at 10.00am on 16 December 2015 at the Federal Court of Australia, Sydney Registry, Level 17, Law Courts Building, Queens Square, Sydney NSW 2000. Any change to this date will be announced through ASX and will be available on Recall's website, www.recall.com.	**Important Notices and Disclaimers on page (i) and Section 15.8.5**
40. What happens if there is a delay in satisfying any of the Conditions Precedent? While any Conditions Precedent (other than Court approval of the Scheme) remain unsatisfied and have not been waived (if applicable), there is a risk that the Second Court Hearing (currently scheduled for 16 December 2015) will be delayed, until as soon as reasonably practicable after those Conditions Precedent have been satisfied or waived (if applicable). If the Second Court Hearing is delayed, this may in turn delay the Implementation Date, which is currently scheduled to be 4 January 2016. Further, Iron Mountain and Recall have agreed that, in order to facilitate REIT compliance measures, the Implementation Date should occur within the first 30 days of any given calendar quarter. Accordingly, if there is a delay in satisfying any of the Conditions Precedent which delays the Implementation Date beyond 30 January 2016, implementation of the Scheme may be further delayed until April 2016. In addition, the Scheme will not proceed if the Conditions Precedent are not satisfied or waived (if applicable) by the End Date. The End Date is 8 June 2016, subject to that date being extended in certain circumstances, but in any event will not be later than 30 July 2016.	**Section 15.13.1**

TOPIC	FURTHER INFORMATION
Conditions Precedent	
41. When does the Scheme become Effective? In order to become Effective, the Scheme must be approved by the Court at the Second Court Hearing. Recall will apply to the Court for an order approving the Scheme, if the Scheme is approved by the requisite majorities of Scheme Shareholders voting at the Scheme Meeting and all other Conditions Precedent (other than approval of the Court) have been satisfied or waived. If the Court makes orders approving the Scheme, Recall will lodge a copy of those orders with ASIC under section 411(10) of the Corporations Act. As soon as the copies of the Court orders approving the Scheme are lodged with ASIC, the Scheme will become Effective. This is expected to occur, on or on the next Business Day after, the date on which the Court issues orders approving the Scheme (currently scheduled to be 16 December 2015).	**Sections 15.8.6 and 15.8.8**
42. What are the Conditions Precedent to the Scheme becoming Effective? In order for the Scheme to become Effective and then be implemented, each of the Conditions Precedent must be satisfied or waived (if applicable). The Conditions Precedent include Recall Shareholder approval, Iron Mountain Stockholder Approval, Court approval, Competition Approvals and other regulatory approvals. If the Conditions Precedent are not satisfied or waived (if applicable), the Scheme will not proceed. Further details on the Conditions Precedent are set out in Section 15.14	**Sections 12.2.3, 15.13.1 and 15.14**
43. Why is Iron Mountain Stockholder Approval required? In accordance with the requirements of the NYSE listed company manual, Iron Mountain stockholders will be asked to consider, and if thought fit, approve the issue of New Iron Mountain Securities in connection with the Scheme. The Iron Mountain Stockholder Approval is required because the New Iron Mountain Securities to be issued exceed 20% of the number of Iron Mountain's securities which are outstanding, on a non-diluted basis.	**Section 15.14.3**
44. What are the approval thresholds for the Iron Mountain Stockholder Approval? The resolution for the Iron Mountain Stockholder Approval must be passed by the affirmative vote of the holders of a majority of the votes cast on that resolution. The Iron Mountain Board has unanimously recommended that Iron Mountain stockholders vote in favour of the resolution for the Iron Mountain Stockholder Approval.	**Section 15.14.3**
45. When will the Iron Mountain Stockholder Approval occur? The Iron Mountain stockholder vote is currently intended to be held on 19 November 2015. The outcome of the vote by Iron Mountain stockholders will be known prior to the Scheme Meeting and will be announced by Recall via ASX.	**Section 15.14.3**
Information about the Competition Approvals	
46. What Competition Approvals are required? Certain notices and/or filings under competition, antitrust or fair trade laws in certain jurisdictions have been lodged, including with the ACCC in Australia, the DOJ in the US, the CMA in the United Kingdom and the CCB in Canada for the purpose of obtaining the Competition Approvals.	**Sections 12.2.3, 15.13.8 and 15.14.1**
47. Are the Competition Approvals expected to be obtained and if so, when? As at the date of this Booklet, the ACCC, the DOJ, the CMA and the CCB have not provided any indication of the prospects or timing of obtaining the Competition Approvals. An update will be provided on the status of the Competition Approvals at the Scheme Meeting.	**Sections 12.2.3, 15.13.8 and 15.14.1**

TOPIC	FURTHER INFORMATION
48. What is the potential impact of the timing of receipt of the Competition Approvals on the timing of implementation of the Scheme? Implementation of the Scheme is currently scheduled to occur on 4 January 2016. However, until these Competition Approvals are obtained, there is a risk that the Second Court Hearing (currently scheduled for 16 December 2015) will be delayed, which may in turn delay the Implementation Date. Further, Iron Mountain and Recall have agreed that, in order to facilitate REIT compliance measures, the Implementation Date should occur within the first 30 days of any given calendar quarter. Accordingly, if there is a delay in the receipt of the Competition Approvals which delays the Implementation Date beyond 30 January 2016, implementation of the Scheme may be further delayed until April 2016. In addition, the Scheme will not proceed if the Competition Approvals are not obtained by the End Date.	**Sections 12.2.3, 15.13.8 and 15.14.1**
49. What have Iron Mountain and Recall agreed to in relation to divestments and restrictions? Iron Mountain has made undertakings under the Scheme Implementation Deed that it will agree to divestments of businesses, service lines or assets of the Recall Group and the Iron Mountain Group, and operational or other restrictions on the Recall Group and the Iron Mountain Group, in each case, if required for the purpose of obtaining the Competition Approvals. The obligations on Iron Mountain to make divestments and agree to such restrictions in the US and Canada are limited to the extent that they would require the disposition of any assets of the records management business of Iron Mountain, Recall or any of their respective subsidiaries in the US and Canada that, in the aggregate, generated more than US$30 million of revenue during the 12 month period prior to the date of the Scheme Implementation Deed. However, no such limitations apply in respect of divestments or restrictions required for the purpose of obtaining the Competition Approvals in any other jurisdiction.	**Sections 15.13.8 and 15.14.1**
Further information on the Scheme	
50. What will happen if a Competing Proposal for Recall emerges? If a Competing Proposal for Recall emerges, the Recall Board will carefully consider it and will make an announcement of its recommendation to ASX and on Recall's website. If the Recall Board withdraws or adversely modifies its recommendation concerning the Scheme, Recall will (subject to certain exemptions) be obliged to pay the Break Fee to Iron Mountain. Since the Scheme was announced, no Competing Proposal for Recall has emerged. The Recall Board cannot predict whether or not a Competing Proposal for Recall will emerge prior to the Scheme Meeting.	**Sections 8.3.6 and 15.13**
51. When is the Break Fee payable? Under the Scheme Implementation Deed: • Recall must pay to Iron Mountain the Break Fee of A$25.5 million if certain specified events occur, including if the Recall Board recommends or supports a Competing Proposal for Recall; and • Iron Mountain must pay to Recall the Break Fee of A$25.5 million if certain specified events occur, including a material breach of the Scheme Implementation Deed by Iron Mountain.	**Sections 8.4.4 and 15.13.7**
52. What is the Iron Mountain Antitrust Approval Reimbursement Fee and when is it payable? Iron Mountain has agreed with Recall that it will make certain divestments if required for the purpose of obtaining the Competition Approvals. Under the Scheme Implementation Deed, Iron Mountain must pay the Iron Mountain Antitrust Approval Reimbursement Fee of A$76.5 million to Recall if: • the Scheme Implementation Deed is terminated because of the failure to obtain the Competition Approvals; or • the Scheme cannot proceed due to any action taken by a Competition Authority, in each case in circumstances where all of the other applicable Conditions Precedent have been satisfied or waived.	**Sections 8.4.4, 15.13.8 and 15.14.1**

TOPIC	FURTHER INFORMATION
53. What happens if the Scheme does not proceed? If the Scheme does not proceed: • you will not receive the Scheme Consideration; • your Recall Shares will not be transferred to a wholly-owned Australian Subsidiary of Iron Mountain (they will be retained by you); • Recall will continue to operate as a standalone entity; • you will continue to be exposed to the benefits and risks associated with an investment in Recall; • Recall will continue to implement its business plan; and • in the absence of a Superior Proposal or speculation regarding a Competing Proposal, the Recall Share Price may fall.	**Sections 8.2.8, 8.4.3 and 9.1.4**
54. What are the transaction costs associated with the Scheme? Recall is expected to have incurred one-off transaction costs of approximately US$24 million, which will be payable by Recall regardless of whether the Scheme is implemented or not. These costs are expected to comprise adviser, legal, accounting and expert fees, employee payments and various other costs. These costs exclude success-based fees and other costs which are contingent upon the successful implementation of the Scheme.	**Sections 8.3.4 and 12.3.3**
Trading	
55. Can I sell my Recall Shares before the Scheme is implemented? You are able to sell your Recall Shares on market in the usual manner on or before the Effective Date (which is currently scheduled to be 17 December 2015) if you do not wish to hold them and participate in the Scheme. However, you should note that if you choose to sell your Recall Shares, you may not receive consideration equivalent to the implied value of the Scheme Consideration, and brokerage expenses on sale may be incurred. If you are in any doubt as to what you should do, you should seek advice from independent and appropriately licensed financial, legal and taxation advisers before making any decision regarding the Scheme. For the purpose of determining entitlements under the Scheme, Recall will not accept for registration or recognise any transfer or transmission application in respect of Recall Shares received after the Record Date.	**Sections 8.4.1, 15.8.7 and 15.9**
56. When can I start trading my New Iron Mountain Securities? New Iron Mountain CDIs are currently scheduled to commence trading on ASX on a deferred settlement basis on 18 December 2015 and a normal settlement basis on 5 January 2016. Section 12.4.5 outlines the possible risks associated with trading during the deferred settlement period. New Iron Mountain Shares are currently scheduled to commence trading on NYSE on 5 January 2016.	**Sections 1 and 15.6**
57. When will Recall Shares cease trading on ASX? Provided the Scheme becomes Effective, Recall Shares are expected to be suspended from trading on ASX from the close of trading on the Effective Date (which is currently scheduled to be 17 December 2015).	**Section 15.8.7**

TOPIC	FURTHER INFORMATION
Treatment of Recall Performance Rights and Recall Retention Rights	
58. How will Recall Performance Rights and Recall Retention Rights be treated under the Scheme? Recall will take such action as necessary to ensure that any Recall Performance Rights and Recall Retention Rights which have not already vested, do vest and convert into Recall Shares prior to the Record Date.	**Section 15.17**
59. Will I be entitled to participate in the Scheme if I acquired my Recall Shares under the Recall Performance Share Plan? Recall Shares acquired under the Recall Performance Share Plan will participate in the Scheme on the same basis as all other Recall Shares, provided those Recall Shares were held as at the Record Date.	**Section 15.17**
Information on the Combined Group	
60. If the Scheme is implemented, what will the Combined Group look like? Information on the Combined Group is contained in Section 11, including details regarding the proposed Combined Group Board and senior management team.	**Section 11**
61. What will be the strategy of the Combined Group? Iron Mountain intends that its strategic plan as outlined in Section 10.5 will be applied to the Combined Group. It is expected that the Combined Group will have a broader geographical footprint and a larger real estate platform which will assist the Combined Group in meeting its strategic objectives.	**Sections 10.5 and 11.4.5**
62. Will the Scheme Consideration be adjusted for dividends? The terms of the Scheme will not be adjusted for any ordinary dividends that Recall or Iron Mountain pay between the date of this Booklet and implementation of the Scheme in an amount consistent with existing dividend policy.	**Section 15.3.7**
63. What is Iron Mountain's dividend policy? To maintain its qualification for taxation as a REIT following implementation of the Scheme, Iron Mountain (as the parent company of the Combined Group) must distribute to its stockholders an amount at least equal to 90% of its REIT taxable income (determined before the deduction for dividends paid and excluding any net capital gain). Following implementation of the Scheme, Iron Mountain (as the parent company of the Combined Group) expects to continue declaring regular cash quarterly distributions to holders of Iron Mountain Shares, the amount of which will be determined, and is subject to adjustment by, the Iron Mountain Board. In particular, following the implementation of the Scheme, Iron Mountain (as the parent company of the Combined Group) intends to maintain or increase its current ordinary dividend rate based on FY15 levels of US$1.90 per Iron Mountain Share; however, any final determination on dividend rates will be made by the Iron Mountain Board based on the performance of the Combined Group and other relevant factors, such as available cash, at the time of declaration. Iron Mountain expects that the earnings and cash flow accretion of the Combined Group, as well as increased REIT taxable income and the transformation initiative, will provide the opportunity for significant dividend growth.	**Sections 8.2.6, 10.6, 10.7 and 11.4.7**
64. When will I receive a dividend from the Combined Group? If you receive New Iron Mountain Securities, then you will be eligible to receive any dividend that Iron Mountain declares if you are a holder of Iron Mountain Securities on the relevant record date for that dividend. Typically, Iron Mountain has paid past dividends quarterly. However, declaration and payment of future quarterly dividends is at the discretion of the Iron Mountain Board.	**Section 11.4.7**

TOPIC	FURTHER INFORMATION
65. Will Recall pay any further dividends? Recall intends to pay between now and the implementation of the Scheme dividends in amounts consistent with its existing dividend policy. Under the terms of the Scheme Implementation Deed, Recall may declare and pay ordinary dividends in respect of each reporting period ending prior to the Implementation Date in amounts consistent with Recall's existing dividend policy and practice (which may include any pro rata ordinary dividend subsequent to the completion of a half year reporting period consistent with Recall's existing dividend policy). Subject to applicable law, the Recall Board intends to pay an ordinary dividend to Recall Shareholders for the half year period from 1 July 2015 to 31 December 2015, consistent with Recall's existing dividend policy.	**Section 9.2**
66. Will Iron Mountain dividends be franked? No.	**Section 12.3.19**
Taxation and other costs	
67. What are the taxation implications of the Scheme for me? A general summary of the main Australian, US and United Kingdom taxation implications of the Scheme for certain Recall Shareholders is set out in Section 13. You should seek your own independent professional taxation advice in respect of your individual circumstances, particularly if you are not covered by the general summary of the main Australian, US and United Kingdom taxation implications set out in Section 13.	**Sections 8.3.7 and 13**
68. Will I have to pay brokerage or stamp duty on the transfer of my Recall Shares upon the implementation of the Scheme? You will not be required to pay any brokerage or stamp duty in relation to your participation in the Scheme.	**Section 13.1.3**
69. Do I have to sign anything to transfer my Recall Shares? No. If the Scheme is approved, Recall will automatically have authority to sign a transfer on your behalf, and then the Scheme Consideration will be paid to you. However, you should be aware that under the Scheme, you are deemed to have warranted to Recall that (except as otherwise set out in the Scheme): • all of your Recall Shares are fully paid and not encumbered; and • you have full power and capacity to sell and transfer your Recall Shares. You should ensure that these warranties can be given by you before the Implementation Date.	**Section 15.8.8 and Appendix 4**
70. Do I need to make any payments to Iron Mountain to participate in the Scheme? No.	**N/A**
Further questions	
71. Who can I contact if I have further questions in relation to the Scheme? If you have any further questions, you should seek advice from independent and appropriately licensed financial, legal and taxation advisers. You may also call the Recall Shareholder Information Line on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday.	**Section 4**

B

Detailed Information About the Scheme

7 Scheme Consideration

7.1 STANDARD CONSIDERATION

7.1.1 Overview

If the Scheme is implemented, all Scheme Shareholders, other than those that make a Cash Election, will receive the Standard Consideration, comprising:

- US$0.50 [34] in cash; plus
- 0.1722 New Iron Mountain Securities, [35]

for each Scheme Share.

7.1.2 New Iron Mountain Securities

Scheme Shareholders (other than Ineligible Foreign Shareholders) may receive New Iron Mountain Securities as either New Iron Mountain Shares or New Iron Mountain CDIs. Further detail regarding the treatment of Ineligible Foreign Shareholders is set out in Section 7.4.

New Iron Mountain Shares will be fully paid common shares in the capital of Iron Mountain and will be listed and traded on NYSE in US dollars.

New Iron Mountain CDIs will be CDIs in respect of New Iron Mountain Shares. A CDI is an instrument through which shares of foreign companies such as Iron Mountain can be traded on ASX. Each New Iron Mountain CDI will represent a beneficial interest in one Iron Mountain Share and will have rights that are economically equivalent to the rights attaching to an Iron Mountain Share. New Iron Mountain CDIs will be quoted and traded on ASX in Australian dollars under the symbol INM.

For further details on New Iron Mountain Securities, see Section 15.3.

7.1.3 Form of the New Iron Mountain Securities

The form of any New Iron Mountain Securities that Scheme Shareholders receive will be determined by reference to the registered address of that Scheme Shareholder as shown in the Recall Share Register as at the Record Date.

Unless they request otherwise, a Scheme Shareholder with a registered address:

- in Australia, will receive any New Iron Mountain Securities to be issued as part of their Standard Consideration in the form of New Iron Mountain CDIs; and
- outside Australia, will receive any New Iron Mountain Securities to be issued as part of their Standard Consideration in the form of New Iron Mountain Shares.

For further detail on making a request to receive New Iron Mountain Securities other than in the form determined by reference to a Scheme Shareholder's registered address, see Section 15.4.

7.1.4 Implied value of the Standard Consideration

As at 20 October 2015, being the last practicable date prior to the date of this Booklet, the implied value of the Standard Consideration was A$8.14 per Scheme Share. That implied value comprises:

- A$0.69 – being the Australian dollar equivalent of US$0.50; [36] and
- A$7.45 – being the Australian dollar equivalent of the price of 0.1722 Iron Mountain Shares.[37]

It is important to understand that the Australian dollar value of both:

- the cash component of the Standard Consideration (i.e. US$0.50) will vary over time (due to it being determined based on the AUD/USD exchange rate); and
- the New Iron Mountain Securities component of the Standard Consideration will vary over time (due to changes in the prevailing Iron Mountain Share Price, as well as the AUD/USD exchange rate given that Iron Mountain Shares are traded on NYSE in US dollars).

Variations in the implied value of the Standard Consideration due to fluctuations in the price of Iron Mountain Shares and the AUD/USD exchange rate will continue until the Standard Consideration is provided on the Implementation Date. This may result in the implied value of the Scheme Consideration received on the Implementation Date being different to the implied value of the Scheme Consideration as at the date of this Booklet, the date of the Scheme Meeting and the Election Date.

Given this, Recall Shareholders should carefully consider the trading price of Iron Mountain Shares on NYSE prior to the Election Date, as well as the potential for that price to fall or rise before the New Iron Mountain Securities are issued on the Implementation Date, before deciding whether to vote in favour of the Scheme or whether to make a Cash Election.

Under the Scheme, the AUD/USD exchange rate used to determine the Australian dollar equivalent of the cash component of the Standard Consideration (i.e. US$0.50) on the Record Date will be the mid-point of the buy/sell price quoted in The Australian Financial Review.

A table setting out how future changes in the Iron Mountain Share Price and the AUD/USD exchange rate may impact the value of the Standard Consideration is set out below for illustrative purposes.

34 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

35 Ineligible Foreign Shareholders will not be entitled to receive any New Iron Mountain Shares and will instead receive cash under the Sale Facility for any New Iron Mountain Shares that they would otherwise have been entitled to receive.

36 Based on the AUD/USD exchange rate of 0.7261.

37 Based on the Iron Mountain Share Price of US$31.41 and the AUD/USD exchange rate of 0.7261.

Figure 1 – Impact of changes in Iron Mountain Share Price and the AUD/USD exchange rate on the implied value of the Standard Consideration (A$ per Recall Share)

	IRON MOUNTAIN SHARE PRICE (US$)				
AUD/USD EXCHANGE RATE	25.00	27.50	30.00	32.50	35.00
0.60	8.01	8.73	9.44	10.16	10.88
0.65	7.39	8.05	8.72	9.38	10.04
0.70	6.86	7.48	8.09	8.71	9.32
0.75	6.41	6.98	7.55	8.13	8.70
0.80	6.01	6.54	7.08	7.62	8.16

7.2 CASH ALTERNATIVE [38]

As an alternative to the Standard Consideration, you can make a Cash Election to receive the Cash Alternative of A$8.50 cash per Recall Share you hold on the Record Date. If you make a Cash Election, it will apply to all of your Recall Shares.

Under the terms of the Scheme Implementation Deed, the A$8.50 Cash Alternative comprises two components, being:

(i) the Australian dollar equivalent of US$0.50, based on the AUD/USD exchange rate as at the Record Date (***Cash Supplement Amount***); [39] and

(ii) A$8.50 minus the amount referred to in paragraph (i) above (***Cash Base Amount***).

The total Cash Pool that is available to satisfy all Cash Elections is capped at A$225 million. Note that only the Cash Base Amount, not the Cash Supplement Amount, is sourced from this Cash Pool.

If the Cash Pool is not sufficient to satisfy all Cash Elections, the Scale Back Mechanism will apply. Details on how the Scale Back Mechanism will work are set out in Section 7.3.1.

The total Cash Pool of A$225 million represents approximately 9% of the cash which would be required if all Recall Shareholders made Cash Elections. Accordingly, Scheme Shareholders may be subject to material scale back in respect of Scheme Shares that do not have preferential access to the Cash Pool.

Scheme Shareholders who wish to make a Cash Election must submit a validly completed Election Form. For further details, see Section 15.4.

7.3 SCALE BACK MECHANISM

7.3.1 Overview

If the Cash Pool is not sufficient to satisfy all Cash Elections, the Scale Back Mechanism will apply.

In summary, the Scale Back Mechanism operates as follows:

(i) as described in Section 7.2, the Cash Alternative comprises two components, being:

(A) the Cash Supplement Amount; [40] and

(B) the Cash Base Amount.

In determining whether the A$225 million Cash Pool has been exceeded, and therefore whether the Scale Back Mechanism operates, it is only the Cash Base Amount referred to in paragraph (i)(B) which is taken into account. In other words, the payment of the Cash Supplement Amount per Scheme Share is not sourced from the Cash Pool. Accordingly, it is only when the total number of Scheme Shares which are the subject of Cash Elections, multiplied by the Cash Base Amount, exceeds A$225 million, that it would be necessary to scale back the Cash Elections;

(ii) if the Scale Back Mechanism applies and you were a Recall Shareholder as at 11 June 2015, you will receive A$8.50 in cash per Scheme Share for each of the first 5,000 [41] Scheme Shares you held as at 11 June 2015 and continue to hold until the Record Date (referred to as ***Preferential Access Shares***); and

(iii) the amount of the A$225 million Cash Pool remaining after deducting the cash paid in respect of the Preferential Access Shares (the ***Remaining Cash Pool***) will be allocated on a proportional basis across all other Scheme Shares which are the subject of Cash Elections (referred to as ***Remaining Shares***).

38 The information set out in Sections 7.2 and 7.3 is presented for ease of understanding. The actual entitlements of Scheme Shareholders who make a Cash Election are determined by the provisions of the Scheme in Appendix 4. Scheme Shareholders should refer to clauses 4.4 and 4.5 of the Scheme for the exact basis for calculating entitlements to Scheme Consideration.

39 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

40 Australian dollar equivalent of US$0.50, based on the AUD/USD exchange rate on the Record Date.

41 Or such lower number if 5,000 Preferential Access Shares would cause the Cash Pool of A$225 million to be exceeded, including as a result of Recall exercising its discretion to allow Nominee Shareholders to make Cash Elections in respect of multiple underlying beneficial holdings. See Sections 7.3.4 and 15.2.5 for further details.

The percentage of Remaining Shares that can receive the Cash Alternative is calculated as follows:

$$\textit{\% of Remaining Shares that can receive the Cash Alternative} = \frac{\textit{Remaining Cash Pool}}{\textit{Total number of Remaining Shares x Cash Base Amount}}$$

If a Scheme Shareholder makes a Cash Election and the Scale Back Mechanism applies, Scheme Shareholders will therefore receive:

- if they were a Recall Shareholder as at 11 June 2015, A$8.50 in cash for each of their Preferential Access Shares; plus
- A$8.50 in cash for the percentage of Remaining Shares that can receive the Cash Alternative; plus
- the Standard Consideration for the balance of their Remaining Shares that did not receive A$8.50 in cash.[42]

7.3.2 Factors impacting the percentage of Remaining Shares that can receive the Cash Alternative

The percentage of Remaining Shares that can receive the Cash Alternative will be dependent on:

- the total number of Scheme Shares the subject of a Cash Election;
- the number of Scheme Shares the subject of a Cash Election that are classified as Preferential Access Shares; and
- the AUD/USD exchange rate as at the Record Date.

Based on the AUD/USD exchange rate of 0.7261 as at 20 October 2015, being the last practicable date prior to the date of this Booklet, a Cash Election may be made in respect of a total of 28.8 million Recall Shares (representing approximately 9% of the total number of Recall Shares) before the Scale Back Mechanism will apply.

The maximum possible number of Preferential Access Shares is approximately 28.2 million.[43] Accordingly, if all of the Recall Shares that are eligible to be classified as Preferential Access Shares are the subject of Cash Elections, only a very small proportion of the Remaining Shares will receive the Cash Alternative.

The table below sets out the percentage of Remaining Shares that can receive the Cash Alternative based on changes in the total number of Scheme Shares the subject of a Cash Election and the number of Scheme Shares the subject of a Cash Election that are classified as Preferential Access Shares. The table is based on an AUD/USD exchange rate of 0.7261.

Figure 2 – Percentage of Remaining Shares that can receive the Cash Alternative based on the number of Preferential Access Shares and the total number of Scheme Shares the subject of a Cash Election.

TOTAL NUMBER OF SCHEME SHARES THE SUBJECT OF A CASH ELECTION (MILLIONS)	NUMBER OF SCHEME SHARES THE SUBJECT OF A CASH ELECTION CLASSIFIED AS PREFERENTIAL ACCESS SHARES (MILLIONS)				
	5	10	15	20	25
25	Cash Alternative received for all Scheme Shares the subject of a Cash Election				
50	53%	47%	39%	29%	15%
100	25%	21%	16%	11%	5%
150	16%	13%	10%	7%	3%
200	12%	10%	7%	5%	2%
250	10%	8%	6%	4%	2%
300	8%	6%	5%	3%	1%

7.3.3 Illustrative example of the operation of the Scale Back Mechanism

The example below sets out the Scheme Consideration that would be received by a number of illustrative shareholders electing the Cash Alternative. The results are based on the illustrative assumptions as to the number of Scheme Shares the subject of a Cash Election and the AUD/USD exchange rate. Figures set out in the example have been presented on a rounded basis. The actual calculations are based on exact amounts. The entitlement of Scheme Shareholders referred to in the example set out below would depend on the effect of the provisions of the Scheme dealing with fractions and fractional entitlements.[44]

42 Ineligible Foreign Shareholders will not be entitled to receive any New Iron Mountain Shares and will instead receive cash under the Sale Facility for any New Iron Mountain Shares that they would otherwise have been entitled to receive.

43 This excludes the potential impact of Recall exercising its discretion to allow any Nominee Shareholders to make a Cash Election in respect of multiple underlying beneficial holdings. See Section 15.2.5 for further details.

44 Scheme Shareholders should use this example as a guide only and refer to clause 4.3 of the Scheme in Appendix 4 for the exact basis for calculating entitlements to Scheme Consideration.

Assuming:

- there are 100 million Scheme Shares the subject of a Cash Election;
- 10 million of the 100 million Scheme Shares the subject of a Cash Election are classified as Preferential Access Shares; and
- the AUD/USD exchange rate at the Record Date is 0.7261,[45]

then 20.893% of the Remaining Shares can receive the Cash Alternative. The calculations to determine this percentage are set out below:

	AMOUNT	CALCULATION
Cash Supplement Amount[46]	A$0.69	*US$0.50* / *0.7261(AUD/USD exchange rate at the Record Date)*
Cash Base Amount	A$7.81	*A$8.50* – *A$0.69 (US$0.50) (Cash Supplement Amount)*
Aggregate Cash Base Amounts payable for the Preferential Access Shares	A$78.1 million	*10 million (Preferential Access Shares)* x *A$7.81 (Cash Base Amount)*
Remaining Cash Pool	A$146.9 million	*A$225 million (Cash Pool)* – *A$78.1 million (Aggregate Cash Base Amounts payable for the Preferential Access Shares)*
Total number of Remaining Shares	90 million	*100 million (Scheme Shares the subject of a Cash Election)* – *10 million (Preferential Access Shares)*
Percentage of Remaining Shares that can receive the Cash Alternative	20.893%	*A$146.9 million (Remaining Cash Pool)* / *90 million (Remaining Shares) x A$7.81 (Cash Base Amount)*

Scenario 1: Alice, a Scheme Shareholder holding 5,000 Scheme Shares who was a Recall Shareholder as at 11 June 2015 and has made a Cash Election

As Alice was a Recall Shareholder as at 11 June 2015, her 5,000 Scheme Shares will all be classified as Preferential Access Shares.

Alice will receive the Cash Alternative of A$8.50 per share in respect of each of her 5,000 Preferential Access Shares, for total cash consideration of A$42,500.

Scenario 2: Bob, a Scheme Shareholder holding 10,000 Scheme Shares who was a Recall Shareholder as at 11 June 2015 and has made a Cash Election

As Bob was a Recall Shareholder as at 11 June 2015, his first 5,000 Scheme Shares will be classified as Preferential Access Shares, and his other 5,000 Scheme Shares will be classified as Remaining Shares.

Bob will receive:

- the Cash Alternative of A$8.50 per share in respect of his 5,000 Preferential Access Shares, for total cash consideration of A$42,500; plus
- the Cash Alternative of A$8.50 per share for the percentage of Remaining Shares that can receive the Cash Alternative (20.893% or 1,044.7), of his 5,000 Remaining Shares, for total cash consideration of A$8,879.71; plus
- the Standard Consideration of US$0.50[47] in cash, plus 0.1722 New Iron Mountain Securities for the balance (79.107% or 3,955.3) of his 5,000 Remaining Shares, for total consideration of A$2,723.68 cash and 681 New Iron Mountain Securities.

In total, Bob will receive A$54,103.39 cash consideration and 681 New Iron Mountain Securities.

Scenario 3: Chris, a Scheme Shareholder holding 10,000 Scheme Shares who became a Recall Shareholder after 11 June 2015 and has made a Cash Election

As Chris was not a Recall Shareholder as at 11 June 2015, all of his 10,000 Scheme Shares will be classified as Remaining Shares.

Chris will receive:

- the Cash Alternative of A$8.50 per share for the percentage of Remaining Shares that can receive the Cash Alternative (20.893% or 2,089.3), of his 10,000 Remaining Shares, for total cash consideration of A$17,759.42; plus
- the Standard Consideration of US$0.50[48] in cash, plus 0.1722 New Iron Mountain Securities for the balance (79.107% or 7,910.7) of his 10,000 Remaining Shares, for total consideration of A$5,447.36 cash and 1,362 New Iron Mountain Securities.

In total, Chris will receive A$23,206.78 cash consideration and 1,362 New Iron Mountain Securities.

45 See Section 7.3.4 for further details.

46 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

47 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

Scenario 4: Debbie, a Scheme Shareholder holding 10,000 Scheme Shares who wants to receive the Standard Consideration

As Debbie wants to receive the Standard Consideration, the Scale Back Mechanism will not apply to her Scheme Consideration.

Debbie will receive the Standard Consideration of US$0.50[49] cash, plus 0.1722 New Iron Mountain Securities in respect of each of her 10,000 Scheme Shares.

In total, Debbie will receive A$6,886.10 cash, plus 1,722 New Iron Mountain Securities.

7.3.4 Nominee shareholders holding on behalf of underlying beneficial owners

A Nominee Shareholder who holds a parcel of Recall Shares on behalf of an underlying beneficial owner of the shares may be able to make a separate Cash Election in respect of that parcel. See Section 15.2.5 for further information regarding how to make such Cash Elections and the evidence required by the Recall Registry.

Nominee Shareholders who wish to make such separate Cash Elections should note that Recall has discretion as whether or not to accept those separate Cash Elections, and whether or not to allow those Nominee Shareholders preferential access for the first 5,000 Scheme Shares in relation to the underlying beneficial holdings.

For further details regarding how Recall intends to exercise the discretion, see Section 15.2.5.

7.4 INELIGIBLE FOREIGN SHAREHOLDERS

A Scheme Shareholder will be an Ineligible Foreign Shareholder for the purposes of the Scheme if their address as shown in the Recall Share Register at 5.00pm on the Record Date is a place which Iron Mountain reasonably determines it is unlawful or unduly onerous to issue that Scheme Shareholder with New Iron Mountain Securities when the Scheme becomes Effective.

A Scheme Shareholder with an address as shown in the Recall Share Register at 5.00pm on the Record Date within Australia and its external territories, New Zealand, Hong Kong, Singapore, Canada or the US will not be classified as an Ineligible Foreign Shareholder. A Scheme Shareholder whose address shown in the Recall Share Register is within the United Kingdom will not be classified as an Ineligible Foreign Shareholder provided that such Scheme Shareholder certifies to the reasonable satisfaction of Iron Mountain that it is a UK Qualified Investor. Any Scheme Shareholder whose address shown in the Recall Share Register is within the United Kingdom that does not certify that it is a UK Qualified Investor to the reasonable satisfaction of Iron Mountain will be considered an Ineligible Foreign Shareholder.

If you consider that you are a UK Qualified Investor, please contact the Recall Registry on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia) to obtain further information about the certification process. To satisfy Iron Mountain that you are a UK Qualified Investor, you will need to complete and return a signed certificate to the Recall Registry prior to 5.00pm of the Record Date. A copy of the certificate can be obtained from the Recall Registry.

If you are an Ineligible Foreign Shareholder and the Scheme is implemented, you will not be issued New Iron Mountain Securities under the Scheme. Instead, New Iron Mountain Shares that would otherwise be issued to you in respect of each Scheme Share will instead be issued to the Sale Agent on the Implementation Date. The Sale Agent will then sell all New Iron Mountain Shares issued to the Sale Agent (i.e. those New Iron Mountain Shares that would otherwise be issued to all Ineligible Foreign Shareholders) on NYSE. The Sale Agent will then remit the net sale proceeds to Iron Mountain. Iron Mountain will then pay you your pro rata proportion of the net proceeds (in cash) within 25 Business Days after the Implementation Date. Accordingly:

(a) if you do not make a Cash Election (i.e. you wish to receive the Standard Consideration):

  (i) on the Implementation Date, you will receive US$0.50[50] in cash per Scheme Share; and

  (ii) your share of the net proceeds of sale of the New Iron Mountain Shares issued to the Sale Agent, as described above; or

(b) if you make a Cash Election by submitting the Election Form:

  (i) on the Implementation Date, you will receive A$8.50 in cash per Scheme Share, subject to the Scale Back Mechanism; and

  (ii) to the extent the Scale Back Mechanism applies, you will receive the Standard Consideration for the remainder of your Scheme Shares and the steps outlined above in paragraphs (a)(i) and (a)(ii) will apply.

See Section 15.5 for further details on the Sale Facility and how the net proceeds will be distributed to Ineligible Foreign Shareholders.

48 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.
49 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.
50 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

8 Recall Directors' Recommendation and Matters Relevant to Your Vote

8.1 WHAT IS THE RECALL DIRECTORS' RECOMMENDATION?

The Recall Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.

Each Recall Director intends to vote all of the Recall Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal.

The Recall Directors further believe that the reasons for Recall Shareholders to vote in favour of the Scheme outweigh the reasons to vote against them, in the absence of a Superior Proposal. These reasons and other relevant considerations are set out in this Section 8.

8.2 REASONS TO VOTE IN FAVOUR OF THE SCHEME

8.2.1 The Recall Directors believe that the Scheme delivers immediate value to Recall Shareholders for their shares including some of the longer term potential from expected synergies in the Combined Group

The Recall Directors have concluded that a combination of Recall and Iron Mountain makes strong commercial sense and the Scheme represents attractive value for Recall Shareholders.

The Recall Directors believe the Scheme will enable Recall Shareholders to realise immediate value for their shares including some of the longer term potential from expected synergies in the Combined Group. In addition, those Recall Shareholders who choose to remain as Iron Mountain stockholders retain the opportunity for additional value over time to the extent that further benefits are realised.

8.2.2 The Independent Expert has concluded that the Scheme is in the best interests of Recall Shareholders, in the absence of a Superior Proposal

The Recall Board appointed KPMG Corporate Finance as Independent Expert to undertake an independent assessment of the Scheme, prepare an Independent Expert's Report and provide an opinion as to whether the Scheme is in the best interests of Recall Shareholders.

The Independent Expert has assessed the standalone value of Recall on a control basis to be in the range of A$7.51 to A$8.37 per Recall Share.[51] This compares to the value of the Standard Consideration, which was assessed by the Independent Expert to be in the range of A$7.53 to A$8.71 per Recall Share, and the Cash Alternative of A$8.50 cash per Recall Share (noting that the Cash Alternative is subject to the Scale Back Mechanism). The Independent Expert's valuation of the Standard Consideration was based on a value range for Iron Mountain Shares of US$29.00 to US$34.00 (on a minority interest basis) and an AUD/USD exchange rate of 0.73.

As the value attributed to both the Standard Consideration and the Cash Alternative either falls within or exceeds the assessed standalone value range for a Recall Share, the Independent Expert has determined the Scheme to be fair. As the Scheme is fair, it is also reasonable, and therefore in the best interests of Recall Shareholders. The Independent Expert has also concluded that the Scheme is reasonable in isolation of the fairness opinion.

A full copy of the Independent Expert's Report is included in Appendix 1. You should carefully read the Independent Expert's Report in its entirety before making a decision on how to vote on the Scheme.

8.2.3 The implied value of the Scheme Consideration is at a significant premium to the trading prices of Recall Shares on ASX prior to rumours of a potential transaction

If the Scheme is implemented, you will receive Standard Consideration for each Scheme Share. As at 20 October 2015, being the last practicable date prior to the date of this Booklet, the implied value of the Standard Consideration was A$8.14 per Recall Share.[52]

As an alternative to the Standard Consideration, you can make a Cash Election to receive the Cash Alternative of A$8.50 cash per Recall Share you hold on the Record Date (which may be subject to the Scale Back Mechanism).

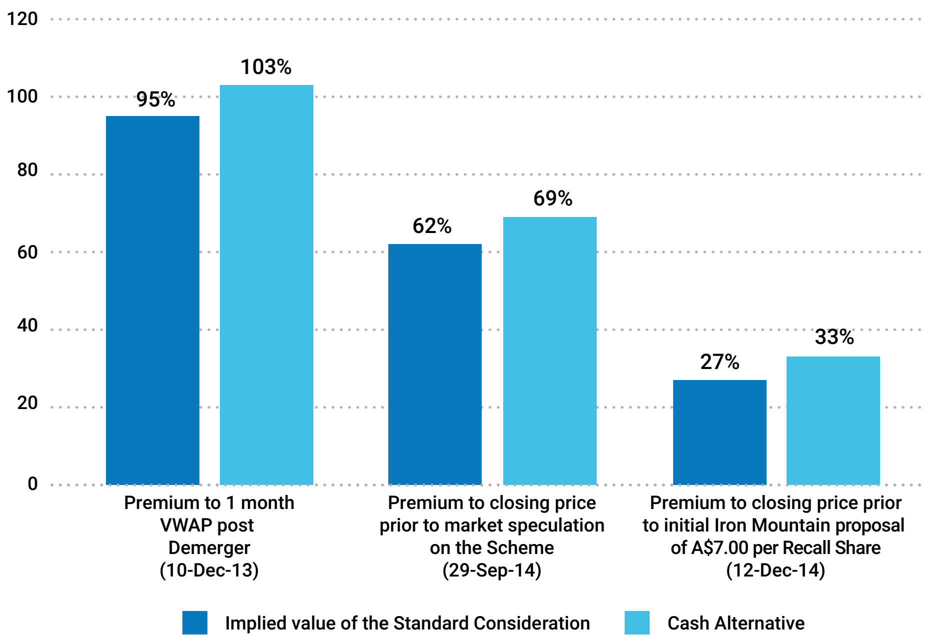
The implied value of the Standard Consideration as at 20 October 2015, being the last practicable date prior to the date of this Booklet and the value of the Cash Alternative both represent a significant premium to the undisturbed trading prices of Recall Shares on ASX at various times prior to rumours of a potential transaction, including:

- the closing price of Recall Shares of A$5.02 on 29 September 2014, being the day before public market speculation began about a transaction;
- the closing price of Recall Shares of A$6.40 on 12 December 2014, being last day prior to the announcement of the rejection of Iron Mountain's A$7.00 per Recall Share proposal; and
- the one month VWAP of Recall Shares of A$4.18 from 10 December 2013, being the first month of trading following the Demerger.

51 Based on an AUD/USD exchange rate of 0.73.

52 Based on the Iron Mountain Share Price of US$31.41 and the AUD/USD exchange rate of 0.7261.

Figure 3 – Premium of the implied value of the Standard Consideration and the Cash Alternative compared to historical Recall Share Prices



8.2.4 The Scheme will create a leading global provider of document storage and information management services

If the Scheme is implemented, Recall Shareholders that receive New Iron Mountain Securities will have the opportunity to retain ongoing exposure to the Combined Group, which is expected to have a number of highly attractive investment characteristics, including:

- strong positions within the information management industry with a broad range of services;
- storage rental revenue growth with high returns;
- a recurring and predictable earnings stream;
- a highly diversified customer base and trusted brand; and
- attractive margins and cash flow generation.

The combination of Recall and Iron Mountain is expected to have significant additional operational benefits which further enhance the attractiveness of the Combined Group, including:

- substantially increased scale and diversification;
- increased global footprint and geographic reach;
- better ability to serve customers;
- enhanced cash flows and financial strength from which to pursue growth opportunities; and
- increased ability to penetrate the global unvended market.

(i) Increased scale and diversification

Through the combination of Iron Mountain and Recall, the Combined Group is expected to be a leading global provider of storage and information management solutions.

The Combined Group is expected to:

- have a pro forma market capitalisation of approximately US$8.2 billion; [53]
- earn US$4 billion in annual revenue; [54]
- serve over 200,000 customer accounts;
- employ over 25,700 people throughout the world;
- operate over 1,300 facilities globally in 42 countries across five continents; and
- have an expansive global enterprise storage real estate portfolio of over 80 million square feet.

53 Based on the Iron Mountain Share Price of US$31.41 and the AUD/USD exchange rate of 0.7261 as at 20 October 2015, being the last practicable date before the date of this Booklet and assumes 261.3 million Iron Mountain Shares on issue immediately following implementation of the Scheme (assuming 100% take up of Cash Alternative). The actual number of Iron Mountain Shares to be issued under the Scheme may vary due to the take up of the Cash Alternative, the AUD/USD exchange rate and any elimination of fractional share entitlements.

54 Based on the Pro Forma Historical Income Statement for the Combined Group for the 12 months ended 31 December 2014, as prepared in Section 11.9.4.

(ii) Increased global footprint and geographic reach

The Combined Group is expected to operate a truly global business and will create a strong platform to pursue growth opportunities. The Combined Group is expected to operate in 42 countries across North America, Europe, Latin America, and the Asia Pacific region.

Figure 4 – Combined Group's global footprint

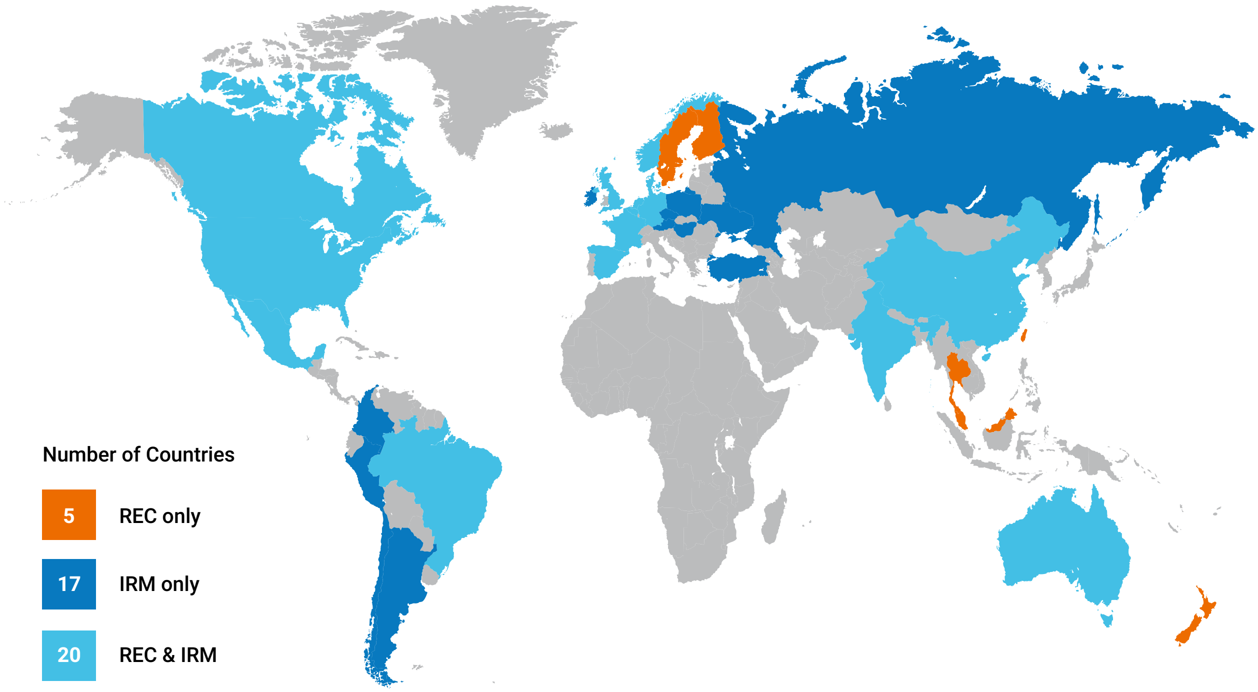
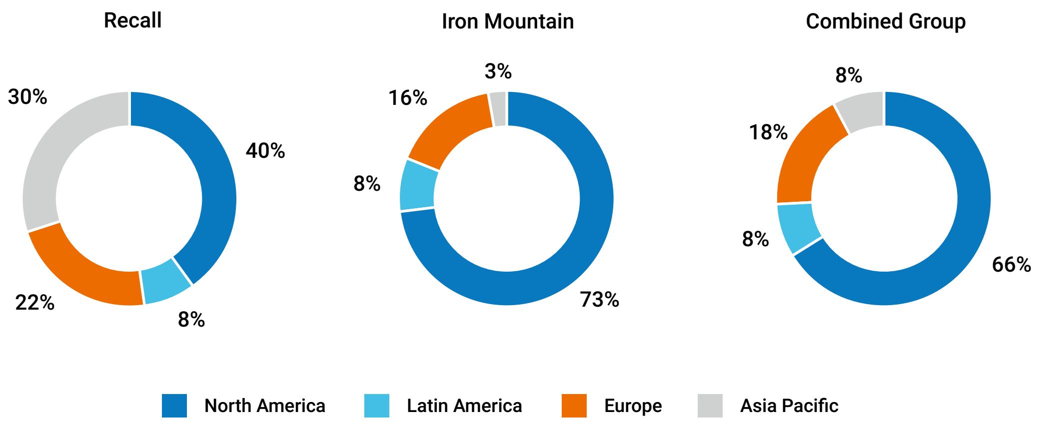


Figure 5 – Revenue by geography for the six months ended 30 June 2015



The Combined Group's global operations are expected to be enhanced by the combination of Recall and Iron Mountain's existing operations, given Recall and Iron Mountain's complementary market positions across markets in which they operate.

In the US, Recall has a strong presence with SMEs, while Iron Mountain primarily serves large enterprise customers. Recall also has a leading position in Australia and parts of Europe.

In emerging markets, Recall overlaps Iron Mountain's footprint in Latin America, while Recall has a stronger emerging platform in South East Asia versus Iron Mountain's large market presence in Eastern Europe.

(iii) Better ability to serve customers

The Combined Group is expected to have greater ability to help customers reduce the overall cost of records management. Customers are also expected to benefit through operational efficiencies, value-added services and new innovative products, providing opportunity to more effectively serve both large enterprise customers or SMEs.

(iv) Enhanced cash flows and financial strength from which to pursue growth opportunities

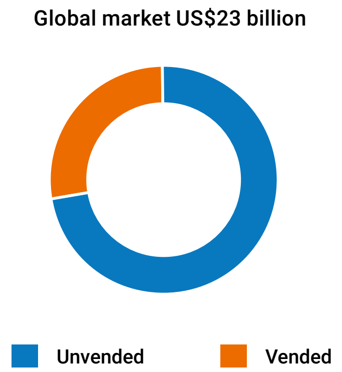
The cash flows of the Combined Group are expected to be significantly enhanced, including as a result of realising substantial synergies (for further details on synergies, see Section 11.2).

This enhanced cash flow is expected to support long-term dividend growth, provide an opportunity for the Combined Group to further deleverage and assist in the funding of additional accretive discretionary investments.

(v) Increased ability to penetrate the global unvended market

Recall and Iron Mountain estimate the total size of their addressable global market to be approximately US$23 billion, of which a significant proportion remains unvended, or not currently served by any information management service providers. The complementary presence and brands of Recall and Iron Mountain will support penetration of this large unvended opportunity.

Figure 6 – Global unvended opportunity



8.2.5 The Scheme is expected to generate significant synergies and accretion for the Combined Group

The Scheme is expected to create significant value for shareholders of both Recall and Iron Mountain through the realisation of material cost savings. Based on analysis undertaken by it to date, Iron Mountain estimates annual net synergies as a result of the Scheme at US$155 million when fully achieved; approximately 5% of the Combined Group's pro forma 2015 operating expenses. Iron Mountain is considering further opportunities to achieve synergies exceeding 6% of operating expenses identified through additional due diligence and a detailed integration analysis.

For further details regarding Iron Mountain's estimated synergies and the estimated costs to achieve those synergies, see Sections 11.2.1 and 11.2.2.

The Scheme is also expected to generate significant earnings accretion for Iron Mountain's stockholders. Iron Mountain has estimated that, excluding the impact of estimated non cash purchase accounting adjustments and one-off costs to achieve the synergies, the Scheme would be 20% accretive to EPS in 2017, 25% in 2018 and 26% when the US$155 million per annum of expected net synergies are fully realised.

Sensitivity analysis indicates a US$10 million change in achieved synergies would result in a directionally similar 2.0%-2.5% change in EPS accretion.

Iron Mountain also expects the Scheme to be accretive to Normalised FFO and AFFO, which are key metrics for REIT investors.

For further details regarding Iron Mountain's estimates of earnings accretion, including assumptions, see Section 11.2.3.

8.2.6 Recall Shareholders are expected to benefit from Iron Mountain's attractive dividend profile, supported by its REIT structure

Iron Mountain converted to a REIT effective as of 1 January 2014. As described in more detail in Section 11.4.7, Iron Mountain must distribute at least 90% of its REIT taxable income to maintain its REIT status. Iron Mountain intends to integrate a portion of Recall into its REIT structure.

In particular, Iron Mountain has stated that, following implementation of the Scheme, it intends to maintain or increase its current ordinary dividend rate based on FY15 levels of US$1.90 per Iron Mountain Share; however, any final determination on dividend rates will be made by the Iron Mountain Board based on the performance of the Combined Group and other relevant factors, such as available cash, at the time of declaration.

8.2.7 The Scheme provides flexibility to make a Cash Election (subject to the Scale Back Mechanism)

For the reasons described above, the Recall Directors believe that the Scheme offers Recall Shareholders the opportunity to share in the significant potential benefits expected from the combination of the businesses of Recall and Iron Mountain, including the realisation of substantial synergies. However, the Cash Alternative provides flexibility for those Recall Shareholders that would prefer to exchange their Recall Shares for cash upon closing of the transaction (subject to the operation of the Scale Back Mechanism).

Each Scheme Shareholder who was a Recall Shareholder as at 11 June 2015 will receive preferential access to the A$225 million Cash Pool so that they will receive the Cash Alternative of A$8.50 in cash for each of the first 5,000 Recall Shares they held as at 11 June 2015 and continue to hold until the Record Date.[55] At 11 June 2015, 98% of Recall Shareholders held 5,000 Recall Shares or less and would have been able to receive the Cash Alternative for all of their Recall Shares.[56]

Further information in relation to the Cash Alternative and the operation of the Scale Back Mechanism is set out in Sections 7.2 and 7.3.

8.2.8 If the Scheme does not proceed, the Recall Share Price may fall

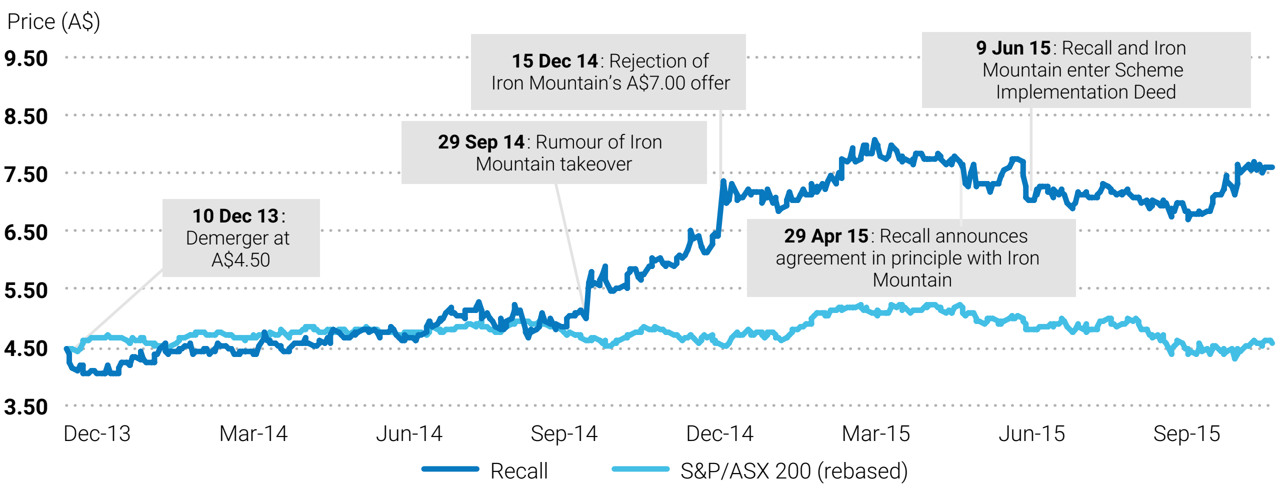
The Recall Share Price has risen substantially since 29 September 2014, being the day before public market speculation began about a potential transaction. As at 20 October 2015, being the last practicable date prior to the date of this Booklet, the Recall Share Price had increased from A$5.02 per share on 29 September 2014 to A$7.60 per share, which represents an increase of approximately 51%.

As there are many factors which affect the price of Recall Shares, the Recall Directors are unable to predict the price at which Recall Shares will trade in the future. However, the Recall Directors consider that, in the absence of the Scheme and, in the absence of a Superior Proposal, or speculation regarding a Competing Proposal for Recall, the price of Recall Shares may fall below the current market price.

In the event that the Scheme is unsuccessful, Recall will continue to execute its business strategy, including its facility optimisation program, information technology improvement plan, overhead leverage and inorganic acquisitions to grow earnings and deliver value to Recall Shareholders. Recall's business strategy is outlined in further detail in Section 9.1.4.

The chart below shows the Recall Share Price since the Demerger on 10 December 2013 in comparison to the performance of the S&P/ASX 200.

Figure 7 – Recall Share Price and S&P/ASX 200 performance since Demerger on 10 December 2013



Source: IRESS data as at 20 October 2015. Rebased to Recall Share Price.

8.2.9 Recall Shareholders resident in Australia for tax purposes may be eligible for CGT roll-over relief in respect of New Iron Mountain Securities received

Australian tax resident Recall Shareholders who receive New Iron Mountain Securities as part of their Scheme Consideration and who would otherwise make a capital gain on the disposal of their Recall Shares under the Scheme, should generally be eligible to obtain CGT roll-over relief in respect of those New Iron Mountain Securities. CGT roll-over relief will enable you to defer any CGT liability you would otherwise incur on the disposal of your Recall Shares under the Scheme until the time you dispose of the New Iron Mountain Securities you receive under the Scheme. Recall has requested a class ruling from the ATO to confirm this treatment and eligibility. The ATO's response is expected to be received before the Scheme Meeting and Recall will make an announcement on ASX and on Recall's website when the class ruling has been issued (which may be after the Implementation Date).

55 Or such lower number if 5,000 Preferential Access Shares would cause the Cash Pool of A$225 million to be exceeded, including as a result of Recall exercising its discretion to allow Nominee Shareholders to make Cash Elections in respect of multiple underlying beneficial holdings. See Sections 7.3.4 and 15.2.5 for further details.

56 This excludes the potential impact of Recall exercising its discretion to allow any Nominee Shareholders to make a Cash Election in respect of multiple underlying beneficial holdings. See Section 15.2.5 for further details.

A general guide to the Australian, US and United Kingdom tax implications of the Scheme for Scheme Shareholders is set out in Section 13. This guide is expressed in general terms and you should seek your own independent professional advice regarding tax consequences applicable to your own circumstances.

8.3 REASONS WHY YOU MAY NOT WANT TO VOTE IN FAVOUR OF THE SCHEME

8.3.1 You may disagree with the Recall Directors' recommendation and the Independent Expert's conclusion and prefer Recall to continue to operate as a standalone entity

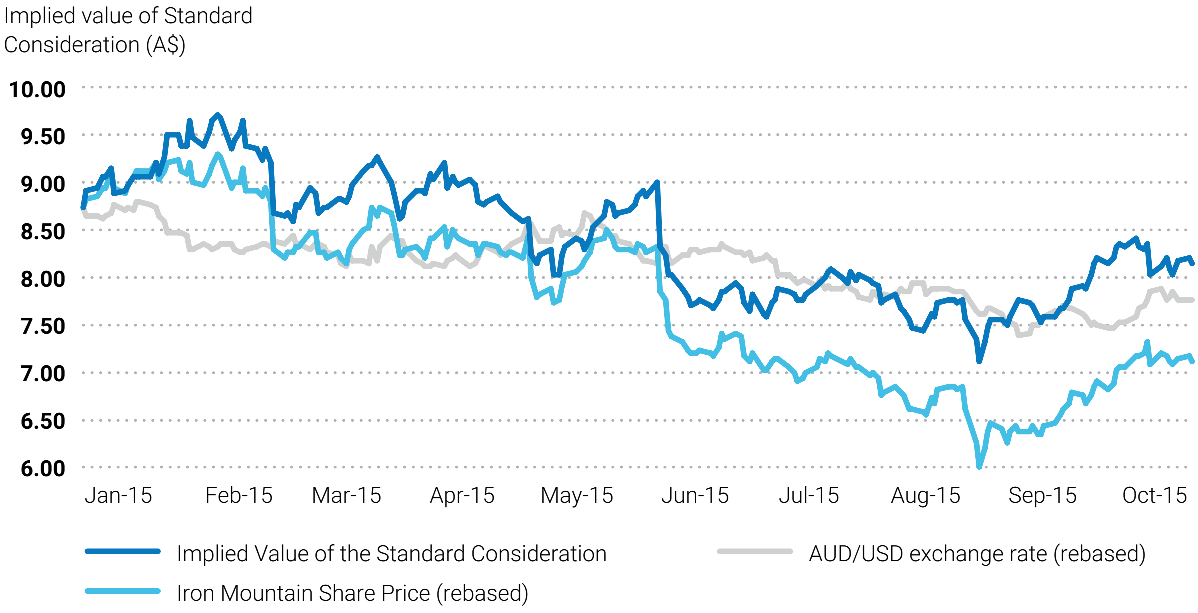
Notwithstanding the unanimous recommendation of the Recall Directors and the favourable conclusion of the Independent Expert (as referred to in Section 8.2), you may believe that the Scheme is not in your best interests.

8.3.2 The value of the New Iron Mountain Securities which form part of the Standard Consideration is not certain

As at 20 October 2015, being the last practicable date prior to the date of this Booklet, the implied value of the Standard Consideration was A$8.14 per Recall Share.[57] However, the implied value of the Standard Consideration will vary over time depending on the prevailing Iron Mountain Share Price and the AUD/USD exchange rate. As a result of changes in these factors, the implied value of the Standard Consideration is likely to change, including between the date of this Booklet, the date of the Scheme Meeting, the Election Date and the Implementation Date (being the date on which the Standard Consideration is received).

The figures below summarise the implied value of the Standard Consideration based on movements in the Iron Mountain Share Price and the AUD/USD exchange.

Figure 8 – Movements in the implied value of the Standard Consideration, the Iron Mountain Share Price and the AUD/USD exchange rate from 1 January 2015 to the date of this Booklet



Source: IRESS data as at 20 October 2015. Rebased to the Implied Value of the Standard Consideration.

57 Based on the Iron Mountain Share Price of US$31.41 and the AUD/USD exchange rate of 0.7261.

Figure 9 – Impact of changes in Iron Mountain Share Price and the AUD/USD exchange rate on the implied value of the Standard Consideration (A$ per Recall Share)

AUD/USD	IRON MOUNTAIN SHARE PRICE (US$)				
EXCHANGE RATE	25.00	27.50	30.00	32.50	35.00
0.60	8.01	8.73	9.44	10.16	10.88
0.65	7.39	8.05	8.72	9.38	10.04
0.70	6.86	7.48	8.09	8.71	9.32
0.75	6.41	6.98	7.55	8.13	8.70
0.80	6.01	6.54	7.08	7.62	8.16

8.3.3 If you make a Cash Election, the amount of cash that you receive may be subject to the Scale Back Mechanism

The total Cash Pool available to satisfy Cash Elections is capped at A$225 million.[58] If the Cash Pool is not sufficient to satisfy all Cash Elections, the Scale Back Mechanism will apply.[59]

If the Scale Back Mechanism applies, you were a Recall Shareholder on 11 June 2015 and you continued to hold your shares until the Record Date, you will receive preferential access to the Cash Pool for the first 5,000 of your shares.[60]

In addition, you will receive A$8.50 in cash per Scheme Share for that proportion of your Scheme Shares that is able to be satisfied out of the Cash Pool, plus the Standard Consideration for that remaining proportion of your Scheme Shares that is not.[61]

The total Cash Pool of A$225 million represents approximately 9% of the cash which would be required if all Recall Shareholders made Cash Elections. Accordingly, Scheme Shareholders may be subject to material scale back in respect of Scheme Shares that do not have preferential access to the Cash Pool.

Further, given that Scheme Shareholders who are subject to scale back will receive the Standard Consideration for that remaining proportion of their Scheme Shares that is not able to be satisfied out of the Cash Pool, the number of New Iron Mountain Securities that they will be issued as part of the Standard Consideration may be small. In these circumstances, where a Scheme Shareholder is issued with New Iron Mountain CDIs, the number of New Iron Mountain CDIs may not be a 'marketable parcel' under the ASX Listing Rules.[62] Scheme Shareholders who receive less than a 'marketable parcel' under the applicable listing rules may find it more difficult or expensive to dispose of those New Iron Mountain CDIs relative to a larger parcel of New Iron Mountain CDIs.

The extent to which the Scale Back Mechanism will apply to an individual Scheme Shareholder will depend on a number of factors including:

- the total number of Cash Elections;
- the number of Cash Elections that qualify as Preferential Access Shares;
- the AUD/USD exchange rate as at the Record Date;
- the number of shares held by that Scheme Shareholder; and
- whether that Scheme Shareholder was a Recall Shareholder as at 11 June 2015, and whether that shareholder continues to hold those shares until the Record Date.

For further detail regarding the Scale Back Mechanism, see Section 7.3.1. An illustrative example of the operation of the Scale Back Mechanism and its impact on different shareholders is set out in Section 7.3.3.

8.3.4 There are a number of material risks associated with implementing the Scheme and with a shareholding in the Combined Group

There are a number of material risks associated with implementing the Scheme and with a shareholding in the Combined Group. These are set out in Section 12, which you should consider in detail, but include:

- the inability to achieve the expected synergies either in quantum, within the expected time period or at the expected cost. Any failure to achieve the expected synergies, and any increase in the expected cost to achieve those synergies, may impact, potentially materially, the future financial performance and position of the Combined Group and the price of New Iron Mountain Securities;

58 The Cash Alternative of A$8.50 per Scheme Share includes the Cash Supplement Amount (being US$0.50 in cash to be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date), plus the Cash Base Amount. The payment of the Cash Supplement Amount per Scheme Share is not sourced from the A$225 million Cash Pool.

59 The total Cash Pool of A$225 million represents approximately 9% of the cash which would be required if all Recall Shareholders made Cash Elections. Accordingly, Scheme Shareholders may be subject to material scale back in respect of Scheme Shares that do not have preferential access to the Cash Pool. Ineligible Foreign Shareholders will not be entitled to receive any New Iron Mountain Shares and will instead receive cash under the Sale Facility for any New Iron Mountain Shares that they would otherwise have been entitled to receive.

60 Or such lower number if 5,000 Preferential Access Shares would cause the Cash Pool of A$225 million to be exceeded, including as a result of Recall exercising its discretion to allow Nominee Shareholders to make Cash Elections in respect of multiple underlying beneficial holdings. See Sections 7.3.4 and 15.2.5 for further details.

61 Ineligible Foreign Shareholders will not be entitled to receive any New Iron Mountain Shares and will instead receive cash under the Sale Facility for any New Iron Mountain Shares that they would otherwise have been entitled to receive.

62 In relation to a parcel of New Iron Mountain CDIs, a marketable parcel is a parcel with a value of not less than A$500 based on the closing price of Iron Mountain CDIs on ASX. There is no equivalent rule under the NYSE listing rules.

- the potential loss of customers through either trigger mechanisms in existing contracts or competitor activity;
- the implementation of the Scheme will trigger review events under Recall's major debt facilities (see Sections 11.7 and 12.2.7). The impact of these review events is at this stage unknown, but may include an increase in the cost of debt or the need to alter the expected refinancing timetable; and
- the increased complexity, compliance obligations and reduced flexibility under Iron Mountain's REIT status.

8.3.5 There are risks associated with a shareholding in the Combined Group that are different from those associated with your shareholding in Recall

In holding New Iron Mountain Securities, you will be exposed to risk factors relating to Iron Mountain and the Combined Group. In some cases, those risks are different from or additional to those related to Recall and you may prefer the risks and the investment profile of the Recall business as an standalone entity.

While the operations of Iron Mountain and Recall are similar in a number of ways, the operational profile, capital structure and size of the Combined Group will be different from that of Recall on a standalone basis.

There are also differences between the rights attaching to Iron Mountain Securities compared to the rights attaching to Recall Shares.

Further details on the risks associated with a shareholding in the Combined Group are set out in Section 12.

8.3.6 You may consider that there is a possibility that a Superior Proposal could emerge in relation to Recall in the foreseeable future

You may consider that there is a possibility that a Superior Proposal could emerge in the foreseeable future. While there is no evidence available to suggest a third party may make a Superior Proposal, it remains possible that such a Superior Proposal may emerge.

The Recall Directors believe that the possibility of a Superior Proposal emerging is low for the following reasons:

- substantial time has elapsed since the emergence of public market speculation about a potential transaction on 30 September 2014. Since that time, and up to the date of this Booklet, no Superior Proposal has been received; and
- the potential synergies between Recall and Iron Mountain are expected to be significant. The Recall Directors believe it unlikely that a third party would have the ability to make a Competing Proposal to Recall at a level that could be considered a Superior Proposal.

However, if a Competing Proposal is received prior to the Scheme Meeting, this will be considered by the Recall Directors in accordance with their fiduciary duties, and the provisions in the Scheme Implementation Deed. Depending on the circumstances, if Recall terminates the Scheme because it determines that the Competing Proposal constitutes a Superior Proposal and should be accepted, Recall may be required to pay the Break Fee to Iron Mountain.

The Recall Directors will keep you informed if a Superior Proposal emerges before the Scheme Meeting and will make an announcement on the ASX announcements webpage and on Recall's website consistent with continuous disclosure obligations.

8.3.7 The tax consequences of the Scheme may not be suitable to your financial position

Implementation of the Scheme may result in taxation consequences, potentially including taxable capital gains which will arise earlier than may otherwise have been the case. For example, the exchange of Recall Shares for either the Standard Consideration or the Cash Alternative will be treated as a fully taxable disposition of such Recall Shares by US Holders and no tax roll-over relief will be available to defer any resulting taxable gain.

A general guide to the Australian, US and United Kingdom tax implications of the Scheme for Scheme Shareholders is set out in Section 13. This guide is expressed in general terms and you should seek your own independent professional advice regarding tax consequences applicable to your own circumstances.

8.4 ADDITIONAL CONSIDERATIONS

8.4.1 You may sell your Recall Shares on ASX at any time prior to suspension of Recall Shares from trading

You should take into account that you may offer to sell your Recall Shares on ASX at any time prior to the Effective Date if you do not wish to hold them and participate in the Scheme. However, you should note that you may not receive consideration equivalent to the implied value of the Scheme Consideration, and brokerage expenses on sale may be incurred. You should seek your own independent professional advice to determine if your individual financial or taxation circumstances may make it preferable for you to do so.

8.4.2 The Scheme may be implemented even if you do not vote at the Scheme Meeting or you vote against the Scheme

Regardless of whether you vote for or against the Scheme, abstain or do not vote at all, the Scheme may still be implemented if it is approved by the requisite majorities of Recall Shareholders and the Court and the other Conditions Precedent are satisfied or waived (if applicable). If this occurs, your Recall Shares will be transferred to Iron Mountain and you will receive the Scheme Consideration.
If you do not submit an Election Form, you will receive your Scheme Consideration as Standard Consideration.

8.4.3 Implications if the Scheme is not approved

If the Scheme is not approved by the requisite majorities of Recall Shareholders at the Scheme Meeting, or by the Court at the Second Court Hearing, or the other Conditions Precedent are not satisfied or waived (if applicable):

- you will not receive the Scheme Consideration;
- your Recall Shares will not be transferred to Iron Mountain Sub (they will be retained by you);
- Recall will continue to operate as a standalone entity;
- you will continue to be exposed to the benefits and risks associated with an investment in Recall;
- Recall will continue to implement its business plan; and
- in the absence of a Superior Proposal or speculation regarding a Competing Proposal, the Recall Share Price may fall.

Recall is expected to have incurred one-off transaction costs of approximately US$24 million, which will be payable by Recall regardless of whether the Scheme is implemented or not. These costs are expected to comprise adviser, legal, accounting and expert fees, employee payments and various other costs. These costs exclude success-based fees and other costs which are contingent upon the successful implementation of the Scheme.

8.4.4 Break Fee and Iron Mountain Antitrust Approval Reimbursement Fee

If the Scheme is not implemented, the parties will incur significant costs, including significant opportunity costs. To reflect this, a Break Fee may be payable by Recall to Iron Mountain or by Iron Mountain to Recall in certain circumstances.

The Break Fee of A$25.5 million is an amount to compensate either Iron Mountain or Recall for any advisory costs, costs of management and directors' time, out of pocket expenses and reasonable opportunity costs incurred in pursuing the Scheme. For further information regarding the Break Fee, including the circumstances in which Recall or Iron Mountain must pay the Break Fee, see Section 15.13.7.

If the Scheme Implementation Deed is terminated because of the failure to obtain any Competition Approvals, Iron Mountain must pay the Iron Mountain Antitrust Approval Reimbursement Fee of A$76.5 million to Recall.

For further information regarding the Iron Mountain Antitrust Approval Reimbursement Fee, see Section 15.13.8.

8.4.5 Differences between applicable corporations and securities laws

Recall is incorporated in Australia and Iron Mountain is incorporated in the US, under the laws of the State of Delaware. Recall Shareholders' rights are currently governed by the laws of Australia and the Recall constitution. If the Scheme is implemented, rights of Recall Shareholders who receive and retain New Iron Mountain Securities will be governed by the General Corporation Law of the State of Delaware, the US federal securities laws, NYSE listing standards and Iron Mountain's certificate of incorporation and bylaws. Iron Mountain intends to apply for admission to the official list of ASX as a Foreign Exempt Listing, conditional on the Scheme being implemented. Once listed on ASX as a Foreign Exempt Listing, Iron Mountain (as the parent company of the Combined Group) will be exempt from complying with most of the Listing Rules. For further details on this Foreign Exempt Listing, see Section 11.5.

Although some of the material differences between Australian corporations and securities laws and US corporations and securities laws as they relate to Recall and Iron Mountain respectively could be viewed as advantageous to Recall Shareholders, others could be viewed as disadvantageous to Recall Shareholders.

For further information on the differences between the applicable corporations and securities laws, see Section 14.

9 Overview of Recall

9.1 BACKGROUND

9.1.1 Business overview

Recall is a global leader in document storage, digital information solutions, data protection and secure destruction services. Recall is headquartered in the Atlanta, Georgia metropolitan area, and was established by Brambles in 1999 through the integration of several existing document management businesses. In July 2013, Brambles announced its intention to demerge Recall into an independent company, Recall Holdings Limited. Consequently, Recall was demerged from Brambles and commenced trading as an independent entity on ASX on 10 December 2013.

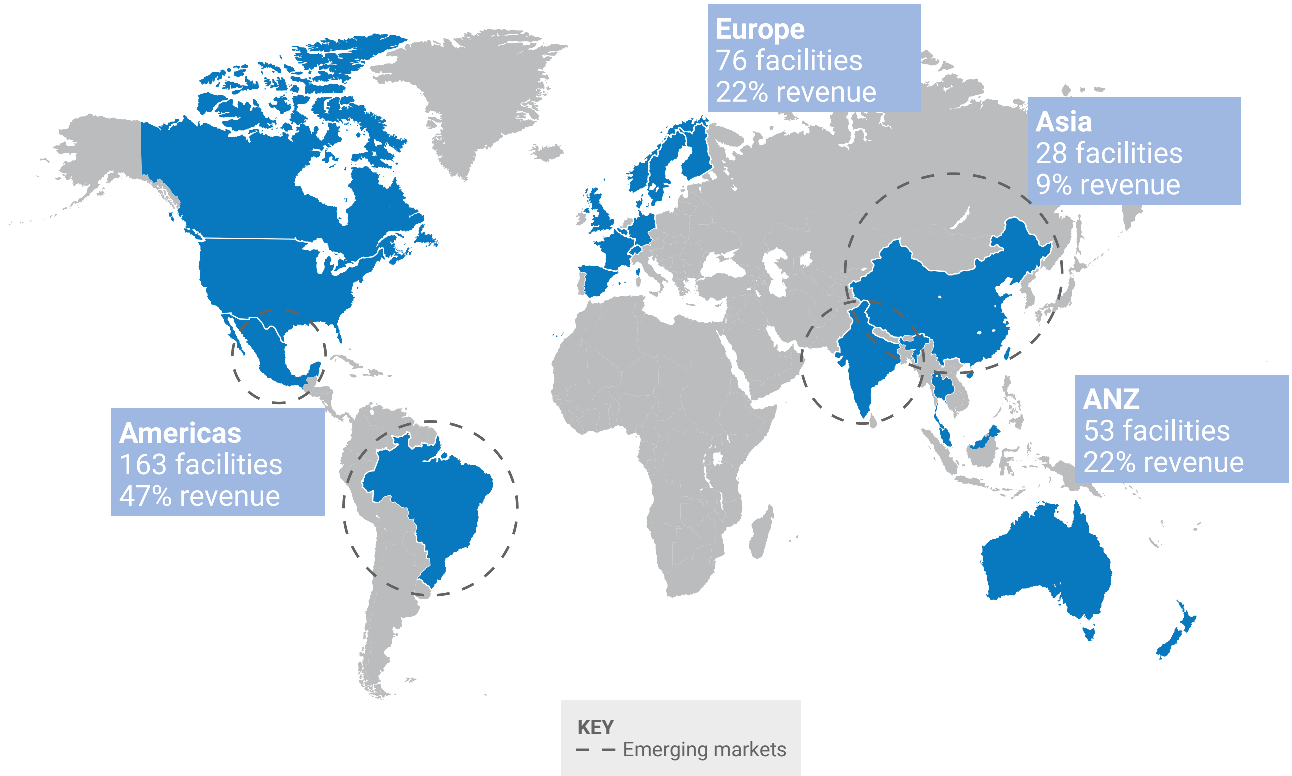
9.1.2 Operational overview

Recall manages the physical and digital information assets of its customers, such as paper documents, records, digital back-up tapes and cloud-based storage and management. Recall continues to invest and develop solutions to meet the diverse, complex, global and evolving information management needs of customers.

Recall services companies across many sectors, primarily in the financial services, legal, health care and government industries. Recall's partnership approach has enabled it to retain customers and expand its service offering over a long period, having served 16 of its top 20 customers for over 13 years.

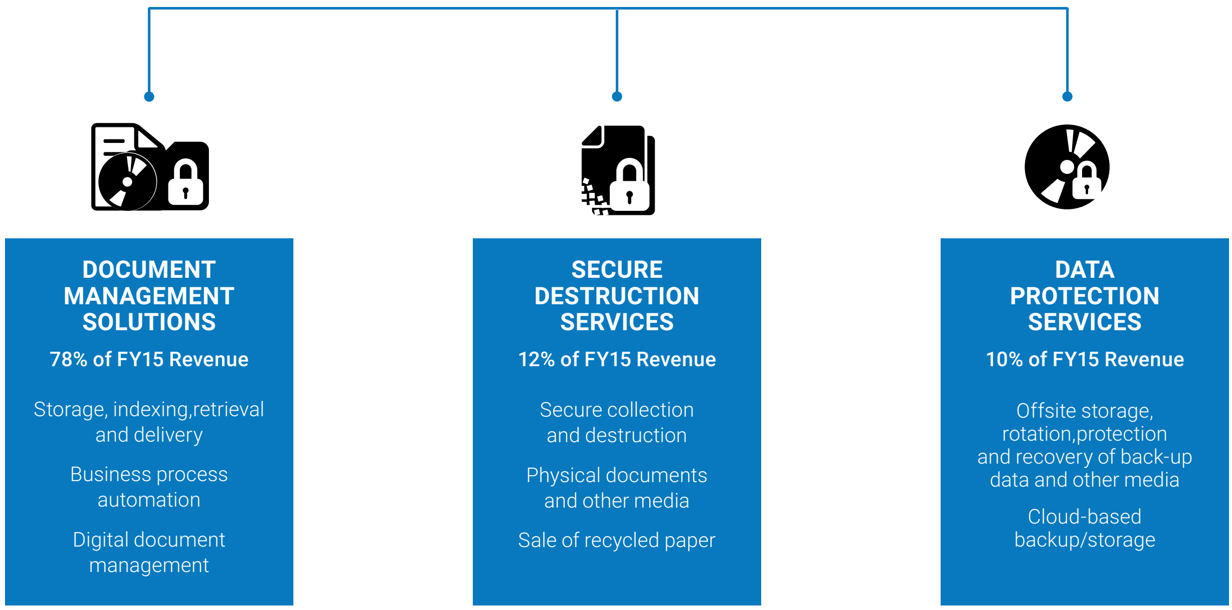
Recall supports approximately 80,000 customer accounts in 25 countries. With a global footprint of more than 300 dedicated facilities, Recall operates a strong global platform.

Recall has a highly diversified customer base. While many of its clients are multinational companies and include approximately 80% of the Fortune 100 and over 65% of the Fortune 500, SMEs are a focus and strength.



Recall operates three separate service lines across its global platform:

recall™



(i) Document management solutions (DMS)

Recall's DMS service line provides storage, indexing, retrieval and delivery services for physical and electronic records at the document, carton and file level. Documents are stored in Recall-managed facilities, operating with stringent physical and operational security, requirements that are among the highest in the industry. Recall's industry-first radio frequency identification technology offers customers 99.999% accuracy in inventory audits and reporting.

Recall customers have 24/7 access to a secure, web-based interface where they can place orders, view their records, track information and generate reports on their stored documents. Recall also provides its customers with expert knowledge and consulting on information management policies, best practices and program implementation.

Recall's digital offering, 'Recall Digital Services', uses high quality, high speed optical character recognition to prepare and convert information into a digital format. The information is then stored on a cloud-based or onsite enterprise content management system capable of storing and managing converted images and automation of workflows in departments such as accounts payable and human resources.

(ii) Secure destruction services (SDS)

Recall's SDS service line provides secure collection and destruction of documents and computer hardware and sells the recycled paper produced, as relevant, from the process. SDS offers scheduled or ad hoc collections for transportation of sensitive documents to secured document destruction centres. Those documents are then destroyed in a confidential and certified manner, with the product of destruction being recycled into paper or, for destructed computer hardware, managed in an environmentally friendly manner.

(iii) Data protection services (DPS)

Recall's DPS service line provides offsite and cloud-based storage, rotation, protection and recovery of back-up data. It is a single source for customers' total data protection needs, including collection, secure and climate-controlled offsite storage, rotation, archiving, planning and recovery of back-up data and other media. DPS offers smart solutions to protect information requiring special handling, including audio visual content, while providing customers with 24/7 access to a secure web-based interface to track and retrieve information regarding their holdings. Recall also employs its radio frequency identification technology for enhanced tracking and auditing of media on and off site.

9.1.3 Recall's business model

The key characteristics of the Recall business model include:

- highly recurring, contractual revenue streams;
- attractive margins and cash flow;
- strong customer satisfaction and long-term relationships;
- diverse customer base; and
- a leading participant in the majority of its global markets.

Recall's revenue streams can be split into three categories:

STORAGE AND RETENTION FEES 54% OF FY15 REVENUE	SERVICE AND ACTIVITY FEES 43% OF FY15 REVENUE	PAPER RECYCLING 3% OF FY15 REVENUE
• Recurring revenue earned from storage arrangements, based on the quantity of information under management	• Secure destruction services (recurring in nature) • Stored information retrieval • Document and data tape pick up and destruction • On-demand document conversion services • Customer specific projects • Termination fees, or fees associated with retrieving customers' information when certain customer agreements are terminated or expire	• Revenue earned from the sale of shredded paper as recycled paper

9.1.4 Business strategy

Recall's strategy is based on three pillars: sustainable profitable growth, operational excellence and innovation for the future.

Sustainable profitable growth is about accelerating towards, and then maintaining, target organic and acquisition growth rates. Recall's focus on industry solutions and product bundling enables more effective cross-selling and improves customer retention and acquisition in both vended and unvended markets. Recall continues to make inroads in effectively targeting attractive segments within the SME market, with creative, cost effective engagement models.

Operational excellence translates strong top line growth into quality earnings and cash flow and delivers earnings growth in excess of revenue growth. Recall's other key focus areas include improving asset utilisation, developing a metrics driven productivity culture, controlling overheads and addressing underperforming business segments. A key focus for Recall is the implementation of facility optimisation programs 1 and 2 which are designed to increase facility utilisation and reduce real estate cost in existing markets.

Innovation for the future is a digital strategy that is complementary to Recall's core physical business, enabling customers to secure, manage and govern all physical documents held with Recall and all their digital content, regardless of where it resides. In response to the exponential growth of digital information and content that Recall customers are experiencing, Recall has developed Portal™ and CommandIG™. These solutions allow customers to secure, manage and govern this content on a enterprise-wide basis. They are targeted at current and potential Recall customers, with a focus on SMEs.

Recall Portal™ provides customers with greater efficiency and control over their digital and physical assets, on-demand activity reporting of holdings, search capabilities and secure single sign-on from any device, anytime. Recall Portal™ was successfully released in the US, Canada and Australia during FY15 and deployment to other markets is underway. CommandIG™ enables customers to comprehensively apply governance to Recall-managed physical records and digital repositories from one easy-to-use 'Software as a Service'-based application that is fully integrated with Recall Portal™. CommandIG™ includes an information governance system and an enterprise-class electronic file synch and share service, allowing secure storage, collaboration, legal hold and digital delivery of documents with seamless governance. Technical and commercial trials across multiple countries began in FY15 and commercial deployment is scheduled for FY16. CommandIG™ will help to further penetrate the SME segment and has the ability to scale and support large enterprises across multiple geographies and business areas.

A | Summary of the Scheme
B | Detailed Information About the Scheme
C | Independent Expert's Report
D | Investigating Accountant's Report
E | Appendices

9.2 RECALL DIVIDENDS

Recall intends to pay between now and the implementation of the Scheme dividends in amounts consistent with its existing dividend policy.

Under the terms of the Scheme Implementation Deed, Recall may declare and pay ordinary dividends in respect of each reporting period ending prior to the Implementation Date in amounts consistent with Recall's existing dividend policy and practice (which may include any pro rata ordinary dividend subsequent to the completion of a half year reporting period consistent with Recall's existing dividend policy).

Subject to applicable law, the Recall Board intends to pay an ordinary dividend to Recall Shareholders for the half year period from 1 July 2015 to 31 December 2015, consistent with Recall's existing dividend policy.

9.3 BOARD AND MANAGEMENT

9.3.1 Board

As at the date of this Booklet, the Recall Board comprises the following members:

Ian Blackburne
INDEPENDENT CHAIRMAN

Mr Blackburne joined Recall as Chairman in September 2013.

Mr Blackburne is Chairman of ASX-listed gaming technology company Aristocrat Leisure Limited and a Director of NYSE listed marine energy transportation company Teekay Corporation. He has previously been Chairman of CSR Limited and the Australian Nuclear Science and Technology Organisation and a Non-Executive Director of Suncorp-Metway Limited and Symbion Health Limited.

Mr Blackburne is a former research scientist and spent 25 years in the petroleum industry in technical, manufacturing, marketing and strategic planning roles, as well as serving as Managing Director of Caltex Australia Limited. He also serves as Chairman of Recall's Remuneration Committee. Mr Blackburne is currently based in Sydney, Australia.

Neil Chatfield
INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Chatfield joined Recall as a Non-Executive Director in September 2013.

Mr Chatfield has served as Non-Executive Chairman of Costa Group since June 2015 and a Director since October 2011; Chairman of Seek since 2012 and a Director since 2005 and a Non-Executive Director of Transurban Group since 2009.

He was a Director of Virgin Australia from May 2006 and held the position of Chairman from June 2007 to May 2015.

Mr Chatfield has over 35 years of experience in the transport, logistics and resources industries, including as an Executive Director and CFO of Toll Holdings for over 10 years. He also serves as Chairman of Recall's Audit Committee. Mr Chatfield is currently based in Melbourne, Australia.

Tahira Hassan
INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms Hassan, FCMA, CMA, joined Recall as a Non-Executive Director in December 2013.

Ms Hassan has also been a Director of the Canada Pension Plan Investment Board since February 2015 and a Non-Executive Director of Brambles since December 2011. Prior to that, Ms Hassan had a distinguished 26 year career with Nestlé. Based in Switzerland, she served as Senior Vice President, Head of Global Supply Chain; Senior Vice President, Global Business Head for Nescafé Ready to Drink and Vice President, Deputy Operations for Zone Americas. Previously, Ms Hassan held various senior leadership roles within Nestlé Canada including President, Ice Cream and Executive Vice President, Consumer Demand Chain and Information Services. She is currently based in Toronto, Canada.

Wendy Murdock
INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms Murdock joined Recall as a Non-Executive Director in December 2013.

Ms Murdock has served on the Board and Risk Management Committee of USAA Federal Savings Bank in Texas, US since 2013. Prior to that, Ms Murdock served on the Board and Nominating and Corporate Governance Committee of Syniverse Technologies, based in Florida, US as well as on the Board of Tullett & Tokyo Liberty in London, UK. Ms Murdock had a long and distinguished career in the financial services sector, managing large global organisations. At MasterCard Worldwide, she was a member of the MasterCard Worldwide Operating Committee, Chief Payment System Integrity Officer and Chief Product Officer. Previously, Ms Murdock served with Citigroup Asset Management as Chief Operating Officer, Retail and High Net Worth and as a member of the Citigroup Management Committee. She was also a partner at McKinsey & Company's New York office. She is currently based in New York City, US.

Doug Pertz
PRESIDENT AND CEO

Mr Pertz joined Recall as President and CEO in April 2013.

Prior to joining Recall, Mr Pertz was Chairman and CEO of Bolder US Sanitation Group. Mr Pertz has served as CEO of a number of companies, including: Clipper Windpower, a utility-scale wind turbine manufacturer; IMC Global (now Mosaic Company), a leading miner and producer of concentrated phosphate, potash and salt for agricultural and industrial applications; and Culligan Water Technologies. He was previously a group executive at Danaher and held various international management roles with Cummins Engine Company and Caterpillar. He is currently based in Atlanta, Georgia, US.

9.3.2 Management

The Recall management comprises the following members:

Doug Pertz
PRESIDENT AND CEO

See Mr Pertz's biography above.

Mark Wratten
CFO

Mr Wratten joined Recall in August 2012.

Previously, Mr Wratten served as CFO of Hastie Group and held various senior leadership roles during his 10 years at Brambles, including CFO of Brambles Industrial Services and Cleanaway in Sydney, Group Vice President of Risk and Audit and Global Chief Information Officer based in Orlando, Florida, US.

Christian Coenen
PRESIDENT, EUROPE

Mr Coenen joined Recall in 2000.

Mr Coenen has served in various roles of increasing responsibility, including as General Manager of France, General Manager of Sales and Marketing for Recall Europe, and Global Vice President, Sales and Marketing. Prior to joining Recall, Mr Coenen worked at Danka France and Eastman Kodak in group regional and national sales management positions.

Owen Kinnaid
PRESIDENT, ANZ

Mr Kinnaird joined Recall in August 2013.

Previously, Mr Kinnaird has held several leadership roles with CHEP including Vice President, Customer Solutions (Global), Vice President, Strategy and Marketing (CHEP Europe), and in New Zealand as President. Mr Kinnaird has also been the General Manager at Cardlink, CEO of the Maurice Kain Group in New Zealand and has held business unit leadership roles at 3M in Australia and New Zealand.

Lyn Ng
PRESIDENT, ASIA

Ms Ng joined Distrepark Storage in 1993 prior to it being purchased by Recall.

Ms Ng has held a number of roles within Recall including General Manager, Recall Malaysia, and Customer Service and Operations Manager.

She has also served as Account Executive at Pacific and Orient Insurance Berhad.

Mark Wesley
PRESIDENT, AMERICAS

Mr Wesley joined Recall in 2002.

Since joining Recall, Mr Wesley has held several leadership positions within Recall, namely Vice President, Operations for North America and President, Australia and New Zealand. Previously, Mr Wesley has served as a consultant with A.T. Kearney, Senior Account Executive with The Coca-Cola Company and a Director at ICG Commerce.

9.4 FINANCIAL INFORMATION

9.4.1 Overview

This Section 9.4 contains a summary of the Recall financial information, which is comprised of the ***Recall Pro Forma Historical Financial Information,*** being:

- Recall pro forma historical income and cash flows statements for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 (***Recall Pro Forma Historical Income Statements*** and ***Recall Pro Forma Historical Cash Flow Statements***); and
- Recall balance sheet as at 30 June 2015 (***Recall Balance Sheet***).

The Recall Historical Financial Information has been reviewed by the Investigating Accountant. The Investigating Accountant's Report is included in Appendix 2. Recall Shareholders should note the comments made in relation to the scope and limitations of the Investigating Accountant's Report.

This Section 9.4 should be read in conjunction with the risks to which Recall is subject and the risks associated with the Scheme, as set out in Section 12.

The financial statements for the years ended 30 June 2014 and 30 June 2015 were audited by PwC, who issued an unqualified audit opinion.

9.4.2 Basis of preparation

(i) Overview

The Recall Historical Financial Information included in this Section is intended to present shareholders with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of Recall. The Recall Board is responsible for the preparation and presentation of the Recall Historical Financial Information.

The Recall Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles under Australian Accounting Standards (including Australian Accounting Interpretations) issued by the Australian Accounting Standards Board (***AASB***), which are consistent with the recognition and measurement principles of the International Financial Reporting Standards (***IFRS***) and interpretations adopted by the International Accounting Standards Board. The accounting policies used in preparation of the Recall Pro Forma Historical Financial Information are consistent with those set out in the Recall annual report for the year ended 30 June 2015.

The Recall Historical Financial Information for the years ended 30 June 2013 and 30 June 2014 is an aggregation of financial information from individual entities that comprise the Recall Group. The underlying statutory historical financial information has been extracted from the Recall 2014 annual report incorporating financial statements for the year ended 30 June 2014 and comparative financial information for the year ended 30 June 2013. It is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information that is required by Australian Accounting Standards and other generally accepted accounting practices in Australia applicable to annual financial reports prepared in accordance with the requirements of the Corporations Act.

The Recall Pro Forma Historical Financial Information for the year ended 30 June 2015 has been derived from the Recall 2015 annual report incorporating financial statements for the year ended 30 June 2015 and has been adjusted for the impact of the significant items as set out in note 7 to Recall's financial report for the year to 30 June 2015. A reconciliation of reported and pro forma earnings is set out in the table in Section 9.4.3(iii).

The Recall Pro Forma Historical Cash Flow Statements for the years ended 30 June 2013 and 30 June 2014 and the Recall 2015 Cash Flow Statement for the year ended 30 June 2015, are presented as net operating cash flows after capital expenditure.

The earnings and cash flows of the entities that comprise the Recall Group are translated into US$ using the average exchange rates for the period. Assets and liabilities of the entities that comprise the Recall Group are translated into US dollars at the exchange rate ruling at the balance sheet date.

Certain historical financial performance in this Section 9.4 is presented on a constant currency basis. Constant currency financial information is a non-IFRS measure and does not form part of the Recall Pro Forma Historical Financial Information.

Where financial reports have been used to extract historical financial information, complete versions of these reports are available from Recall's website, www.recall.com, or ASX's website, www.asx.com.au.

(ii) Recall Pro Forma Historical Financial Information

The Recall Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles under Australian Accounting Standards (including Australian Accounting Interpretations) issued by the AASB, other than that it includes adjustments which have been prepared in a manner consistent with Australian Accounting Standards and other generally accepted accounting practices in Australia, that reflect:

(A) the recognition of certain items in periods different from the applicable period under Australian Accounting Standards and other generally accepted accounting practices in Australia;

(B) the exclusion of certain transactions that occurred in the relevant periods;

(C) the impact of certain transactions as if they occurred on or before 1 July 2012 in the Recall Pro Forma Historical Financial Information; and

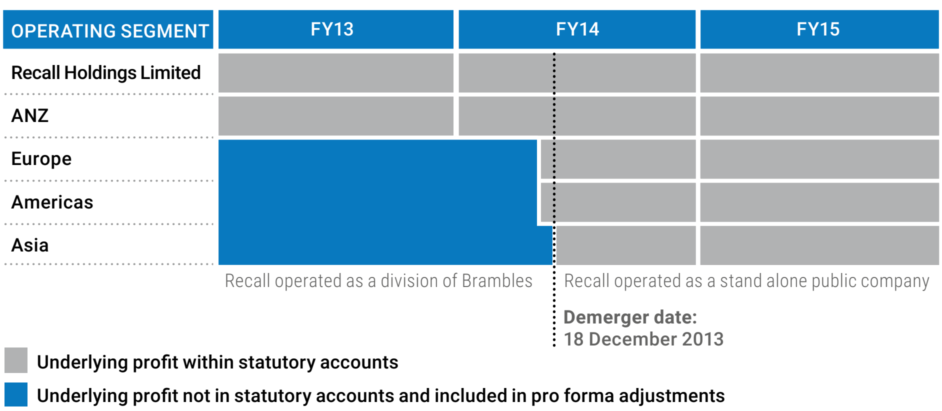
(D) the impact of certain pro forma adjustments to the financial information for the years ended 30 June 2013 and 30 June 2014 to present Recall as if it operated as a stand-alone business, as follows:

- the alignment of earnings and cash flows for the relevant periods to entities forming Recall;
- the anticipated corporate and operating costs of Recall operating as a separately listed legal entity, including removing the allocation to Recall of certain corporate expenses incurred by Brambles;
- other adjustments required to illustrate the financial performance and net operating cash flows of Recall as if the Demerger was effective from 1 July 2012. Refer to Section 9.4.2(iii) for details;
- financing costs of Recall which have been calculated on the basis of average base rates over the respective periods inclusive of borrowing margins and commitment fees but excluding one-off establishment costs; and
- tax adjustments to reflect additional standalone corporate costs, and entities leaving the Brambles tax consolidation group (other than the Australian tax consolidation group).

Reconciliations of the audited statutory historical financial information to the Recall Pro Forma Historical Financial Information are provided in Section 9.4.3(iii).

(iii) Impact of the Demerger

Figure 10 – Timing of Demerger by operating segment



Recall operated as part of Brambles during the entire year ended 30 June 2013 and for a portion of the year ended 30 June 2014 for which financial information is presented, and therefore the Recall Pro Forma Historical Financial Information does not purport to represent the actual financial performance and net operating cash flows that would have occurred had Recall been a separate group during the periods presented, principally because:

- Recall did not operate independently of Brambles during the periods for which financial information is presented;
- the Recall Pro Forma Historical Financial Information may not reflect the strategies or operations that Recall may have followed or undertaken as a separate group rather than as part of Brambles; and
- Recall may have been exposed to different financial and business risks had it operated as a separate group rather than as part of Brambles.

Recall was an independent standalone company for the entire year ended 30 June 2015.

9.4.3 Financial performance

(i) Underlying financial performance

The table below sets out Recall's underlying financial performance for the three years to 30 June 2015.

Recall Pro Forma Historical Income Statements for the years ended 30 June 2013, 30 June 2014 and 30 June 2015

US$ MILLIONS	NOTES	FY13 PRO FORMA [2]	FY14 PRO FORMA [2]	FY15 PRO FORMA [2]
Document management services		601.4	637.9	641.5
Secure destruction services		123.6	109.9	101.2
Data protection services		82.0	88.2	85.1
Sales revenue		**807.1**	**836.1**	**827.8**
Employment costs		(253.6)	(278.5)	(284.3)
Occupancy		(139.1)	(142.1)	(145.9)
Service suppliers		(115.5)	(107.4)	(145.9)
Other		(102.1)	(108.5)	(46.2)
Operating expenses		**(610.3)**	**(636.4)**	**(622.3)**
EBITDA	1	**196.8**	**199.7**	**205.5**
Depreciation and amortisation		(61.4)	(66.5)	(69.8)
Underlying profit		**135.4**	**133.2**	**135.7**
Net financing costs		(18.2)	(21.2)	(21.6)
Tax expense		(43.8)	(41.9)	(38.7)
Pro forma net profit		**73.4**	**70.1**	**75.4**

NOTES

1 EBITDA (earnings before interest, taxation, depreciation and amortisation).

2 FY13 to FY15 have had certain pro forma adjustments applied to them in order to reflect the underlying performance of Recall. A reconciliation of reported and underlying results is set out in Section 9.4.3(iii).

(ii) Management discussion and analysis of historical financial performance

Section 2.16.3.2 of the Demerger Scheme Booklet included management discussion on the historical results for the year ended 30 June 2013. Recall's annual reports for the years ended 30 June 2014 and 30 June 2015 contain a full commentary on the historical results of Recall for those periods within the operational and financial review section. These are available from Recall's website, at www.recall.com, or ASX's website at www.asx.com.au. The following is a summary of the key financial highlights as presented within the Recall financial statements.

(A) 2013 results

Sales revenue

Recall's sales revenue was US$807.1 million, down 4%. Growth in both carton volumes and retention revenue in the document storage part of the business was insufficient to offset lower transactional customer activity (i.e. lower rates of document retrieval and other projects carried out on behalf of customers in the DMS service line) as well as lower levels of activity in the SDS line. There was also a negative impact in the first half from lower selling prices for destroyed paper.

Underlying profit

Underlying profit was US$135.4 million, down 17%. This decline reflects the reduction in SDS and DMS transactional activity and associated revenues. The underlying profit margin was 17%, down 2%.

(B) 2014 results

Pro Forma Historical Results for FY13 and FY14 at constant exchange rates

US$ MILLIONS	FY13 PRO FORMA	FY14 PRO FORMA CONSTANT FX
Document management services	601.4	656.4
Secure destruction services	123.6	113.0
Data protection services	82.0	91.6
Sales revenue	**807.1**	**860.9**
Employment costs	(253.6)	(283.6)
Occupancy	(139.1)	(146.3)
Service suppliers	(115.5)	(111.3)
Other	(102.1)	(111.2)
Operating expenses	**(610.3)**	**(652.4)**
EBITDA	**196.8**	**208.5**
Depreciation and amortisation	(61.4)	(68.0)
Underlying profit	**135.4**	**140.5**

NOTES

1 FY14 results have been adjusted to remove the impact of movements in average exchange rates between FY13 and FY14. Further information on the impact of currency exchange rate movements is set out in Section 12.7.4.

Sales revenue

Recall's constant currency revenue growth comprised organic growth of 3% and acquisition growth of 3.7%. Storage and retention revenue increased by 7% and service and activity revenue increased by 7.1%, representing a continued positive trend in service revenue. Paper revenue declined 3%.

Recall revenue performance was underpinned by revenue increases of 9.1% in DMS, driven by an increase in net carton volumes of 9.2%, with all regions delivering carton growth. DMS showed solid organic growth of 5.5%, supported by volume and price, and acquisitions added 3.6%. DPS revenue was up 11.7%, supported by organic growth and the acquisition of Recall Singapore. Retention revenue growth within DPS was stronger than service revenue.

Underlying profit

Recall's constant currency underlying profit increased by 4% due to the revenue growth described above as well as the improvement in gross margin by 0.8% due to a focus on operational excellence. Overheads grew at a higher rate due to reinvestment in sales and marketing. Depreciation and amortisation increased due to capital investments and acquisitions.

(C) 2015 results

Pro Forma Historical Results for FY14 and FY15 at constant exchange rates

US$ MILLIONS	FY14 PRO FORMA	FY15 STATUTORY CONSTANT FX
Document management services	637.9	694.6
Secure destruction services	109.9	105.1
Data protection services	88.2	88.9
Sales revenue	**836.1**	**888.7**
Employment costs	(278.5)	(303.3)
Occupancy	(142.1)	(156.1)
Service suppliers	(107.4)	(156.1)
Other	(108.5)	(49.2)
Operating expenses	**(636.4)**	**(664.7)**
EBITDA	**199.7**	**224.0**
Depreciation and amortisation	(66.5)	(73.6)
Underlying profit	**133.2**	**150.4**

NOTES

1 FY15 results have been adjusted to remove the impact of movements in average exchange rates between FY14 and FY15. Further information on the impact of currency exchange rate movements is set out in Section 12.7.4.

Sales revenue

Adjusting for the disposal of the SDS business in Germany in December 2014 (FY15 and FY14 revenues of approximately US$4.6 million and US$13.6 million respectively), the continuing business generated constant currency revenue growth of 7.5% driven by organic growth and the completion of 12 acquisitions during FY15, which contributed incremental revenues of US$23 million. Storage and retention revenue increased by 8.4% and service and activity revenue increased by 6.4%, representing a continued positive trend in service revenue. Paper revenue increased by 5.7%, largely due to paper price gains and stable volumes. Recall revenue performance was underpinned by revenue increases of 8.9% in DMS, driven by total net carton growth of 7.7%, of which organic carton growth was 2.6%. All regions delivered carton growth, with very strong growth in the Americas and Asia. DPS revenue was up 0.8%. Declining activity revenue reflects recent secular trends in this segment. SDS delivered 4.1% revenue growth, after excluding the German SDS business sold in December 2014. The growth was largely due to the successful implementation of a business improvement plan in US SDS.

Underlying profit

The constant currency revenue growth described above from organic growth and acquisitions contributed to constant currency growth in underlying profit as well as the continued improvement in gross margins driven by strong cost management, business process improvement initiatives and the first facilities optimisation program.

(iii) Adjustments made to reported financial performance

The table below sets out the adjustments made to reported financial performance in order to reflect the underlying performance of the business.

Reconciliation of pro forma financial information to reported financial information

US$ MILLIONS	NOTES	FY13 PRO FORMA	FY14 PRO FORMA	FY15 PRO FORMA
Reported Operating Profit		63.9	74.6	106.7
Significant items	1	–	39.0	29.0
Profit from entities not in RHL group	2	79.6	29.0	–
Pro forma stand alone costs	3	(14.0)	(14.0)	–
Actual incurred stand alone costs	3	–	7.5	–
Brambles corporate charges/ other	4	5.9	(3.0)	–
Pro forma Underlying Profit		**135.4**	**133.2**	**135.7**
Reported net financing costs		(0.6)	(12.3)	(21.6)
Revised capital structure	5	(17.6)	(8.9)	–
Pro forma net financing costs		**(18.2)**	**(21.2)**	**(21.6)**
Reported tax expense		(20.0)	(20.3)	(20.1)
Pro forma adjustment to tax expense	6	(23.8)	(21.6)	(18.6)
Pro forma tax expense		**(43.8)**	**(41.9)**	**(38.7)**
Reported NPAT		43.3	42.0	65.0
Impact of pro forma adjustments on NPAT		30.1	28.0	10.4
Pro forma underlying profit after tax		**73.4**	**70.1**	**75.4**

NOTES

1 Significant items are items of income or expense which are, either individually or in aggregate, material to Recall or to the relevant business segment and outside the ordinary course of business or part of the ordinary activities of the business but unusual due to their size and nature. Further details of the significant items adjusted here are set out in note 7 to the financial statements in Recall's 2015 annual report.

2 This adjustment reflects the revenues, operating expenses, EBITDA and profit from entities of Recall that were not part of the Recall Group during the entire reporting period prior to the date of Demerger.

3 This US$14 million adjustment reflects the estimated incremental costs to be incurred by Recall to operate as a standalone public company. It includes Recall Board and ASX listing costs and the costs of replacing the corporate services previously provided to Recall by Brambles, such as tax, treasury, investor relations and insurance. In FY14, Recall incurred some US$7.5 million of these incremental costs for part of the year and these have been adjusted out. In FY15, Recall had absorbed all incremental standalone costs in its operating expenses.

4 Refers to the reversal of corporate costs allocated to Recall by Brambles prior to the date of Demerger.

5 Pro forma adjustment to annualise financing charges to recognise the new capital structure for Recall post Demerger.

6 Pro forma adjustment to restate tax expense to match the FY15 effective tax rate, reflecting the impact of the capital structure post Demerger.

9.4.4 Recall Balance Sheet

The pro forma consolidated historical balance sheet shown in the table below is based on the audited statutory consolidated balance sheet as at 30 June 2015.

Recall Balance Sheet as at 30 June 2015

US$ MILLIONS	30 JUNE 2015
Current Assets	
Cash and cash equivalents	88.5
Trade and other receivables	183.2
Inventories	2.1
Other assets	16.5
Total current assets	**290.3**
Non-current Assets	
Other receivables	6.7
Investments	–
Property, plant and equipment	389.8
Goodwill	677.2
Intangible assets	134.8
Other assets	5.1
Total non-current assets	**1,213.6**
Total assets	**1,503.9**
Current Liabilities	
Trade and other payables	(165.7)
Tax payable	(7.5)
Provisions	(32.2)
Other financial liabilities	(21.8)
Total current liabilities	**(227.2)**
Non-current Liabilities	
Borrowings	(626.7)
Derivative financial instruments	(0.8)
Provisions	(12.0)
Deferred tax liabilities	(68.7)
Other liabilities	(19.4)
Total non-current liabilities	**(727.6)**
Total liabilities	**(954.8)**
Net assets	**549.2**

9.4.5 Underlying cash flows

Recall Pro Forma Historical Cash Flow Statements for the years ended 30 June 2013, 30 June 2014 and 30 June 2015

US$ MILLIONS	NOTES	FY13	FY14	FY15
Pro forma EBITDA	1	196.8	199.6	205.5
Pro forma change in working capital	2	25.5	(22.7)	(6.3)
Pro forma proceeds from disposals	2	10.9	6.8	7.1
Pro forma other (including provisions)	2	(1.8)	(0.7)	1.0
Net operating cash flows, before capital expenditure, financing costs and tax		**231.4**	**182.9**	**207.3**
Pro forma capital expenditure		(78.4)	(72.8)	(61.7)
Net operating cash flows, before financing costs and tax		**153.0**	**110.1**	**145.6**

NOTES

1 Details of the basis of preparation of pro forma EBITDA are set out in the table in Section 9.4.3(iii).

2 Reported movements in working capital and other balance sheet movements, proceeds from disposals and capital expenditure have been adjusted to reflect the cash flow impacts of the entities not included in Recall's statutory results for the whole of the years to 30 June 2013 and 30 June 2014. Further detail on this cash flow information is set out in table 13 on page 25 of Recall's 2014 annual report.

9.5 RECALL'S FINANCING ARRANGEMENTS

Since its Demerger, Recall has funded its operations through a multi-bank syndicated credit facility which had an initial credit limit of US$800 million. On 29 October 2014, Recall refinanced the facility with the existing syndicate banks, increasing the facility size from US$800 million to US$1.05 billion, reducing the interest margin and fees, and extending the tenor for the full amount to October 2019. The facility is unsecured and includes covenants related to leverage and pro forma interest coverage.

The facility allows for floating rate borrowings in multiple currencies, which mirror those utilised by Recall's global operating entities, providing natural foreign exchange offsets. Borrowings under the facility bear interest at a periodic fixed rate equal to the base rate for the applicable interest period and currency denomination, plus an applicable margin.

9.6 CAPITAL STRUCTURE

At the date of this Booklet, Recall has the following securities on issue:

- 314,093,803 Recall Shares quoted on ASX;
- 5,080,618 Recall Performance Rights, which on vesting, require the issue of Recall Shares;[63] and
- 1,695,607 Recall Retention Share Rights, which on vesting, require the issue of Recall Shares.

Recall will take such action as necessary to ensure that any Recall Performance Rights and Recall Retention Rights which have not already vested, do vest and convert into Recall Shares prior to the Record Date. For further details, see Section 15.17.

9.7 RELEVANT INTERESTS OF RECALL BOARD

9.7.1 Relevant Interests in Recall Shares

The following table lists the Relevant Interests of Recall Directors in Recall Shares and Recall Performance Rights as at the date of this Booklet:

Relevant Interests of Recall Directors in Recall Shares and Recall Performance Rights

DIRECTOR	POSITION	RELEVANT INTEREST IN RECALL SHARES	*NOTES*	RELEVANT INTEREST IN RECALL PERFORMANCE RIGHTS
Ian Blackburne	Independent Chairman	90,000	*1*	
Neil Chatfield	Independent Non-Executive Director	33,000	*1*	
Tahira Hassan	Independent Non-Executive Director	16,600	*1*	
Wendy Murdock	Independent Non-Executive Director	20,600	*1*	
Doug Pertz	President and CEO	331,877 1,263,102	*1* *2*	1,223,883

NOTES:

1 Recall Shares acquired via on-market purchases.

2 Recall Shares held on trust either as a result of the vesting of Recall Performance Rights or Recall Shares allocated under the Recall short term incentive plan.

Recall Directors who hold Recall Shares will be entitled to vote at the Scheme Meeting and receive the Scheme Consideration on the same terms as all other Recall Shareholders.

Each Recall Director intends to vote any Recall Shares held or controlled by him or her in favour of the Scheme, in the absence of a Superior Proposal.

9.7.2 Relevant Interests in Iron Mountain Shares

As at the date of this Booklet, Mr Pertz holds 3,056 Iron Mountain Shares. No other Recall Director has any Relevant Interests in any Iron Mountain Shares.

9.8 RECALL BOARD INTERESTS IN AGREEMENTS OR ARRANGEMENTS RELATING TO THE SCHEME

Except as disclosed in this Booklet:

- no Recall Director has any other interests in a contract entered into by Iron Mountain;
- there are no contracts or arrangements between a Recall Director and any person in connection with or conditional upon the outcome of the Scheme; and
- no Recall Director has a material interest in relation to the Scheme other than in their capacity as a Recall Shareholder as outlined in Section 9.7.1.

As discussed in Section 11.6.1, it is proposed that Neil Chatfield and Wendy Murdock will become Iron Mountain Directors upon implementation of the Scheme.

It is anticipated that Neil Chatfield and Wendy Murdock will be entitled to receive a retainer fee, stock, travel allowances and reimbursement of incidental expenses from Iron Mountain in connection with the performance of their duties as a non-executive Iron Mountain Director. At the date of this Booklet, it is proposed that Neil Chatfield and Wendy Murdock will each receive an annual cash retainer of US$70,000 and US$135,000 in stock, but no other specific arrangements have been agreed between Iron Mountain and Neil Chatfield or Wendy Murdock.

63 The vesting of 758,447 of the Recall Performance Rights remains subject to determination by the Recall Board at or around the date of the Scheme Meeting. Up to 758,447 Recall Shares will be issued for such rights subject to the Board's determination.

9 Overview of Recall continued

9.9 NO BENEFITS IN CONNECTION WITH RETIREMENT FROM OFFICE

Except as disclosed in this Booklet, no payment or other benefit is proposed to be made or given to any director, company secretary or executive officer of Recall (or its Related Bodies Corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in Recall or any of its Related Bodies Corporate in connection with the Scheme.

Recall pays premiums in respect of its directors & officers insurance policy for the benefit of the Recall Directors and executive officers.

9.10 SUBSTANTIAL SHAREHOLDERS

The following persons have notified Recall of the fact that they hold substantial holdings (within the meaning of the Corporations Act) in Recall Shares as at 20 October 2015, being the last practicable date prior to the date of this Booklet, based on substantial shareholder notice lodgements with ASX, which are available on the ASX website:

Substantial shareholders of Recall Shares

SHAREHOLDER	NUMBER OF SECURITIES	VOTING INTEREST AT TIME OF NOTICE
Deccan Value Advisors	41,420,713	13.2%
Greencape Capital	22,499,968	7.2%
Cooper Investors	20,922,647	6.7%
Owl Creek Asset Management	17,911,189	5.7%

9.11 NO PRE-TRANSACTION BENEFITS

During the period of four months before the date of this Booklet, neither Recall nor any associate of Recall gave, or offered to give, or agreed to give, a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

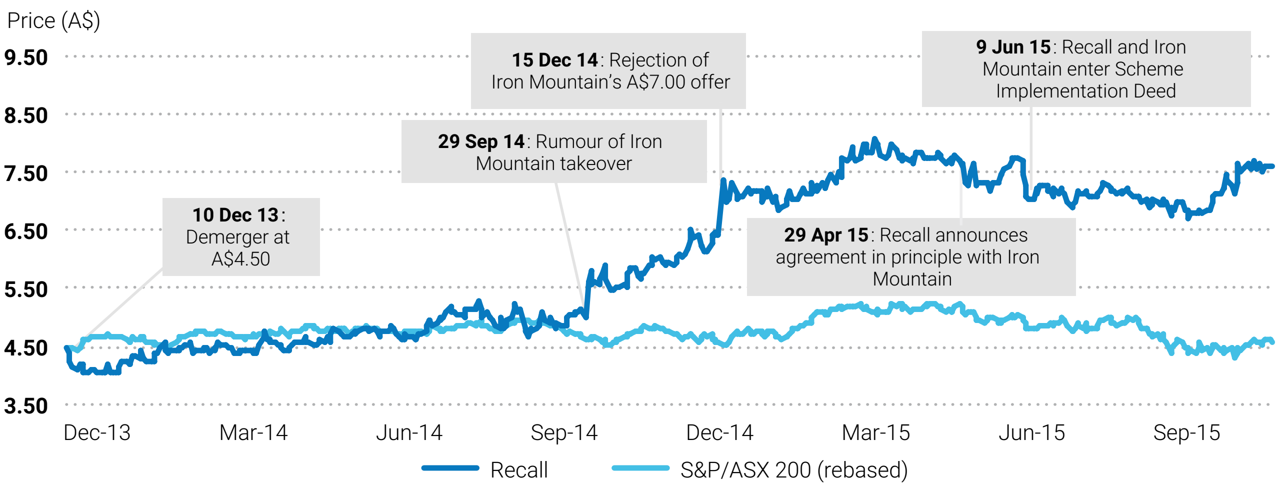
- vote in favour of the Scheme; or
- dispose of Recall Shares,

and which will not be provided to all Scheme Shareholders under the Scheme.

9.12 TRADING UPDATE AND OUTLOOK

Recall's trading price performance since 10 December 2013 when Recall demerged from Brambles is outlined in the chart below.

Figure 11 – Recall Share Price and S&P/ASX 200 performance since Demerger on 10 December 2013



Source: IRESS data as at 20 October 2015. Rebased to Recall Share Price.

As at 20 October 2015, being the last practicable date prior to the date of this Booklet:

- the last recorded trading price of Recall Shares was A$7.60;
- the one month volume weighted average price of Recall Shares was A$7.40;
- the three month volume weighted average price of Recall Shares was A$7.12; and
- the lowest and highest closing prices of Recall Shares during the previous three months were A$6.70 and A$7.72, respectively.

As at 5 June 2015, being the trading day before Recall and Iron Mountain announced that they had entered into the Scheme Implementation Deed:

- the last recorded trading price of Recall Shares was A$7.02;
- the one month volume weighted average price of Recall Shares was A$7.39;
- the three month volume weighted average price of Recall Shares was A$7.53; and
- the lowest and highest closing prices of Recall Shares during the previous three months were A$7.00 and A$8.08, respectively.

9.13 MATERIAL CHANGES IN RECALL'S FINANCIAL POSITION SINCE LAST ACCOUNTS PUBLISHED

Other than as disclosed in this Booklet, within the knowledge of the Recall Board, as at the date of this Booklet, the financial position of Recall has not materially changed since 30 June 2015, being the date of the balance sheet for the accounts of Recall for FY15.

9.14 PUBLIC INFORMATION AVAILABLE FOR INSPECTION

Recall is a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

These obligations require Recall to notify ASX of information about specified matters and events as they arise for the purpose of ASX making that information available to participants in the market. Recall has an obligation under the Listing Rules (subject to some exceptions) to notify ASX immediately upon becoming aware of any information concerning it, which a reasonable person would expect to have a material effect on the price or value of Recall Shares.

Recall's recent ASX announcements are available on the ASX website at www.asx.com.au. Further announcements will continue to be made available on the ASX website after the date of this Booklet.

Pursuant to the Corporations Act, Recall is required to prepare and lodge with ASIC and ASX both annual and half yearly financial statements accompanied by a Recall Directors' statement and report, with an audit or review report. Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office, on ASX's website (www.asx.com.au) and on Recall's website (www.recall.com).

10 Overview of Iron Mountain

10.1 BACKGROUND

Iron Mountain is a leading global provider of storage and information management solutions, with more than 155,000 customers in 36 countries on five continents.

Iron Mountain is listed on the NYSE, trades under the symbol IRM and has a market capitalisation of approximately US$6.6 billion. [64] Iron Mountain is headquartered in Boston, Massachusetts, US and is incorporated in Delaware, US.

Iron Mountain's financial model is based on the recurrent nature of its storage rental revenues.

In the year ended 31 December 2014, Iron Mountain's sales revenue was US$3,118 million and its Adjusted OIBDA (where Adjusted OIBDA means operating income before depreciation and amortisation impairment of intangibles, (gain) loss on disposal/write-down of property, plant and equipment, net (excluding real estate), and certain costs) [65] and net profit after tax were US$926 million and US$326 million, respectively. As at 31 December 2014, the Iron Mountain Group's consolidated total assets were approximately US$6,570 million and consolidated net assets were approximately US$870 million.

Future growth prospects for Iron Mountain are driven primarily by organic growth in emerging markets and external growth opportunities provided by a significant mergers and acquisitions pipeline, as demonstrated by Iron Mountain's history of realising meaningful synergies from mergers and acquisitions activity.

10.2 BRIEF HISTORY OF IRON MOUNTAIN

Iron Mountain was founded in an underground facility near Hudson, New York, US in 1951 by Herman Knaust. Iron Mountain grew quickly in the New York City market and, in 1978, Iron Mountain opened its first above-ground records storage facility. By the mid-1980s, Iron Mountain had developed all the product lines that comprise the foundation of the current company, and by the late-1980s had grown to become the first US national service provider in the information management industry.

In 1996, Iron Mountain became a public company, raising capital, in part, to initiate a consolidation strategy in the records management industry. Since then, Iron Mountain has grown through a series of acquisitions, enabling Iron Mountain to provide information management solutions throughout the western hemisphere and in Europe.

Iron Mountain has been organised and has operated as a REIT since its taxable year beginning 1 January 2014.

10.3 INDUSTRY OVERVIEW

10.3.1 Introduction

Businesses in the information management industry store an organisation's physical documents and provide related services, such as data protection and recovery, and secure destruction (e.g. shredding). Some businesses also store and manage electronic records, which may involve converting hard copies of documents into digital format and implementing systems for receiving and transmitting information electronically.

Iron Mountain management estimates the value of the global information management market to be over US$23 billion per annum.

Demand in the information management industry is driven by the needs of business customers to store and manage increasing amounts of data, including satisfying requirements for regulatory compliance.

Information management can be performed in-house by businesses (unvended) or outsourced, in whole or in part, to a third party provider such as Iron Mountain (vended). The in-house portion still represents a majority of the total global information management market, offering a substantial unvended opportunity even in developed geographic markets with lower rates of economic growth.

In emerging markets, the growth opportunities for third party providers in the information management industry are expected to be greater due to higher economic growth rates. The unvended opportunity is larger in these markets, and growth is supported by increasing trends towards outsourcing of information management solutions.

10.3.2 Market trends and growth drivers

Iron Mountain management believes that the volume of stored physical and electronic records will continue to increase on a global basis for a number of reasons, including:

- regulatory requirements – increasingly stringent regulatory requirements result in increased compliance standards and requirements for document retention and traceability;
- increasing litigation – increasing incidence of litigation across certain industries is leading businesses to retain greater amounts of information in a more organised manner to enable them to better respond;
- cost pressures – outsourcing information management requirements to specialised providers may offer cost savings, quality improvements and reduced investment as compared to developing and maintaining in-house information management solutions;
- security – identity theft and data breaches have caused heightened awareness and focus on risk management requirements; and
- digitisation – the volume of physical and digital data continues to grow and to become more complex. In addition, the accelerating pace of transfer from physical to digital formats represents an opportunity for outsourced document management processes such as workflow management, conversion, retrieval, digitisation and storage of electronic information.

64 Based on the Iron Mountain Share Price of US$31.41 and 210.7 million Iron Mountain Shares on issue as at 20 October 2015, being the last practicable date before the date of this Booklet.

65 For further information regarding Adjusted OIBDA, see page 73 of this Booklet.

10.3.3 Regulatory framework

A significant amount of activity generated in the information management industry is the result of legislative requirements. To varying degrees across the world, organisations are required by law to create certain records and to retain them for a specified period of time.

Many jurisdictions have data protection and privacy laws that require personal information to be processed and stored securely, to be protected while held, and to be securely destroyed when no longer required. These laws may also impose more stringent requirements on personal information regarded as being sensitive, such as financial and medical information.

In some jurisdictions, data protection and privacy laws also require organisations holding personal information to contractually require third party providers to provide a level of data protection that is comparable to the organisation's statutory obligations.

Third party providers such as Iron Mountain assist customers to improve data security and establish programs to ensure compliance with their regulatory obligations.

10.3.4 Competition

The information management industry is highly fragmented, with many local and regional competitors, as well as several large multi-site companies such as Iron Mountain. Additionally, third party providers such as Iron Mountain compete against businesses' innate tendencies to manage their information management requirements internally.

As a result, the information management industry is highly competitive and customers choose their third party providers based on location, quality and security of storage, reputation for reliability, price and quality of service.

The low upfront capital required to enter the information management industry, and the potential to develop a significant annuity-based revenue stream, allows even small operators to enter the market. As a result, while Iron Mountain has some large competitors, there are hundreds of single and dual market players across the globe competing against the larger operators and servicing customers where the scale of larger operators provides little incremental value.

10.4 BUSINESS OVERVIEW

10.4.1 Introduction

Iron Mountain's information management solutions consist of comprehensive records management, data management solutions and information destruction services.

Iron Mountain's information management solutions help organisations protect their information, lower storage rental costs, comply with regulations, respond to litigation, enable corporate disaster recovery, and better use their information for business advantages, regardless of its format, location or lifecycle stage.

Iron Mountain delivers information management solutions to more than 155,000 customers throughout North America, Europe, Latin America and the Asia Pacific region.

Iron Mountain has a diversified customer base consisting of commercial, legal, banking, health care, accounting, insurance, entertainment and government organisations.

The key investment highlights resulting from Iron Mountain's business model include:

- global leadership in the information management industry with a broad range of services and a large geographical footprint;
- a highly diversified customer base and trusted brand;
- recurring and predictable storage rental revenues;
- a track record of successful acquisitions;
- attractive margins and cash flow generation profile; and
- a REIT structure which provides tax advantages.

10.4.2 Iron Mountain's storage and service offering

Iron Mountain generates its revenues by renting secure storage space to a large and diverse customer base and offering to its customers an expanding menu of related and ancillary products and services.

Secure storage

Iron Mountain's secure storage operations, which consist of renting secure space to businesses for the purpose of storing physical and electronic records, are Iron Mountain's largest source of revenue.

Physical records storage

Physical records are typically paper based and are often stored for long periods of time. However, physical records may also include critical or irreplaceable data such as master audio and video recordings, film and other highly proprietary information, such as energy data.

Iron Mountain charges rental for the storage of physical records, generally on a per storage unit basis, and usually per cubic foot of records. Iron Mountain's physical records storage services include the provision of space, racking systems, computerised inventory and activity tracking, and physical security.

Iron Mountain offers enhanced security and special climate-controlled environments for the storage of physical records that require special facilities, either because of the data they contain or the media on which they are recorded. The rental Iron Mountain charges for these types of facilities is higher than for typical storage rental.

Iron Mountain also offers physical data management services which consist of the rotation of back-up computer media as part of corporate disaster recovery and business continuity plans. Computer tapes, cartridges and disc packs are transported offsite by Iron Mountain's courier operations on a scheduled basis to secure, climate-controlled facilities. Frequently, back-up tapes are rotated from Iron Mountain's facilities back to customers' data centres. Iron Mountain also manages tape library relocations and supports disaster recovery testing and execution.

Electronic records storage

Iron Mountain's electronic records storage (or electronic records management) operations focus on the storage of, and related services for, computer media that is either a back-up copy of recently processed data or archival in nature.

Back-up data exists because of the need of many businesses to be able to recover the data in the event of a system failure, casualty loss or other disaster. It is customary (and a best practice) for multiple copies of back-up data to be stored in multiple offsite locations, and for that data to be rotated frequently. To address this need for physical storage and rotation of back-up data, Iron Mountain offers services for the storage and preservation of electronic records in a secure environment.

In addition to the physical storage and rotation of back-up data that Iron Mountain provides, Iron Mountain offers online back-up services through partnerships as an alternative way for businesses to store and access electronic data. Online back-up is an internet-based service that automatically backs up computer data from servers or directly from desktop and laptop computers over the internet and stores it in secure data centres.

Service offerings

Data centre offering

Iron Mountain provides two types of data centre facilities – underground, ultra-secure, premier data centres designed to support mission-critical enterprise and government deployments; and above-ground, strategically located regional data centres.

Handling and transportation services

Iron Mountain offers services for the handling and transportation of records upon the expiration of retention periods. Iron Mountain's handling and transportation services consist primarily of the pick-up and delivery of records upon customer request. Charges for handling and transportation services are based on urgency of delivery, volume and location and are typically billed monthly.

Information destruction services

Iron Mountain offers information destruction services which consist primarily of physical secure shredding operations and typically include the scheduled pick-up of loose office records that customers accumulate in specially designed secure containers provided by Iron Mountain. Through a combination of plant-based shredding operations and mobile shredding units consisting of custom built trucks, Iron Mountain is able to offer secure shredding services to its customers throughout the US and Canada. Complementary to Iron Mountain's information destruction services is the sale of the resultant waste paper to third party recyclers.

Document management solutions

The focus of Iron Mountain's document management solutions services is to develop, implement and support comprehensive information management solutions for the complete lifecycle of its customers' information. Given the trend towards increased usage of electronic document management systems, Iron Mountain's document management solutions integrate the management of physical records, document conversion and digital storage, providing the bridge between customers' physical documents and their electronic document management solutions.

Industry tailored services

Iron Mountain offers information management services that have been tailored for specific industries, such as health care, or address the needs of customers with more specific requirements based on the critical nature of their records. For example, medical records tend to be more active in nature and are typically stored on specialised open shelving systems that provide easier access to individual files.

Additional services

Iron Mountain offers a variety of additional services which customers may request or contract for on an individual basis. These services include conducting records inventories, packing records into cartons or other containers, and creating computerised indices of files and individual documents. Iron Mountain also provides services for the management of active records programs. Iron Mountain can provide these services, which generally include document and file processing and storage, both offsite at its own facilities and by supplying its own personnel to perform management functions onsite at a customer's premises. Other services that Iron Mountain provides include fulfilment, professional consulting services, and technology escrow services.

Emerging business opportunities

Emerging business opportunities are prospective business lines that Iron Mountain invests in to grow and diversify its business. Iron Mountain seeks businesses with long-term, recurring revenue, preferably with storage rental attributes, which are consistent with and will enhance its REIT structure. Iron Mountain's data centre business is one example of an emerging business opportunity where Iron Mountain is assessing the potential for additional investment.

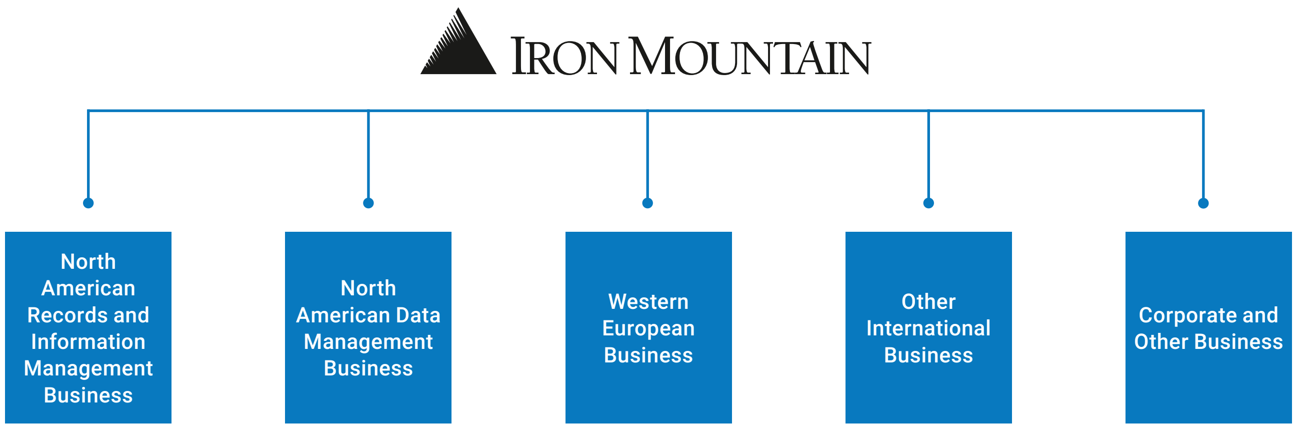
10.4.3 Corporate structure

Iron Mountain's business currently functions through a number of different entities. Iron Mountain Incorporated is the parent company of the Iron Mountain Group.

10.4.4 Operating structure

During the first quarter of 2015, Iron Mountain changed the structure of its internal financial reporting to better align with how it manages its business. The five new reportable operating segments are described as follows:

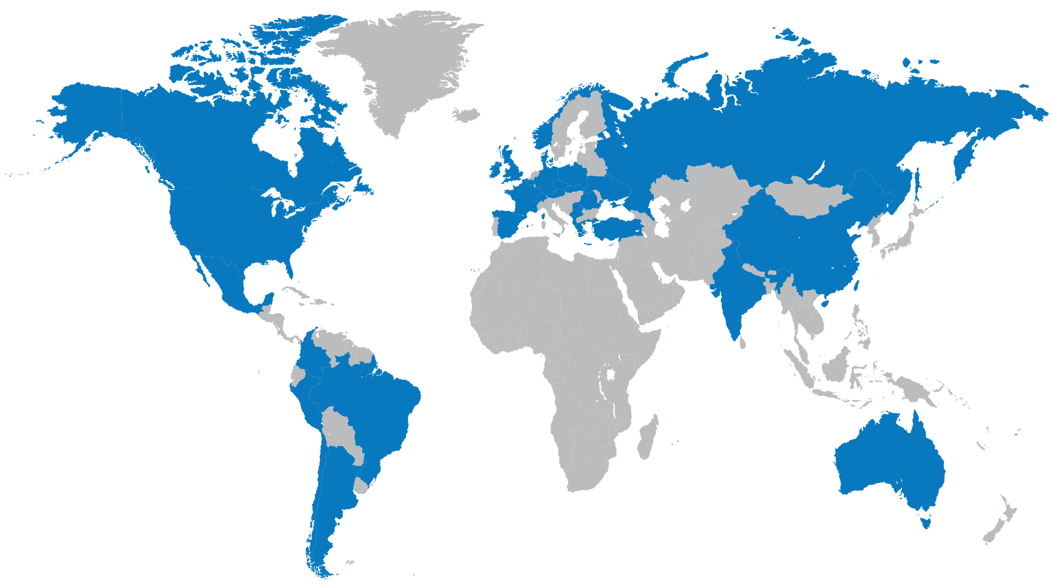
- North American Records and Information Management Business (59% of 1H 2015 revenues) – This segment provides records management services, document management solutions, information destruction services and related services to customers located in the US and Canada;
- North American Data Management Business (13% of 1H 2015 revenues) – This segment provides data management solutions to customers located in the US and Canada;
- Western European Business (13% of 1H 2015 revenues) – This segment provides records management services, data protection and recovery, and document management solutions to customers located in the United Kingdom, Ireland, Norway, Austria, Belgium, France, Germany, Netherlands, Spain and Switzerland;
- Other International Business (14% of 1H 2015 revenues) – This segment provides records management services, data protection and recovery, and document management solutions to customers located in the remaining European countries in which Iron Mountain operates (Poland, Russia and Turkey), as well as Latin America (Argentina, Brazil, Chile, Colombia, Mexico and Peru) and Asia Pacific (Australia, India, Singapore, Hong Kong-SAR and China); and
- Corporate and Other Business (1% of 1H 2015 revenues) – This segment includes the data centre business in the US as well as corporate costs related to the executive and staff functions (finance, human resources and information technology).



10.4.5 Geographical footprint

Iron Mountain operates in 36 countries across North America, Latin America, Europe and the Asia Pacific region.

Iron Mountain's geographical operations



Iron Mountain's revenues vary on a geographical basis. It has its strongest presence in North America, which represented more than 70% of total revenues in 2014.

Figure 12 – Iron Mountain's revenue and employee headcount by geography

REGION	REVENUE[1] (US$ MILLIONS)	HEADCOUNT[2]
North America	2,199	9,000
Europe	569	4,200
Latin America	247	6,800
ANZ	83	350
Asia	20	1,000

NOTES

1 Reported revenue for the financial year ended 31 December 2014.

2 As of 2 September 2015. Headcount data includes shared service centre employees.

10.4.6 Customer overview

Iron Mountain is a business-to-business service provider with a diverse customer base consisting of commercial, legal, banking, health care, accounting, insurance, entertainment and government organisations.

From a customer distribution standpoint, Iron Mountain has over 155,000 customers, with no single customer representing more than 2% of total revenue.

In each of the financial years ended 31 December 2014, 31 December 2013 and 31 December 2012, Iron Mountain's top 20 customers accounted for less than 8% of Iron Mountain's total revenue, creating a well diversified revenue stream which reduces attrition risk. Iron Mountain's customer retention is consistently high, with annual losses of revenue in each of the financial years ended 31 December 2014, 31 December 2013 and 31 December 2012 of approximately 2% (on a volume basis) attributable to customer terminations and permanent withdrawals.

Iron Mountain's high customer retention rate of 98.1% and average life of a box in storage of 15.9 years (based on annual volume churn rate of 6.3% as of second quarter of 2015) demonstrates the overall strong customer loyalty.

Consistent with industry practice, Iron Mountain typically includes in its customer contracts charges for termination and permanent withdrawal of records from storage. These charges are designed to offset the one-off costs of customer attrition.

Iron Mountain's standard contract terms limit Iron Mountain's liability to both a fixed amount per carton and a maximum amount per customer, usually tied to the annual revenue earned from that customer. As a result, Iron Mountain's exposure to significant liabilities from unpredictable events is limited.

Larger customers will often negotiate custom contracts with Iron Mountain that include provisions that are specific to their service needs. Where these contracts require Iron Mountain to deliver additional or customised service, Iron Mountain also negotiates for appropriate compensation.

10.4.7 Revenue model

As further described in Section 10.4.2, Iron Mountain derives the majority of its revenue from storage rental fees charged to customers based on the volume of their records stored, and receives fees for the other services it provides.

10.4.8 Key facilities and assets

Iron Mountain's current facility network comprises approximately 24 million square feet owned and 44 million square feet leased.

As at 31 December 2014, Iron Mountain's key assets include 1,094 storage facilities (839 leased and 255 owned), racked and fitted to store over 550 million boxes and supported by a robust proprietary software system that allows for the rapid location and retrieval of a specific box with a high degree of precision.

Iron Mountain also has a number of proprietary IT solutions designed to provide custom records management services to specific market segments, geographies or customer requests. These services, combined with the physical storage solutions, create a portfolio of products that can be developed into custom records management solutions that enable Iron Mountain to service its enterprise customers.

Figure 13 – Iron Mountain's facility network as at 30 June 2015

Owned (million square feet)	24
Leased (million square feet)	44
Total (million square feet)	**68**
Average Size (thousand square feet)	62
Buyout Option (million square feet)	3.5
Owned/Controlled	40%
Weighted Average Lease Obligation (years)	5.6
– with options	12.4
Records Management Utilisation – Building/Racking	83%/91%
Data Protection Utilisation – Building/Racking	68%/81%

10.5 STRATEGY

Iron Mountain's strategic plan is built upon three core areas that are together intended to build a solid foundation for future earnings growth: developed markets, emerging markets and emerging businesses. Iron Mountain intends to:

- drive continued performance in the developed core markets where it operates – This is planned to be achieved through continued discipline around customer retention, driving sales with new customers, exploration of new packaging models and strengthening of the value proposition. Additionally, Iron Mountain plans to continue to strengthen its core storage offering with the launch of new products in collaboration with technology industry leaders;
- expand and leverage its presence in emerging markets where enterprise customers are increasingly demanding quality standards for their record management programs across the globe – Iron Mountain continues to focus on organic growth plans in central and eastern Europe, Russia and Latin America, as well as advancing entry plans into the Middle East and Africa through acquisitions, plus select acquisitions in India and the rest of Asia; and
- Identify, incubate and scale emerging businesses – Iron Mountain also continues to explore opportunities in the storage of high-value physical assets. One example is Iron Mountain's data centre business, which is both a standalone business and differentiates its data management business.

In addition, Iron Mountain intends to undertake a number of transformational initiatives, which are expected to deliver significant savings and optimise overhead costs, such as automation of payments and billings, centralisation of contracts administration and further use of lower cost service centres.

On 14 October 2015, Iron Mountain released an investor presentation in which it announced an intention to undertake an updated transformation program to drive process improvements, simplification and efficiencies in Iron Mountain's business. The intended transformation program would be implemented in a number of phases ending in 2018 and is expected by Iron Mountain to result in material cost reductions. Iron Mountain intends that the proposed transformation program would be self-funded through costs savings realised. The intended transformation program would apply to Iron Mountain globally and be focussed on several key transformation levers including:

- Iron Mountain's operating model, governance and controls;
- elimination of non-essential work;
- end-to-end process improvements;
- IT rationalisation; and
- shared services.

10.6 TAXATION AS A REIT

10.6.1 Impact of taxation as a REIT on Iron Mountain

Iron Mountain has been organised and has operated as a REIT since its taxable year beginning 1 January 2014.

As a REIT, Iron Mountain is generally permitted to deduct from US federal 'real estate investment trust taxable income' distributions paid to its stockholders. Thus, Iron Mountain is generally not subject to US federal income taxes on its income and gains that it distributes to its stockholders. However, even as a REIT, Iron Mountain remains obligated to pay income taxes on earnings from its taxable REIT subsidiaries (TRSs), which are described below. In addition, Iron Mountain and its subsidiaries continue to be subject to foreign income and other taxes in foreign jurisdictions in which they hold assets or conduct operations, such as Australia, regardless of whether held or conducted through a TRS.

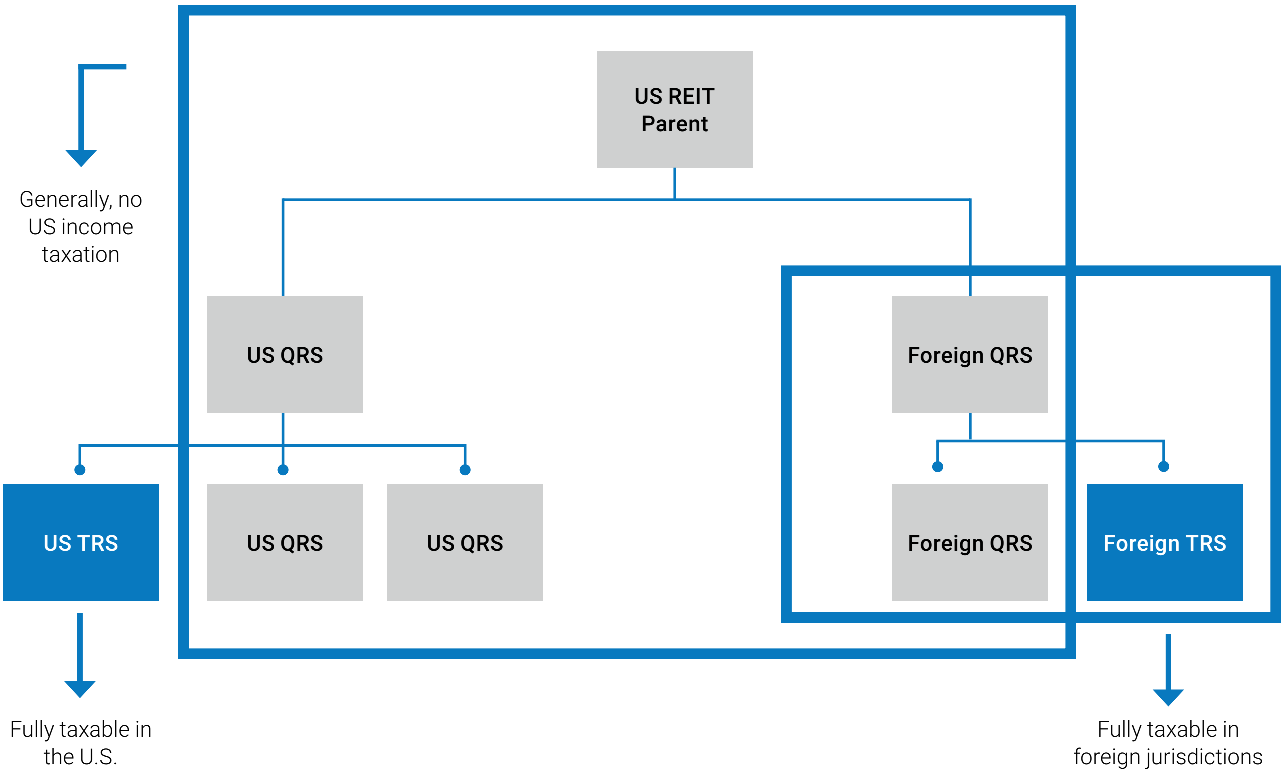
Some of Iron Mountain's subsidiaries are qualified REIT subsidiaries (QRSs), which means that they are not treated as separate corporations for US federal income tax purposes, and the assets, liabilities, and items of income, deduction and credit of a QRS are treated as Iron Mountain's. In contrast, Iron Mountain has jointly elected with other subsidiaries to treat such subsidiaries as TRSs. A TRS is separately taxed on its net income as a 'C corporation' – a 'C corporation' is a company that is taxed separately from its owners. Iron Mountain uses TRSs to hold its US operations that may not be REIT-compliant as currently operated and structured, as well as certain non-US assets and operations.

Not withstanding its qualification for taxation as a REIT, Iron Mountain will be subject to US tax in specified circumstances. In addition, while Iron Mountain generally does not pay US federal income taxes on its assets and operations held in QRSs, it may be subject to state and local taxes on its income and property in addition to taxes owed with respect to Iron Mountain's TRS operations. In particular, while US state income tax regimes often parallel the US federal income tax regime for REITs, many US states do not completely follow US federal rules and some do not follow them at all.

If Iron Mountain fails to qualify for taxation as a REIT or elects not to qualify as a REIT, it will be subject to US federal income tax at regular corporate rates as if it were a 'C corporation'.

The following diagram is a representation of the US federal income tax treatment generally applicable to a global US REIT, and does not detail any specific treatment or structuring related to Iron Mountain:

Figure 14 – Representation of US federal income tax treatment generally applicable to a global US REIT



For further details of the material US tax considerations relating to Iron Mountain's qualification and taxation as a REIT, and to the acquisition, ownership and disposition of New Iron Mountain Securities, please see Exhibit 99.1 of Iron Mountain's Current Report on Form 8-K filed with the SEC on 25 August 2015 (Tax Disclosure), which is publicly available at the SEC website at www.sec.gov.

10.6.2 Impact of taxation as a REIT on Iron Mountain stockholders

Iron Mountain's distributions of REIT taxable income to its stockholders are generally treated as ordinary dividend income. Because Iron Mountain as a REIT is generally not subject to US federal income tax on the portion of its 'real estate investment trust taxable income' distributed to its stockholders, dividends on its stock are generally ineligible (or come with restricted eligibility) for a variety of preferences that apply to the dividends paid by non REIT corporations.

For example, Iron Mountain's distribution of REIT taxable income to its stockholders generally:

- cannot qualify for the preferential tax rates on qualified dividend income for non-corporate US taxpayers;
- cannot qualify for the dividends received deduction for corporate taxpayers; and
- can qualify only under restricted circumstances for the otherwise generally applicable treaty-based reductions in US withholding and income taxes on dividends to non-US Holders.

However, any distribution of 'C corporation' earnings and profits, taxed built-in gain items (including depreciation recapture income that is subject to this tax), and recognised dividend income in respect of foreign earnings and profits from qualifying TRSs will potentially be eligible for the preferential tax rate on qualified dividend income for non-corporate US taxpayers, and these exceptions are operative and are expected to be operative, including on account of the combination with Recall and the subsequent restructuring, through Iron Mountain's 2020 taxable year and perhaps thereafter.

In general, 30% US tax withholding will apply to distributions to non-US Holders. This tax rate may be reduced by operation of an applicable income tax treaty between the US and the home country of the non-US Holder, provided that the non-US Holder provides Iron Mountain with the applicable US tax forms. In addition, if certain distributions are paid by Iron Mountain to a non-US Holder that are attributable to gains from Iron Mountain's sale or exchange of US real property interests (within the meaning of the Code), those distributions may be subject to a 35% US federal withholding tax, provided that the non-US Holder owns more than 5% of the shares of Iron Mountain during the one year period, ending on the date of the distribution. A non-US Holder may seek a refund of amounts withheld in excess of the stockholder's US tax liability.

A non-US Holder's gain on the sale of New Iron Mountain Securities generally will not be subject to US federal income taxation, except that a nonresident alien individual who was present in the US for 183 days or more during the taxable year and certain other conditions are met may be subject to a 30% tax on this gain. The US income tax treatment of distributions and gain on the sale of stock may be subject to additional special rules for stockholders who hold or have held more than 5% of Iron Mountain's stock and for stockholders whose investment in Iron Mountain stock is effectively connected with their conduct of a trade or business in the US, all as described in the Tax Disclosure.

The rules governing the US federal income taxation of non-US Holders are complex. If you are a non-US Holder, you are urged to consult with your own tax adviser to determine the impact of US federal, state, local and non-US tax laws, including any tax return filing and other reporting requirements, with respect to your ownership of New Iron Mountain Securities.

See Section 10.19 for details on ownership limitations that apply to Iron Mountain in order to protect its qualification for taxation as a REIT.

10.7 DIVIDEND AND DISTRIBUTION POLICY AND HISTORY

This Section 10.7 describes Iron Mountain's dividend and distribution policy and history. For a discussion on the Combined Group's dividend and distribution policy, see Section 11.4.7.

10.7.1 Dividend and distribution policy

In February 2010, the Iron Mountain Board adopted a dividend policy under which Iron Mountain has paid, and in the future intends to pay, quarterly cash dividends on its common stock. Declaration and payment of future quarterly dividends is at the discretion of the Iron Mountain Board.

10.7.2 Dividend and distribution history

Set out below are the dividends declared by Iron Mountain in 2013, 2014 and through 30 September 2015:

Figure 15 – Iron Mountain dividends in 2013, 2014 and through 30 September 2015

DECLARATION DATE	DIVIDEND PER IRON MOUNTAIN SHARE (US$)	RECORD DATE	TOTAL AMOUNT (US$ MILLIONS)	PAYMENT DATE
14 March 2013	0.2700	25 March 2013	51.460	15 April 2013
6 June 2013	0.2700	25 June 2013	51.597	15 July 2013
11 September 2013	0.2700	25 September 2013	51.625	15 October 2013
16 December 2013	0.2700	27 December 2013	51.683	15 January 2014
14 March 2014	0.2700	25 March 2014	51.812	15 April 2014
28 May 2014	0.2700	25 June 2014	52.033	15 July 2014
15 September 2014	0.4750	25 September 2014	91.993	15 October 2014
15 September 2014 [1]	3.6144	30 September 2014	700.000	4 November 2014
17 November 2014 [2]	0.2550	28 November 2014	53.450	15 December 2014
17 November 2014	0.4750	5 December 2014	99.617	22 December 2014
19 February 2015	0.4750	6 March 2015	99.795	20 March 2015
28 May 2015	0.4750	12 June 2015	100.119	26 June 2015
27 August 2015	0.4750	11 September 2015	100.213	30 September 2015

NOTES

1 Represents special distribution.

2 Represents catch-up distribution.

The total amount distributed by Iron Mountain in the year ended 31 December 2014 included a special distribution, representing the remaining amount of Iron Mountain's undistributed earnings and profits attributable to prior taxable years which, in accordance with tax rules applicable to REIT conversions, Iron Mountain was required to pay to its stockholders in connection with its conversion to a REIT. The special distribution equalled US$700 million, representing US$3.61 per Iron Mountain Share (based on the weighted average number of common shares outstanding during that year).

Further, in December 2014, Iron Mountain paid a catch-up distribution of US$53.5 million, representing US$0.255 per Iron Mountain Share based on the weighted average number of common shares outstanding during 2014, because its cash distributions paid from January 2014 through July 2014 were lower than they otherwise would have been if the final determination to elect REIT status effective 1 January 2014 had been made prior to such distributions.

10.7.3 Characterisation of past dividends

The IRS requires historical 'C corporation' earnings and profits to be distributed prior to any distributions of REIT earnings and profits, which may affect the character of each distribution to Iron Mountain stockholders, including whether and to what extent each distribution is characterised as a qualified or nonqualified ordinary dividend (as further described in Section 10.6.2). Other distributions may be characterised as capital gain distributions or returns of capital. Set out below are the characterisations of dividends paid by Iron Mountain in the years ended 31 December 2013 and 2014.

Figure 16 – Characterisation of Iron Mountain dividends paid in 2013 and 2014

	YEARS ENDED 31 DECEMBER	
	2013	**2014**
Nonqualified ordinary dividends	0%	26.4%
Qualified ordinary dividends	100%	56.4%
Return of capital	0%	17.2%
	100%	100%

10.8 BOARD AND SENIOR MANAGEMENT

10.8.1 Board

As at the date of this Booklet, the Iron Mountain Board comprises the following members:

Alfred J. Verrecchia
CHAIRMAN

Alfred J. Verrecchia has been an Iron Mountain Director since March 2010 and was appointed independent chairman of Iron Mountain in March 2013.

Mr Verrecchia was chairman of the board of directors of Hasbro, Inc. (Hasbro), a publicly held branded play company from May 2008 to May 2015. He was the president and CEO of Hasbro from 2003 until 2008, and prior to that he served as Hasbro's chief operating officer and CFO.

Mr Verrecchia has served on the board of directors of several publicly held companies, including Old Stone Corp. from 1987 to 2012, FGX International Holdings Limited from February 2009 to March 2010 and CVS Caremark from September 2004 to March 2007. Mr Verrecchia holds both a Bachelor of Arts degree in accounting and a Master of Business Finance degree, each from the University of Rhode Island.

Jennifer Allerton
DIRECTOR

Jennifer Allerton has been an Iron Mountain Director since September 2014.

Ms Allerton has more than 38 years of information technology experience, most recently as chief information officer at F. Hoffman la Roche (Roche) in Switzerland with responsibility for IT strategy and operations for the Pharma division and all Group IT operations from June 2002 to July 2012.

Prior to Roche, Ms Allerton served from May 1999 to June 2002 as Technology Director at Barclaycard in the UK with responsibility for Fraud Operations and IT. Ms Allerton serves on the board of directors of Oxford Instruments, a provider of high technology tools and systems, and Aveva, an engineering design and information management solutions firm for the plant, power and marine industries. Earlier this year, Ms Allerton joined the board of Sandvik Group, a global engineering company. Ms Allerton holds Bachelor degrees in Mathematics from Imperial College, London and in Physical Sciences and Geosciences from the Open University, United Kingdom, and a Master's degree in Physics from the University of Manitoba, Canada.

Theodore R. Antenucci
DIRECTOR

Theodore R. Antenucci has been an Iron Mountain Director since June 2011.

Mr Antenucci currently serves as both president and CEO of Catellus Development Corporation, or Catellus, a private real estate developer, positions he has held since March 2011. Additionally, until 30 June 2011, he served in a dual role as president and chief investment officer of Prologis, Inc. (Prologis), a publicly held industrial REIT, positions he assumed in 2007.

Prior to these roles, Mr Antenucci served from 2005 to 2007 as president of global development for Prologis. From 2001 to 2005, he was president of Catellus Commercial Development, a subsidiary of Catellus, until Catellus and Prologis merged in 2005. Mr Antenucci serves on the board of directors of Hudson Pacific Properties, a publicly held company, on the board of Catellus and as a trustee of the Children's Hospital Foundation, a non-profit organisation. Mr Antenucci holds a Bachelor of Arts degree in Business Economics from the University of California at Santa Barbara.

Pamela M. Arway
DIRECTOR

Pamela M. Arway has been an Iron Mountain Director since May 2014.

Ms Arway served in a number of capacities during her 21 year career with American Express Company, Inc., a global payments, network and travel publicly held company, and its subsidiaries, until her retirement in 2008. Ms Arway served as president, Japan/Asia Pacific/Australia Region, American Express International, Inc., Singapore from October 2005 to January 2008.

From December 2004 to October 2005, Ms Arway served as CEO of American Express Australia Ltd in Sydney, Australia. From July 2000 to December 2004, Ms Arway served as executive vice president and general manager, Corporate Travel North America, American Express Company, Inc. Ms Arway has been a director of The Hershey Company, a publicly held company, since May 2010 and has been a director of DaVita Healthcare Partners, Inc., a publicly held company, since May 2009. Ms Arway holds a Bachelor's degree in Languages from Memorial University of Newfoundland and a Master of Business Administration degree from Queen's University, Kingston, Ontario, Canada.

Clarke H. Bailey
DIRECTOR

Clarke H. Bailey has been an Iron Mountain Director since January 1998.

Since 1990, Mr Bailey has served as a director of EDCI Holdings, Inc., a private company that until November 2011 was engaged in the manufacture and distribution of CDs and DVDs, and has served as its chairman since June 1999 and its CEO since July 2009.

Mr Bailey also previously served as CEO of EDCI Holdings, Inc. from November 2003 to November 2006. Mr Bailey has served as a director of SMTC Corporation, a publicly held company, since June 2011. Mr Bailey has served as Chairman of SMTC Corporation since April 2014 and he served as executive chairman and interim CFO of SMTC Corporation from May 2013 to April 2014. He holds a Master of Business Administration degree from The Wharton School, University of Pennsylvania.

Kent P. Dauten
DIRECTOR

Kent P. Dauten has been an Iron Mountain Director since November 1997.

Mr Dauten serves as Managing Director of Keystone Capital, Inc., a private investment firm, a position he has held since founding the firm in February 1994.

Mr Dauten served as a director of Health Management Associates, Inc., a publicly held hospital management firm, from November 1988 until August 2013. He holds a Master of Business Administration degree from Harvard Business School.

Paul F. Deninger
DIRECTOR

Paul F. Deninger has been an Iron Mountain Director since September 2010.

Mr Deninger has been a senior managing director at Evercore Partners, Inc., an investment banking advisory firm, since February 2011.

From December 2003 until October 2010, Mr Deninger served as a vice chairman of Jefferies & Company, Inc., the principal operating subsidiary of Jefferies Group, Inc. (Jefferies), a global securities and investment banking firm he joined in 2003. Mr Deninger joined Jefferies by way of its acquisition of Broadview International (Broadview), where he was Chairman and CEO since 1996, having joined Broadview in 1987. Mr Deninger holds a Bachelor's degree from Boston College and a Master of Business Administration degree from Harvard Business School.

Overview of Iron Mountain continued

Per-Kristian Halvorsen
DIRECTOR

Per-Kristian Halvorsen has been an Iron Mountain Director since September 2009.

Mr Halvorsen has been chief innovation officer and senior vice president of Intuit Inc. (Intuit), a publicly held software company, since December 2008. Prior to that role, Mr Halvorsen served as Intuit's chief technology officer from 2007 to 2008 and chief technology innovation officer from 2006 to 2007.

Prior to Intuit, Mr Halvorsen was vice president and center director of Solutions and Services for Hewlett-Packard Company, a publicly held company, where, from 2000 to 2005, he oversaw global research and advanced technology for its IT services division. Mr Halvorsen was laboratory manager and principal scientist at Xerox Palo Alto Research Center, where he founded the Information Sciences and Technology Lab and worked from August 1983 to May 2000. Mr Halvorsen has been a director of Autodesk Inc., a publicly held company, since March 2000. Mr Halvorsen holds a Ph.D. and a Master of Arts degree from the University of Texas at Austin.

William L. Meaney
PRESIDENT AND CEO

William L. Meaney has been an Iron Mountain Director since January 2013.

Mr Meaney assumed the role of Iron Mountain's CEO, and, simultaneously, became an Iron Mountain Director, in January 2013. Mr Meaney served as CEO of The Zuellig Group, a private business-to-business conglomerate, from August 2004 until March 2012. Prior to that position, Mr Meaney served as managing director and chief commercial officer for Swiss International Air Lines, Ltd, a private company providing passenger and cargo transportation services in Europe and internationally, from December 2002 to January 2004.

Mr Meaney currently serves on the board of directors of Qantas Airways Limited, an Australian publicly held company offering passenger and air freight transportation services in Australia and internationally, and on the boards of trustees of Carnegie Mellon University and Rensselaer Polytechnic Institute. Mr Meaney holds a Bachelor of Science degree in Mechanical Engineering from Rensselaer Polytechnic Institute and a Master of Science degree in Industrial Administration from Carnegie Mellon University.

Walter C. Rakowich
DIRECTOR

Walter C. Rakowich has been an Iron Mountain Director since August 2013.

Mr Rakowich served as CEO of Prologis from November 2008 through June 2011, when Prologis merged with AMB Property Corporation, after which he assumed the role of co-CEO and served as a member of the Prologis board of directors until he retired in December 2012 after 18 years at Prologis. Before becoming CEO, Mr Rakowich held a number of senior management positions while at Prologis, including managing director and CFO from December 1998 to January 2005 and president and chief operating officer from January 2005 to November 2008. Mr Rakowich served on the Prologis board of trustees from January 2005 through June 2011.

Mr Rakowich is a member of the board of directors of Host Hotels & Resorts, Inc., a publicly held company. Mr Rakowich holds a Bachelor of Science degree in accounting from Pennsylvania State University and a Master of Business Administration degree from Harvard Business School.

10.8.2 Senior management

The Iron Mountain management comprises the following members:

William L. Meaney
PRESIDENT AND CEO

See Mr Meaney's biography in Section 10.8.1.

Edward Bicks
SENIOR VICE PRESIDENT, ENTERPRISE STRATEGY

Mr Bicks was appointed senior vice president, enterprise strategy of Iron Mountain in September 2013. In addition, Mr Bicks manages Iron Mountain's emerging business group.

Prior to joining Iron Mountain, Mr Bicks served as senior vice president of corporate strategy and change management at Forrester Research from September 2012 to September 2013. From May 2005 to August 2012, Mr Bicks served as vice president of marketing strategy and finance at Forrester Research. Mr Bicks holds a Bachelor of Arts degree from Williams College and a Master of Business Administration degree from the MIT Sloan School of Management.

Ernest W. Cloutier
EXECUTIVE VICE PRESIDENT, US FEDERAL, SECURITY AND LEGAL

Mr Cloutier was appointed executive vice president, US federal, security and legal of Iron Mountain in June 2014. In his current role, Mr Cloutier also serves as Iron Mountain's general counsel and secretary, positions which he has held since joining Iron Mountain in December 2007 as a senior vice president of Iron Mountain.

In June 2011, Mr Cloutier was appointed as an executive vice president of Iron Mountain, and Mr Cloutier assumed responsibility for Iron Mountain's global security and risk organisations in March 2014. Prior to joining Iron Mountain, Mr Cloutier served as senior vice president, general counsel and secretary for Digitas Inc. from May 2004 to November 2007.

Mr Cloutier holds a Bachelor of Arts degree in Political Science from Bates College and a juris doctor from The American University Washington College of Law.

Roderick Day
EXECUTIVE VICE PRESIDENT AND CFO

Mr Day was appointed CFO of Iron Mountain in March 2014. Prior to this appointment, Mr Day served as Iron Mountain's interim CFO since November 2013. Mr Day served as senior vice president and CFO of Iron Mountain International from November 2009 to October 2013. In July 2008, Mr Day joined Iron Mountain as CFO of Iron Mountain Europe.

Prior to joining Iron Mountain, Mr Day served as CFO at AOL Europe from September 2006 to May 2008. Mr Day served as vice president, finance and strategy at AOL Europe from August 2003 to August 2006 and director, financial control and planning at AOL Europe from September 2001 to July 2003. Mr Day holds a Bachelor of Economics degree from Cambridge University and a Master of Business Administration degree from London Business School.

Marc A. Duale
PRESIDENT, INTERNATIONAL

Mr Duale was appointed president, Iron Mountain International in September 2008. He served as president of Iron Mountain Europe from May 2006 to September 2008. Prior to joining Iron Mountain, Mr Duale served as managing director for Reuters Asia from January 2002 to April 2006. From 1999 to 2002, Mr Duale served as chief operating officer for DHL Asia. He holds a Bachelor of Science degree and a Master of Science degree from Ecole Nationale des Techniques Avancees, a Master of Business Administration degree from Harvard Business School and a Master of Science degree in Ocean Engineering from the Massachusetts Institute of Technology.

Deirdre Evens
EXECUTIVE VICE PRESIDENT, CHIEF PEOPLE OFFICER

Ms Evens oversees global human resources for Iron Mountain, leading people operations and strategy necessary to support Iron Mountain's growth through the recruitment, development and retention of global talent. She came to Iron Mountain from environmental, energy, and industrial services company Clean Harbors, where she most recently served as the executive vice president of human resources since 2011, overseeing recruitment, total rewards, and employee development for a global workforce of more than 13,000 employees.

Patrick Keddy
EXECUTIVE VICE PRESIDENT & GENERAL MANAGER, DEVELOPED MARKETS, NORTH AMERICA AND WESTERN EUROPE

Mr Keddy was appointed executive vice president and general manager, North America and Western Europe of Iron Mountain in April 2015. Mr Keddy joined Iron Mountain as senior vice president, Western Europe, in November 2011, responsible for the operations of Iron Mountain's Records Management, Document Management Solutions, Data Management and Secure Shredding businesses. Prior to joining Iron Mountain, Mr Keddy served as President of the International Division of Pitney Bowes Inc. from 2005 to 2010. Mr Keddy holds a Bachelor of Science degree in Administrative Science from the University of Aston in Birmingham, UK and is a member of the Chartered Institute of Marketing.

Theodore MacLean
EXECUTIVE VICE PRESIDENT, CHIEF MARKETING OFFICER

Mr MacLean was appointed executive vice president, chief marketing officer of Iron Mountain in September 2014.

Prior to joining Iron Mountain, Mr MacLean served as general manager, emerging market strategies and sales at Microsoft Corporation from May 2011 to September 2014. From October 2008 to May 2011, Mr MacLean served as general manager, open solutions group at Microsoft Corporation. Mr MacLean holds a Bachelor of Arts degree from Carleton College and a Master of Business Administration degree from the Anderson School at the University of California, Los Angeles.

Eileen Sweeney
SENIOR VICE PRESIDENT AND GENERAL MANAGER, DATA MANAGEMENT

Ms Sweeney was appointed senior vice president and general manager, data management of Iron Mountain in August 2014. Prior to August 2014, Ms Sweeney served as vice president and general manager of the global manufacturing industry for Computer Sciences Corporation, or CSC, from June 2012 to July 2014. From 2010 to June 2012, Ms Sweeney served as president of the general dynamics account for CSC. From 2007 to 2010, Ms Sweeney served as global president of the manufacturing sector for CSC. Ms Sweeney holds a Bachelor of Science degree from Union College and a Master of Business Administration degree and Master of Science in Industrial Engineering degree from Northwestern University.

John Tomovcsik
EXECUTIVE VICE PRESIDENT & GENERAL MANAGER, RECORDS & INFORMATION MANAGEMENT, NORTH AMERICA

Mr Tomovcsik was appointed executive vice president and general manager, records and information management of Iron Mountain in January 2014. From January 2007 to December 2013, Mr Tomovcsik served as executive vice president and chief operating officer, Iron Mountain North America, responsible for the operations of Iron Mountain's Records Management, Document Management Solutions, Data Management and Secure Shredding core businesses.

Anastasios Tsolakis
EXECUTIVE VICE PRESIDENT, GLOBAL SERVICES AND CHIEF INFORMATION OFFICER

Mr Tsolakis was appointed executive vice president, global services and chief information officer of Iron Mountain in September 2011. Mr Tsolakis served as executive vice president and chief information officer of Iron Mountain since joining Iron Mountain in September 2010. Prior to joining Iron Mountain, Mr Tsolakis served as chief information officer from July 2008 to August 2010 at Affiliated Computer Services, Inc., a publicly held company that was acquired in 2009 by Xerox Corporation. Mr Tsolakis holds a Bachelor of Science degree in Electrical Engineering from Wilkes University, a Master of Business Administration degree from the University of Pennsylvania, Wharton Business School and a Ph.D. and Master of Science degree in Electrical Engineering from Virginia Polytechnic Institute and State University.

10.9 INTERESTS OF THE IRON MOUNTAIN DIRECTORS AND SENIOR MANAGEMENT

10.9.1 Shareholding interests in Recall

As at the date of this Booklet, no Iron Mountain Directors or senior managers have a Relevant Interest in any Recall Shares.

10.9.2 Fees or benefits given or agreed to be given in connection with the Scheme

No fees or benefits have been given or agreed to be given to any Iron Mountain Director or senior manager in connection with the Scheme.

10.9.3 Material contracts with directors and senior management

No Iron Mountain Director or senior manager has entered into an agreement or arrangement with another person in connection with or conditional on the outcome of the Scheme. Moreover, no Iron Mountain Director or senior manager has any interest in any contract entered into by Recall.

10.9.4 Employment agreements with directors and senior management

William L Meaney – President and CEO

Mr Meaney is the President and CEO of Iron Mountain and reports to the Iron Mountain Board. An employment contract between Iron Mountain and Mr Meaney documents the terms of his employment. Mr Meaney's annual salary is US$1 million (including an annual payment of 100,000 Swiss francs). Mr Meaney is eligible to receive an annual performance-based cash bonus of up to 125% of his base salary, provided he is actively employed at the time payment is made.

Mr Meaney's employment may be terminated by either party at any time, with or without cause, by giving one month's notice. If Mr Meaney quits for 'good reason' or Iron Mountain terminates Mr Meaney's employment without 'cause', Mr Meaney will be entitled to receive the following severance package:

- cash compensation consisting of:
  - the sum of one year's base salary and a bonus payment equal to the annual target performance-based cash bonus for the year of termination, which aggregate amount would be doubled if such termination is in connection with a change in control; and
  - Mr Meaney's actual annual performance-based bonus earned in respect to the year of termination based on the achievement of performance goals in accordance with Iron Mountain's annual incentive compensation program, with such bonus pro-rated from the beginning of the fiscal year of termination through the actual termination date; and
- Iron Mountain's payment of:
  - the employer share of the cost of medical and dental coverage under COBRA[66] coverage until the earlier of (i) the first anniversary of Mr Meaney's termination or for 18 months in connection with a change in control and (ii) the date on which COBRA coverage ends; and
  - outplacement services for nine months following termination.

Any unvested options and other awards previously granted to Mr Meaney will vest immediately should Mr Meaney be terminated by Iron Mountain, or terminate his own employment for 'good reason', within two years following a change of control.

Mr Meaney is subject to a non-compete agreement for a period of two years following the termination of his employment in respect of working for a competitor of Iron Mountain and in respect of other matters such as solicitation of current or prospective customers of Iron Mountain.

Roderick Day – Executive Vice President and CFO

Mr Day was appointed as Executive Vice President and CFO of Iron Mountain on 10 April 2014. An offer letter from Iron Mountain to Mr Day documents the terms of his employment. Under the terms of the offer letter, Mr Day is entitled to receive an annual base salary of £300,000 (approximately equivalent to US$500,000 as at the date of the offer letter). Mr Day is also eligible to receive an annual performance-based cash bonus of up to 80% of his base salary, provided he is actively employed by Iron Mountain at the time payment is made.

Mr Day's employment may be terminated by either party at any time, with or without cause. If Mr Day quits for 'good reason' or Iron Mountain terminates Mr Day's employment without 'cause', Mr Day will be entitled to receive the following severance package:

- cash compensation consisting of one year's base salary and a bonus payment generally equal to the annual target bonus for Mr Day for the year of termination multiplied by Mr Day's average payout percentage over the prior three years;
- Iron Mountain's payment of:
  - the employer share of the cost of medical and dental coverage under COBRA coverage until the earlier of (i) the first anniversary of Mr Day's termination and (ii) the date on which COBRA coverage ends; and
  - outplacement services for nine months following termination;
- accelerated vesting of outstanding restricted stock units and stock options scheduled to vest within 12 months following termination; and

66 COBRA coverage refers to the optional continuation of an individual's health coverage under the Company's group health plans for a period of time, usually not more than 18 months, following a 'qualifying event', e.g., termination of employment and loss of group health coverage. An individual who elects COBRA coverage is responsible for the full cost of the monthly premiums charged for the coverage (not just the active-employee rate that is usually employer subsidised in part) unless the employer has agreed to pay or be responsible for some or all of the employer portion of the cost of the monthly COBRA coverage.

- pro-rated vesting of outstanding performance units based on actual performance using the following schedule and payable at the original vesting date:
  - performance units outstanding for less than 12 months—33% vested;
  - performance units outstanding between 12 and 24 months—67% vested; and
  - performance units outstanding 24 months or longer—100%.

Mr Day is subject to a non-compete agreement for a period of two years following the termination of his employment in respect of working for a competitor of Iron Mountain and in respect of other matters such as solicitation of current or prospective customers of Iron Mountain.

10.10 CORPORATE GOVERNANCE

10.10.1 Overview

The Iron Mountain Board is the ultimate decision-making body of Iron Mountain except with respect to those matters reserved to stockholders. The Iron Mountain Board selects the President and CEO who is charged with the conduct of Iron Mountain's business. The Iron Mountain Board acts as an adviser and counsellor to senior management and ultimately monitors Iron Mountain's performance. The fundamental role of the Iron Mountain Directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of Iron Mountain and its stockholders. In fulfilling that responsibility, the Iron Mountain Directors may reasonably rely on the honesty and integrity of the corporation's senior management and expert legal, accounting, financial and other advisers.

Iron Mountain is established under the laws of the State of Delaware. As such, Iron Mountain's general corporate activities are not primarily regulated by the Corporations Act or by ASIC, but instead are regulated by the SEC and NYSE.

As Iron Mountain is a US company which is expected to be dual listed on the NYSE and ASX, the Iron Mountain Board has adopted a corporate governance policy and board committee charters reflecting NYSE listing standards. Iron Mountain is committed to ensuring that its corporate governance systems comply with statutory and stock exchange requirements and to maintaining its focus on transparency, responsibility and accountability.

10.10.2 Board committees

The Iron Mountain Board has established five committees to assist in carrying out its responsibilities. These committees act by examining various issues and making recommendations to the Iron Mountain Board.

The committees which have been established are the:

- Audit Committee;
- Compensation Committee;
- Nominating and Governance Committee;
- Finance Committee; and
- Risk and Safety Committee.

10.10.3 Audit Committee

The main functions of the Audit Committee are to:

- assist the Iron Mountain Board in oversight of the integrity of Iron Mountain's financial statements;
- assist the Iron Mountain Board in oversight of Iron Mountain's compliance with legal and regulatory requirements;
- assist the Iron Mountain Board in oversight of the independent registered public accounting firm's retention qualifications and independence;
- assist the Iron Mountain Board in oversight of the performance of Iron Mountain's internal audit function and independent auditors;
- prepare an Audit Committee report as required by the SEC to be included in the annual proxy statement;
- take other actions to meet its responsibilities as set out in its written charter; and
- establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters, including procedures for the confidential and anonymous submission by employees of Iron Mountain of any concerns regarding accounting or auditing matters they think may be questionable.

It is intended that each member of the Audit Committee is independent as defined by the rules of the SEC and NYSE listing standards. The current members of the Audit Committee are Messrs Antenucci, Dauten and Rakowich and Ms Allerton.

10.10.4 Compensation Committee

The main functions of the Compensation Committee are to:

- review, approve and recommend to the independent members of the Iron Mountain Board the base salary, equity-based incentives and the payment of short-term incentive compensation for the CEO;
- approve all long-term equity incentives to Iron Mountain employees, under the Iron Mountain Incorporated 2002 Stock Incentive Plan and the 2014 Stock and Cash Incentive Plan;
- review and approve the annual cash compensation for executive officers (other than the CEO) based on recommendations from the CEO and report to the Iron Mountain Board on such decisions;
- review Iron Mountain's cash and stock-based incentive compensation plans to assess their effectiveness in meeting Iron Mountain's goals and objectives and exercise all of the authority of the Iron Mountain Board with respect to the administration of such plans;

- annually review and discuss with management a draft of Iron Mountain's Compensation Discussion and Analysis to be included in Iron Mountain's annual report on Form 10-K and annual proxy statement;
- annually prepare and publish an annual report of the Compensation Committee for inclusion in Iron Mountain's annual report on Form 10-K and annual proxy statement;
- review and discuss at least on an annual basis the risks arising from Iron Mountain's compensation policies for its employees; and
- take other actions to meet its responsibilities as set out in its written charter.

It is intended that each member of the Compensation Committee qualifies as independent under NYSE listing standards. The current members of the Compensation Committee are Messrs Bailey and Halvorsen and Ms Arway.

10.10.5 Nominating and Governance Committee

The main functions of the Nominating and Governance Committee are to:

- recommend the composition of the Iron Mountain Board;
- identify and recommend candidates for nomination to the Iron Mountain Board;
- recommend to the Iron Mountain Board structures and statements of the duties and responsibilities of each committee of the Iron Mountain Board;
- develop and recommend to the Iron Mountain Board and implement corporate governance guidelines applicable to Iron Mountain;
- assist the Iron Mountain Board in annually reviewing management succession;
- develop and monitor an annual process to assess the effectiveness of the Iron Mountain Board and implement and oversee an annual review of the performance of the Iron Mountain Board (including evaluations of individual board members) and each of the Iron Mountain Board's standing committees;
- develop and propose, for approval by the Iron Mountain Board, compensation policies for Iron Mountain's non-employee directors;
- annually review contributions to candidates made by the Iron Mountain Incorporated Political Action Committee for compliance with its bylaws, and determine the composition of the Incorporated Political Action Committee board; and
- take other actions to meet its responsibilities as set out in its written charter.

It is intended that each member of the Nominating and Governance Committee qualifies as independent under NYSE listing standards. The current members of the Nominating and Governance Committee are Messrs Verrecchia, Bailey, Dauten and Rakowich and Ms Arway.

10.10.6 Finance Committee

The main functions of the Finance Committee are to:

- review Iron Mountain's capital structure and financial strategies;
- review Iron Mountain's material capital allocation decisions, strategic investments and dispositions and other opportunities for maximising stockholder value;
- consider and review Iron Mountain's dividend and share repurchase policies and programs and other strategies to return capital to stockholders;
- review Iron Mountain's derivatives and hedging policies and strategies;
- review Iron Mountain's investment policies and practices;
- review Iron Mountain's credit ratings and strategy;
- periodically review Iron Mountain's investor relations strategy;
- furnish periodic reports to the Iron Mountain Board concerning the Finance Committee's work;
- perform such other duties as the Iron Mountain Board may assign to the committee from time to time; and
- take other actions to meet its responsibilities set out in its written charter.

It is intended that each member of the Finance Committee qualifies as independent under NYSE listing standards. The current members of the Finance Committee are Messrs Antennucci, Dauten and Deninger.

10.10.7 Risk and Safety Committee

The main functions of the Risk and Safety Committee are to:

- review and monitor material safety, security, business continuity, information security and risk management strategies and systems;
- review and monitor material safety, security, business continuity, information security and risk management policies and processes implemented, established and reported on by Iron Mountain's management; and
- take other actions to meet its responsibilities as set out in its written charter.

The current members of the Risk and Safety Committee are Messrs Bailey, Deninger, Halvorsen and Meaney and Ms Allerton.

10.10.8 Disclosure obligations

Iron Mountain has certain legal and regulatory requirements regarding the public disclosure of material information as set out under Regulation FD adopted by the SEC and NYSE listing standards. Regulation FD says that, when an issuer discloses material, non-public information to certain enumerated persons (in general, securities market professionals and holders of the issuer's securities who may trade on the basis of the information), such issuer must make public disclosure of that information. The timing of the required public disclosure depends on whether such 'selective disclosure' (as it is known) was intentional or non-intentional – for an intentional selective disclosure the issuer must make public disclosure simultaneously, and for a non-intentional disclosure the issuer must make public disclosure promptly.

Iron Mountain is committed to observing its disclosure obligations under the Corporations Act and Listing Rules, and under US law and NYSE listing standards.

10.10.9 Insider Trading Policy and prohibitions on hedging and pledging

Iron Mountain's Insider Trading Policy prohibits Iron Mountain Directors and officers from trading while in possession of material non-public information about Iron Mountain or engaging in short-term or speculative transactions involving Iron Mountain's securities, such as short sales, buying or selling puts or calls and hedging transactions. The Insider Trading Policy also prohibits Iron Mountain Directors and executive officers from placing Iron Mountain's securities in margin accounts or otherwise pledging shares of common stock. No Iron Mountain Director or officer holds Iron Mountain Shares that are held in a margin account or otherwise pledged.

10.10.10 Code of Ethics and Business Conduct

Iron Mountain has adopted a written Code of Ethics and Business Conduct, which applies to all employees of Iron Mountain, including executive and non-executive directors.

The objectives of the Code of Ethics and Business Conduct are to ensure that high standards of corporate and individual behaviour are observed by all employees in the context of their employment with Iron Mountain and that employees always act in an ethical and professional manner so that all persons dealing with Iron Mountain, whether it be employees, stockholders, suppliers, customers or competitors, can be guided by the stated policies and practices of Iron Mountain.

10.11 HISTORICAL FINANCIAL INFORMATION

10.11.1 Introduction

This Section 10.11 contains a summary of the Iron Mountain financial information which is comprised of the ***Iron Mountain Historical Financial Information***, being:

- Iron Mountain audited historical income statements and historical cash flows statements for the years ended 31 December 2013 and 31 December 2014 and the Iron Mountain unaudited historical income statement and historical cash flow statement for the six months ended 30 June 2015 (***Iron Mountain Historical Income Statements and Iron Mountain Historical Cash Flow Statements***); and
- Iron Mountain unaudited balance sheet as at 30 June 2015 (***Iron Mountain Balance Sheet***).

The Iron Mountain Historical Financial Information has been reviewed by the Investigating Accountant. The Investigating Accountant's Report is included in Appendix 2. You should note the comments made in relation to the scope and limitations of the Investigating Accountant's Report.

This Section 10.11 should be read in conjunction with the risks to which Iron Mountain is subject and the risks associated with the Scheme, as set out in Section 12.

The financial statements for the years ended 31 December 2014 and 31 December 2013 were audited by Deloitte & Touche LLP as Independent Registered Public Accounting Firm for Iron Mountain in accordance with the standards of the Public Company Accounting Oversight Board (United States). The audit opinion relating to these financial statements was unqualified. Deloitte & Touche LLP performs reviews of Iron Mountain's interim financial statements filed with the SEC in accordance with the standards of the Public Company Accounting Oversight Board (United States).

10.11.2 Basis of preparation

Overview

The Iron Mountain Historical Financial Information included in this Section 10.11 is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Iron Mountain. The management of Iron Mountain is responsible for the preparation and presentation of the Iron Mountain financial information.

The Iron Mountain Historical Financial Information has been prepared under accounting principles generally accepted in the US (US GAAP) but is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information that are required by US GAAP or Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB.

The Iron Mountain Historical Cash Flow Statements for the years ended 31 December 2013, 31 December 2014 and the six months ended 30 June 2015 are presented as net operating cash flows.

Where Iron Mountain financial reports have been used to extract historical financial information, complete versions of these reports are available from Iron Mountain's website, www.ironmountain.com, or the SEC's website, www.sec.gov.

Iron Mountain Historical Financial Information

The Iron Mountain Historical Financial Information has been prepared in accordance with US GAAP. The accounting policies used in preparation of the Iron Mountain Historical Financial Information are consistent with those set out in the Iron Mountain Current Report on Form 8-K as filed with the SEC on 7 May 2015 for the year ended 31 December 2014.

The Iron Mountain Historical Financial Information for the years ended 31 December 2014 and 31 December 2013 has been derived from Iron Mountain's audited consolidated financial statements as of and for the year ended 31 December 2014 contained in its Current Report on Form 8-K filed with the SEC on 7 May 2015. The Iron Mountain Historical Financial Information for the six month period ended 30 June 2015 has been derived from Iron Mountain's unaudited consolidated financial statements as of and for the three and six months ended 30 June 2015 contained in Iron Mountain's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2015 filed with the SEC on 30 July 2015.

Non GAAP measures

As part of regular reporting to their respective stockholders and shareholders, Iron Mountain discloses a number of financial measures that are not in compliance with either US GAAP or Australian Accounting Standards, which they believe to be important to investors to consider when evaluating their respective financial performance and that of the Combined Group. These non GAAP measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with US GAAP or Australian Accounting Standards.

The non GAAP information referred to in this Section 10.11 include Adjusted OIBDA. Iron Mountain management determines Adjusted OIBDA as operating income before depreciation, amortisation, impairment of intangibles, (gain) loss on disposal/write-down of property, plant and equipment, net (excluding real estate), REIT Costs and Recall Costs (as defined below). In addition, investor communications also use:

- normalised funds from operations or ***Normalised FFO***, which comprises net income excluding gains and losses on the sales or write-down of real estate assets, earnings from non real estate investments, realised and unrealised foreign exchange gains and losses, provisions or benefits from deferred taxes, earnings from discontinued operations, significant one-off costs, plus depreciation on real estate assets; and
- adjusted funds from operations or ***AFFO***, which is Normalised FFO less maintenance or non real estate capital expenditure, non cash rent income and expense, plus depreciation on non real estate assets, amortisation expense and non cash equity compensation costs.

10.11.3 Financial performance

Reported financial performance

Iron Mountain Historical Income Statements for the years ended 31 December 2013, 31 December 2014 and the six months ended 30 June 2015 are as follows:

(Adjusted) Iron Mountain Historical Statements of Financial Performance

US$ MILLIONS	YEAR ENDED 31 DECEMBER 2013[1]	YEAR ENDED 31 DECEMBER 2014	SIX MONTHS ENDED 30 JUNE 2015
Total revenues	3,024.6	3,117.7	1,509.0
Operating expenses	(2,213.3)	(2,215.3)	(1,061.1)
OIBDA	**811.3**	**902.4**	**447.9**
Depreciation and amortisation	(322.0)	(353.1)	(173.5)
Operating income	**489.3**	**549.3**	**274.4**
Interest expense, net	(254.2)	(260.7)	(131.0)
Other expense, net	(75.2)	(65.2)	(24.4)
Income from continuing operations, before (provision) benefit for income taxes and gain on sale of real estate	**159.9**	**223.4**	**119.0**
(Provision) benefit for income taxes	(62.1)	97.3	(23.3)
Gain on sale of real estate	1.4	8.3	–
Income from continuing operations	**99.2**	**329.0**	**95.7**
Income (loss) from discontinued operations, net of tax	0.8	(0.2)	–
Net income	**100.0**	**328.8**	**95.7**
Less: Net income (loss) attributable to noncontrolling interest	3.5	2.6	1.3
Net income (loss) attributable to Iron Mountain Incorporated	**96.5**	**326.2**	**94.4**

NOTES

1 As described in Iron Mountain's Current Report Form 8-K as filed on 7 May 2015, during 2014, Iron Mountain identified contract billing inaccuracies arising from a single location which occurred over numerous years that resulted in an overstatement of prior years' reported revenue by an aggregate of US$10 million. Revenue for the year ended 31 December 2013 has been restated to reflect a reduction in revenues of US$1.3 million to correct the billing inaccuracies. The remaining overstated amount of US$8.7 million relates to the periods prior to 2013.

Management discussion and analysis of historical financial performance

Iron Mountain's Current Report Form 8-K as filed on 7 May 2015 for the years ended 31 December 2013 and 31 December 2014 and its quarterly report for the quarterly period ended 30 June 2015 contain a full commentary on the historical results of Iron Mountain for those periods. These are available from Iron Mountain's website, at www.ironmountain.com, or the SEC's website at www.sec.gov. The information provided in Iron Mountain's SEC filings (or available on Iron Mountain's website) is not part of this Booklet and is not incorporated by reference.

The following is a summary of the key financial highlights as presented within the Iron Mountain annual and quarterly reports.

Significant items impacting historical financial performance

The following details significant items that had an impact on the Iron Mountain Historical Financial information:

REIT conversion

Total operating expenditures associated with Iron Mountain's REIT conversion were US$82.9 million, and US$22.3 million for the years ended 31 December 2013 and 2014, respectively.

Tax benefit from REIT conversion

As a result of its REIT conversion, Iron Mountain recorded a net tax benefit of US$212.2 million during the year ended 31 December 2014 for the revaluation of certain deferred tax assets and liabilities associated with the REIT conversion. In 2014, it recorded an increase to the tax provision of US$29.3 million associated with tax accounting method changes consistent with its REIT conversion. The primary other reconciling items between the federal statutory rate of 35% and Iron Mountain's overall effective tax rate during the year ended 31 December 2014 was an increase of US$46.4 million in its tax provision from the repatriation discussed below and other net tax adjustments related to the REIT conversion, including a tax benefit of US$63.3 million primarily related to the dividends paid deduction. As a REIT, Iron Mountain:

- is entitled to a deduction for dividends paid, resulting in a substantial reduction of federal income tax expense; and
- substantially all of its income tax expense will be incurred based on the earnings generated by foreign subsidiaries and domestic TRSs.

Iron Mountain had not previously provided incremental federal and certain state income taxes on net tax over book outside basis differences related to the earnings of its foreign subsidiaries as its intent, prior to its conversion to a REIT, was to reinvest current and future undistributed earnings of certain foreign subsidiaries indefinitely outside the US. As a result of the conversion to a REIT, it is no longer Iron Mountain's intent to indefinitely reinvest its current and future undistributed foreign earnings outside the US, and, therefore, during 2014, it recognised an increase in its tax provision from continuing operations in the amount of US$46.4 million, representing incremental federal and state income taxes and foreign withholding taxes on such foreign earnings. As a REIT, future repatriation of incremental undistributed earnings of Iron Mountain's foreign subsidiaries will not be subject to federal or state income tax, with the exception of foreign withholding taxes in limited instances; however, such future repatriations will require distribution in accordance with REIT distribution rules, and any such distribution may then be taxable, as appropriate, at the stockholder level.

Discontinued operations

In December 2014, Iron Mountain divested its secure shredding operations in Australia, Ireland and the United Kingdom (***International Shredding Operations***) in a stock transaction for approximately US$26.2 million of cash at closing, including US$1.5 million being held in escrow. The assets sold primarily consisted of customer contracts and certain long-lived assets. Iron Mountain concluded that this divestiture was not a discontinued operation under US GAAP and, therefore, recorded a pre-tax gain on sale in other (income) expense, net of approximately US$6.9 million in expenses (US$10.2 million, inclusive of a tax benefit) in the Iron Mountain Historical Income Statement for the year ended 31 December 2014. Revenues from the International Shredding Operations in 2014 represent less than 1% of its consolidated revenues. The International Shredding Operations in Australia were previously included in Iron Mountain's Other International Business segment and the International Shredding Operations in Ireland and the United Kingdom were previously included in Iron Mountain's Western European Business segment.

Restructuring

In the third quarter of 2013, Iron Mountain implemented a plan that called for certain organisational realignments to advance its growth strategy and reduce operating costs. This plan was completed in 2014. As a result, Iron Mountain recorded restructuring costs of approximately US$23.4 million and US$3.5 million for the years ended 31 December 2013 and 2014, respectively, primarily related to employee severance and associated benefits. These restructuring costs are included within operating expenses on the Iron Mountain Historical Income Statement.

Recall Costs

The costs associated with Iron Mountain's proposed acquisition of Recall, including costs to complete the acquisition (including advisory and professional fees) as well as costs incurred once Iron Mountain closes the transaction to integrate Recall into its existing operations (including moving, severance, facility upgrade, REIT conversion and system upgrade costs) (collectively, Recall Costs) approximated US$5.7 million for the six months ended 30 June 2015. These costs were included within operating expenses on the Iron Mountain Historical Income Statement.

2013 results

Revenues

The consolidated revenues of Iron Mountain increased US$20.7 million, or 0.7%, to US$3,024.6 million for the year ended 31 December 2013 from US$3,004 million for the year ended 31 December 2012. Internal revenue growth (which represents the weighted average year-over-year growth rate of Iron Mountain's revenues after removing the effects of acquisitions, divestitures and foreign currency exchange rate fluctuations) was negative 0.2% for 2013. On a constant dollar basis, the consolidated revenues of Iron Mountain increased by 1.4% for the year ended 31 December 2013 compared to the year ended 31 December 2012. With respect to Iron Mountain's 2013 results, constant currency growth rates were calculated by translating the 2012 results at the 2013 average exchange rates. For the year ended 31 December 2013, foreign currency exchange rate fluctuations decreased Iron Mountain's consolidated revenues by 0.7% primarily due to the weakening of the Australian dollar, Brazilian real, British pound sterling and Canadian dollar, offset by an increase of the Euro against the US dollar, based on an analysis of weighted average rates for the comparable periods. Net acquisitions/divestitures partially offset the decrease in reported consolidated revenues and contributed an increase of 1.6% of total reported revenues in 2013 over the same period in 2012.

Operating expenses

Operating expenses include labour, facilities, transportation, product cost of sales and other, general and administrative, sales, marketing and account management, information technology and bad debt expenses.

Labour expense increased to US$638.4 million (21.1% of consolidated revenues) for the year ended 31 December 2013 compared to US$625.9 million (20.8% of consolidated revenues) for the year ended 31 December 2012. Labour expense for the year ended 31 December 2013 increased by 3.1% on a constant dollar basis compared to the year ended 31 December 2012, primarily due to US$10.7 million of incremental labour costs associated with fiscal year 2013 acquisitions, as well as US$3.4 million of restructuring costs that were incurred in 2013. Labour costs were favourably impacted by 1.1% due to currency rate changes during the year ended 31 December 2013.

Facilities costs decreased to US$413.7 million (13.7% of consolidated revenues) for the year ended 31 December 2013 compared to US$421.1 million (14% of consolidated revenues) for the year ended 31 December 2012. The largest component of facilities costs is rent expense, which, on a constant dollar basis, decreased by US$6 million for the year ended 31 December 2013 compared to the year ended 31 December 2012, as a result of ongoing facility consolidation efforts. This decrease was partially offset by US$4.8 million of costs associated with 2013 acquisitions. Facilities costs were favourably impacted by 0.9% due to currency rate changes during the year ended 31 December 2013.

Transportation expenses decreased to US$123.2 million (4.1% of consolidated revenues) for the year ended 31 December 2013 compared to US$126 million (4.2% of consolidated revenues) for the year ended 31 December 2012. On a constant dollar basis, transportation expenses decreased by US$1.4 million during the year ended 31 December 2013 compared to the year ended 31 December 2012, as a result of a decrease in vehicle lease expense, primarily associated with Iron Mountain's United Kingdom operations, due to the capitalisation of leased vehicles upon renewal. Although the aggregate lease cost has not changed, the categorisation of charges did change, resulting in the cost being allocated to depreciation and interest. Transportation expenses were favourably impacted by 1.2% due to currency rate changes during the year ended 31 December 2013.

Product cost of sales and other, which includes cartons, media and other service, storage and supply costs, is highly correlated to service revenue streams, particularly project revenues. For the year ended 31 December 2013, product cost of sales and other increased by US$9.6 million compared to the year ended 31 December 2012 on an actual basis, primarily as a result of higher move costs associated with facility consolidations, as well as US$1.5 million of incremental costs incurred associated with 2013 acquisitions. These costs were favourably impacted by 1% due to currency rate changes during the year ended 31 December 2013.

General and administrative expenses increased to US$595.7 million (19.7% of consolidated revenues) for the year ended 31 December 2013 compared to US$508.4 million (16.9% of consolidated revenues) for the year ended 31 December 2012. On a constant dollar basis, general and administrative expenses increased by US$91 million during the year ended 31 December 2013 compared to the year ended 31 December 2012. Included in general and administrative expenses for the year ended 31 December 2013 were US$82.9 million of REIT Costs compared to US$34.4 million of REIT Costs for the year ended 31 December 2012. The increase during the year ended 31 December 2013 compared to the year ended 31 December 2012 also included a US$31.7 million increase in compensation expenses, primarily associated with restructuring costs, US$5.1 million of incremental costs associated with 2013 acquisitions and a US$4.8 million increase in software licence fees. General and administrative expenses were favourably impacted by 0.8% due to currency rate changes during the year ended 31 December 2013.

Sales, marketing and account management expenses decreased to US$219.1 million (7.2% of consolidated revenues) for the year ended 31 December 2013 compared to US$235.4 million (7.8% of consolidated revenues) for the year ended 31 December 2012. On a constant dollar basis, the decrease of US$14.8 million during the year ended 31 December 2013 compared to the year ended 31 December 2012 was primarily due to a decrease of US$16 million in compensation expense within the North American Records and Information Management Business segment and US$3.2 million in compensation expense within the North American Data Management Business segment as a result of restructuring in the fourth quarter of 2012. This decrease was partially offset by US$1.1 million of incremental costs incurred associated with 2013 acquisitions. Sales, marketing and account management expenses were favourably impacted by 0.6% due to currency rate changes during the year ended 31 December 2013.

Information technology expenses decreased to US$97.9 million (3.2% of consolidated revenues) for the year ended 31 December 2013 compared to US$98.2 million (3.3% of consolidated revenues) for the year ended 31 December 2012. On a constant dollar basis, information technology expenses increased US$0.4 million during the year ended 31 December 2013 compared to the year ended 31 December 2012, primarily due to incremental costs associated with 2013 acquisitions. Information technology expenses were favourably impacted by 0.8% due to currency rate changes during the year ended 31 December 2013.

Consolidated bad debt expense for the year ended 31 December 2013 increased US$3 million to US$11.3 million (0.4% of consolidated revenues) from US$8.3 million (0.3% of consolidated revenues) for the year ended 31 December 2012. Iron Mountain maintains an allowance for doubtful accounts that is calculated based on its past loss experience, current and prior trends in its aged receivables, current economic conditions, and specific circumstances of individual receivable balances.

Depreciation and amortisation

Within the Iron Mountain financial information presented in tabular form in this Section 10.11.3, depreciation and amortisation expense includes depreciation of property, plant and equipment, amortisation of intangible assets as well as (gain) loss on the disposal/write-down of property, plant and equipment (excluding real estate), net.

Depreciation expense increased US$2.3 million for the year ended 31 December 2013 compared to the year ended 31 December 2012, primarily due to the increased depreciation of property, plant and equipment acquired through business combinations.

Amortisation expense increased US$3.4 million for the year ended 31 December 2013 compared to the year ended 31 December 2012, primarily due to the increased amortisation of customer relationship intangible assets acquired through business combinations.

Consolidated loss on disposal/write-down of property, plant and equipment (excluding real estate), net was US$0.4 million for the year ended 31 December 2013 and consisted of US$1.7 million of asset write-offs in Iron Mountain's North American Records and Information Management Business segment, approximately US$0.3 million of asset write-offs in Iron Mountain's Corporate and Other Business segment, approximately US$0.6 million of asset write-offs associated with Iron Mountain's Western European Business segment and approximately US$0.3 million of asset write-offs associated with Iron Mountain's Other International Business segment, partially offset by gains of approximately US$2.5 million on the retirement of leased vehicles accounted for as capital lease assets primarily associated with Iron Mountain's North American Records and Information Management Business segment.

Operating income

As a result of the foregoing factors, consolidated operating income decreased US$66.2 million, or 11.9%, to US$489.2 million (16.2% of consolidated revenues) for the year ended 31 December 2013 from US$555.5 million (18.5% of consolidated revenues) for the year ended 31 December 2012.

2014 results

Revenues

The consolidated revenues of Iron Mountain increased US$93.1 million, or 3.1%, to US$3,117.7 million for the year ended 31 December 2014 from US$3,024.6 million for the year ended 31 December 2013. Internal revenue growth was 1% for 2014. On a constant dollar basis, the consolidated revenues of Iron Mountain increased by 4.3% for the year ended 31 December 2014 compared to the year ended 31 December 2013. With respect to Iron Mountain's 2014 results, constant currency growth rates were calculated by translating the 2013 results at the 2014 average exchange rates. For the year ended 31 December 2014, foreign currency exchange rate fluctuations decreased Iron Mountain's reported consolidated revenues by 1.2% primarily due to the weakening of the Australian dollar, Brazilian real and Canadian dollar against the US dollar, partially offset by a strengthening of the British pound sterling and the Euro against the US dollar, based on an analysis of weighted average rates for the comparable periods. Net acquisitions/divestitures contributed an increase of 3.3% of total reported revenues in 2014 over the same period in 2013.

Operating expenses

Labour expense increased to US$674.7 million (21.6% of consolidated revenues) for the year ended 31 December 2014 compared to US$638.4 million (21.1% of consolidated revenues) for the year ended 31 December 2013. Labour expense for the year ended 31 December 2014 increased by 7.7% on a constant dollar basis compared to the year ended 31 December 2013 primarily due to incremental labour costs associated with acquisitions completed during fiscal year 2014 and the fourth quarter of 2013, as well as merit increases, partially offset by a US$2.2 million decrease in restructuring costs. Labour costs were favourably impacted by 2% due to currency rate changes during the year ended 31 December 2014.

Facilities costs increased to US$440.4 million (14.1% of consolidated revenues) for the year ended 31 December 2014 compared to US$413.7 million (13.7% of consolidated revenues) for the year ended 31 December 2013. Rent expense, which, on a constant dollar basis, increased by US$10.9 million for the year ended 31 December 2014 compared to the year ended 31 December 2013, primarily due to the impact of acquisitions completed during fiscal year 2014 and the fourth quarter of 2013. Other facilities costs increased by US$19.9 million on a constant dollar basis for the year ended 31 December 2014 compared to the year ended 31 December 2013, primarily due to higher utilities of US$4 million and building maintenance costs of US$6.5 million, as well as higher insurance costs of US$3.5 million associated with a fire at one of Iron Mountain's facilities in Buenos Aires, Argentina on 5 February 2014. Facilities costs were favourably impacted by 1% due to currency rate changes during the year ended 31 December 2014.

Transportation expenses decreased to US$118 million (3.8% of consolidated revenues) for the year ended 31 December 2014 compared to US$123.2 million (4.1% of consolidated revenues) for the year ended 31 December 2013. On a constant dollar basis, transportation expenses decreased by US$3.2 million on a constant dollar basis during the year ended 31 December 2014 compared to the year ended 31 December 2013 primarily as a result of decreased fuel and maintenance costs of US$1.3 million and US$0.9 million, respectively. Transportation expenses were favourably impacted by 1.6% due to currency rate changes during the year ended 31 December 2014.

Product cost of sales and other, which includes cartons, media and other service, storage and supply costs, is highly correlated to service revenue streams, particularly project revenues. For the year ended 31 December 2014, product cost of sales and other decreased by US$2.1 million compared to the year ended 31 December 2013 on an actual basis, primarily due to a reduction in costs associated with special projects. These costs were favourably impacted by 1.8% due to currency rate changes during the year ended 31 December 2014.

General and administrative expenses decreased to US$538.7 million (17.3% of consolidated revenues) during the year ended 31 December 2014 compared to US$595.7 million (19.7% of consolidated revenues) in the year ended 31 December 2013. On a constant dollar basis, general and administrative expenses decreased by US$52 million during the year ended 31 December 2014 compared to the year ended 31 December 2013, primarily driven by a US$60.6 million decrease in REIT Costs and a US$15.3 million decrease in restructuring costs. These decreases were partially offset by increased compensation costs of US$15.1 million, primarily associated with merit increases, higher incentive compensation and the associated payroll taxes, as well as US$7.2 million of incremental general and administrative expenses associated with international acquisitions completed during fiscal year 2014 and the fourth quarter of 2013. General and administrative expenses were favourably impacted by 0.8% due to currency rate changes during the year ended 31 December 2014.

Sales, marketing and account management expenses decreased to US$213.5 million (6.8% of consolidated revenues) during the year ended 31 December 2014 compared to US$219.1 million (7.2% of consolidated revenues) in the year ended 31 December 2013. On a constant dollar basis, the decrease of US$4 million during the year ended 31 December 2014 compared to the year ended 31 December 2013 was primarily due to a decrease in compensation expense of US$3.5 million as a result of the organisational restructuring initiated in 2013 and completed in 2014. Sales, marketing and account management expenses were favourably impacted by 0.8% due to currency rate changes during the year ended 31 December 2014.

Information technology expenses increased to US$103.2 million (3.3% of consolidated revenues) for the year ended 31 December 2014 compared to US$97.9 million (3.2% of consolidated revenues) for the year ended 31 December 2013. On a constant dollar basis, information technology expenses increased US$6 million during the year ended 31 December 2014 compared to the year ended 31 December 2013 primarily due to increased professional fees of US$2.4 million and software licence fees of US$1 million, as well as an increase in compensation expenses of US$2.9 million related to the mix of project work year over year performed by internal personnel associated with capital versus maintenance initiatives. Information technology expenses were favourably impacted by 0.7% due to currency rate changes during the year ended 31 December 2014.

Consolidated bad debt expense for the year ended 31 December 2014 increased US$2.9 million to US$14.2 million (0.5% of consolidated revenues) from US$11.3 million (0.4% of consolidated revenues) for the year ended 31 December 2013. Iron Mountain maintains an allowance for doubtful accounts that is calculated based on Iron Mountain's past loss experience, current and prior trends in Iron Mountain's aged receivables, current economic conditions, and specific circumstances of individual receivable balances.

Depreciation and amortisation

Within the Iron Mountain financial information presented in tabular form in this Section 10.11.3, depreciation and amortisation expense includes depreciation of property, plant and equipment, amortisation of intangible assets as well as (gain) loss on the disposal/write-down of property, plant and equipment (excluding real estate), net.

Depreciation expense increased US$21.7 million for the year ended 31 December 2014 compared to the year ended 31 December 2013, primarily due to the increased depreciation of property, plant and equipment acquired through business combinations.

Amortisation expense increased US$9.4 million for the year ended 31 December 2014 compared to the year ended 31 December 2013, primarily due to the increased amortisation of customer relationship intangible assets acquired through business combinations.

Consolidated loss on disposal/write-down of property, plant and equipment (excluding real estate), net was US$1.1 million for the year ended 31 December 2014 and consisted primarily of losses associated with the write-off of certain software associated with the North American Records and Information Management Business segment.

Operating income

As a result of the foregoing factors, consolidated operating income increased US$60 million, or 12.3%, to US$549.3 million (17.6% of consolidated revenues) for the year ended 31 December 2014 from US$489.2 million (16.2% of consolidated revenues) for the year ended 31 December 2013.

1H 2015 results

Revenues

The consolidated revenues of Iron Mountain decreased US$48 million, or 3.1%, to US$1,509 million for the six months ended 30 June 2015 from US$1,557 million for the six months ended 30 June 2014. Internal revenue growth was 1.5% for the six months ended 30 June 2015. On a constant dollar basis, the consolidated revenues of Iron Mountain increased by 2.2% for the six months ended 30 June 2015 compared to the six months ended 30 June 2014. With respect to Iron Mountain's results for the six months ended 30 June 2015, constant currency growth rates were calculated by translating the results for the six months ended 30 June 2014 at the average exchange rates for the six months ended 30 June 2015. For the six months ended 30 June 2015, foreign currency exchange rate fluctuations decreased Iron Mountain's reported consolidated revenues by 5.3% compared to the same prior year period, primarily due to the weakening of the Australian dollar, Brazilian real, British pound sterling, Canadian dollar and the Euro against the US dollar, based on an analysis of weighted average rates for the comparable period. This decrease was partially offset by consolidated revenue internal growth of 1.5% and the net impact of acquisitions/divestitures of 0.7% in the six months ended 30 June 2015 compared to the six months ended 30 June 2014.

Operating expenses

Labour expense decreased to US$325.5 million (21.6% of consolidated revenues) in the six months ended 30 June 2015 compared to US$334.9 million (21.5% of consolidated revenues) in the six months ended 30 June 2014. Labour costs were favourably impacted by 6.4% due to currency rate changes during the six months ended 30 June 2015. Labour expense for the six months ended 30 June 2015 increased by 3.6% on a constant dollar basis compared to the six months ended 30 June 2014. This increase was primarily due to a US$10.3 million increase in labour costs in Iron Mountain's Other International Business segment, primarily associated with the impact of recent acquisitions, partially offset by a US$1.5 million reduction in restructuring costs, primarily associated with Iron Mountain's North American Records and Information Management Business segment.

Facilities costs decreased to US$214.8 million (14.2% of consolidated revenues) in the six months ended 30 June 2015 compared to US$222.3 million (14.3% of consolidated revenues) in the six months ended 30 June 2014. Facilities costs were favourably impacted by 5.5% due to currency rate changes during the six months ended 30 June 2015. Rent expense increased by US$2.9 million on a constant dollar basis for the six months ended 30 June 2015 compared to the six months ended 30 June 2014, primarily driven by increased costs in Iron Mountain's Other International Business segment. Other facilities costs increased by US$1.6 million on a constant dollar basis for the six months ended 30 June 2015 compared to the six months ended 30 June 2014, primarily due to higher property taxes and common area charges of US$2.3 million and building maintenance and security costs of US$3.6 million, partially offset by a decrease in insurance costs of US$4.1 million, primarily associated with a fire at one of Iron Mountain's facilities in Buenos Aires, Argentina in February 2014.

Transportation expenses decreased to US$50.4 million (3.3% of consolidated revenues) for the six months ended 30 June 2015 compared to US$58.8 million (3.8% of consolidated revenues) for the six months ended 30 June 2014. On a constant dollar basis, transportation expenses decreased by US$5.6 million in the six months ended 30 June 2015 compared to the six months ended 30 June 2014, primarily as a result of decreased fuel and insurance costs of US$3.9 million and US$1.4 million, respectively. Transportation expenses were favourably impacted by 4.4% due to currency rate changes during the six months ended 30 June 2015.

Product cost of sales and other, which includes cartons, media and other service, storage and supply costs, is highly correlated to service revenue streams, particularly project revenues. For the six months ended 30 June 2015, product cost of sales and other increased by US$1.2 million compared to the six months ended 30 June 2014 on an actual basis, primarily associated with higher special project costs within Iron Mountain's North American Data Management Business segment. These costs were favourably impacted by 8.4% due to currency rate changes during the six months ended 30 June 2015.

General and administrative expenses decreased to US$244.9 million (16.2% of consolidated revenues) during the six months ended 30 June 2015 compared to US$262.1 million (16.8% of consolidated revenues) in the six months ended 30 June 2014. On a constant dollar basis, general and administrative expenses decreased by US$4.8 million during the six months ended 30 June 2015 compared to the six months ended 30 June 2014, primarily as a result of a US$14 million decrease in REIT Costs and a US$2 million decrease in restructuring costs, partially offset by a US$5.7 million increase in Recall Costs, a US$2.7 million increase in general and administrative expenses associated with the Other International Business segment, as well as an increase in legal reserves primarily associated with the Western European Business segment. General and administrative expenses were favourably impacted by 4.7% due to currency rate changes during the six months ended 30 June 2015.

Sales, marketing and account management expenses increased to US$106.9 million (7.1% of consolidated revenues) during the six months ended 30 June 2015 compared to US$106.1 million (6.8% of consolidated revenues) in the six months ended 30 June 2014. On a constant dollar basis, sales, marketing and account management expenses during the six months ended 30 June 2015 increased by US$5.5 million compared to the six months ended 30 June 2014, primarily due to an increase in marketing expenses of US$2.4 million, primarily associated with Iron Mountain's North American Data Management Business segment, as well as an increase in sales commissions of US$2 million. Sales, marketing and account management expenses were favourably impacted by 4.7% due to currency rate changes during the six months ended 30 June 2015.

Information technology expenses decreased to US$50.1 million (3.3% of consolidated revenues) for the six months ended 30 June 2015 compared to US$50.8 million (3.3% of consolidated revenues) for the six months ended 30 June 2014. On a constant dollar basis, information technology expenses increased US$1.4 million during the six months ended 30 June 2015 compared to the six months ended 30 June 2014, primarily due to increased compensation expenses of US$1 million. Information technology expenses were favourably impacted by 4.5% due to currency rate changes during the six months ended 30 June 2015.

Consolidated bad debt expense for the six months ended 30 June 2015 increased US$0.9 million to US$10.4 million (0.7% of consolidated revenues) from US$9.5 million (0.6% of consolidated revenues) in the six months ended 30 June 2014. Iron Mountain maintains an allowance for doubtful accounts that is calculated based on past loss experience, current and prior trends in the aged receivables, current economic conditions, and specific circumstances of individual receivable balances. Iron Mountain continues to monitor customers' payment activity and make adjustments based on their financial condition and in light of historical and expected trends.

Depreciation and amortisation

Within the Iron Mountain financial information presented in tabular form in this Section 10.11.3, depreciation and amortisation expense includes depreciation of property, plant and equipment, amortisation of intangible assets as well as (gain) loss on the disposal/write-down of property, plant and equipment (excluding real estate), net.

Depreciation expense increased US$7.6 million on a constant dollar basis for the six months ended 30 June 2015 compared to the six months ended 30 June 2014, primarily due to the increased depreciation of property, plant and equipment acquired through business combinations.

Amortisation expense increased US$0.5 million on a constant dollar basis for the six months ended 30 June 2015 compared to the six months ended 30 June 2014, primarily due to the increased amortisation of customer relationship intangible assets acquired through business combinations.

Consolidated loss on disposal/write-down of property, plant and equipment (excluding real estate), net was US$0.8 million for the six months ended 30 June 2015 and consisted primarily of the write-off of certain property associated with Iron Mountain's North American Records and Information Management Business segment. Consolidated loss on disposal/write-down of property, plant and equipment (excluding real estate), net was US$1 million for the six months ended 30 June 2014 and consisted primarily of losses associated with the write-off of certain software associated with Iron Mountain's North American Records and Information Management Business segment.

Operating income

As a result of the foregoing factors, consolidated operating income decreased US$5.5 million, or 2%, to US$274.4 million (18.2% of consolidated revenues) for the six months ended 30 June 2015 from US$279.9 million (18% of consolidated revenues) for the six months ended 30 June 2014.

10.11.4 Balance sheet

The Iron Mountain Balance Sheet shown below is based on the unaudited consolidated balance sheet as of 30 June 2015:

(Adjusted) Iron Mountain Historical Statement of Financial Position

US$ MILLIONS	30 JUNE 2015
Current assets	
Cash and cash equivalents	117.1
Accounts receivable	596.3
Deferred income taxes	21.6
Prepaid expenses and other	139.8
Total current assets	**874.8**
Property, plant and equipment, net	2,493.0
Goodwill	2,388.7
Customer relationships and acquisition costs	595.5
Deferred financing costs	43.8
Other	26.8
Total assets	**6,422.6**
Current liabilities	
Current portion of long-term debt	(70.2)
Accounts payable	(162.2)
Accrued expenses	(333.8)
Deferred revenue	(185.9)
Total current liabilities	**(752.1)**
Long-term debt, net of current portion	(4,718.9)
Other long term liabilities	(79.1)
Deferred rent	(100.3)
Deferred income taxes	(49.8)
Total liabilities	**(5,700.2)**
Net assets	**722.4**

10.11.5 Cash flows

Iron Mountain Historical Cash Flow Statements for the years ended 31 December 2013, 31 December 2014 and the six months ended 30 June 2015:

(Adjusted) Iron Mountain Historical Statements of Cash Flows

US$ MILLIONS	YEAR ENDED 31 DECEMBER 2013	YEAR ENDED 31 DECEMBER 2014	SIX MONTHS ENDED 30 JUNE 2015
Income from continuing operations	99.2	329.0	95.7
Depreciation and amortisation (includes deferred financing costs and bond discounts)	329.3	361.2	177.9
(Benefit) provision for deferred income taxes	(99.4)	(270.8)	(9.1)
Other adjustments to reconcile net income (loss) to cash flows from operating activities	135.8	86.6	12.8
Changes in assets and liabilities (exclusive of acquisitions)	41.7	(33.1)	(97.6)
Cash flows from operating activities – continuing operations	**506.6**	**472.9**	**179.7**
Cash flows from operating activities – discontinued operations	1.0	–	–
Cash flows from operating activities	507.6	472.9	179.7
Capital expenditure	(287.3)	(361.9)	(139.4)
Net operating cash flows	**220.3**	**111.0**	**40.3**

Cash flows from operating activities

Net cash provided by operating activities from continuing operations was US$472.9 million for the year ended 31 December 2014 compared to US$506.6 million for the year ended 31 December 2013. The 6.6% year-over-year decrease resulted primarily from an increase in cash used in working capital of US$74.7 million, primarily related to the timing and payments of certain accrued expenses and deferred revenue liabilities, offset by an increase in net income, including non cash charges and realised foreign exchange losses, of US$41.1 million.

Net cash provided by operating activities was US$179.7 million for the six months ended 30 June 2015 compared to US$195.6 million for the six months ended 30 June 2014. The 8.1% period-over-period decrease resulted primarily from an increase in cash used in working capital of US$43.4 million, primarily related to the timing of operating accounts payable payments and accruals, partially offset by an increase in net income, including non cash charges and realised foreign exchange losses, of US$27.5 million.

10.11.6 Material changes in financial position since last accounts

Other than as disclosed in this Booklet, within the knowledge of the Iron Mountain management, the financial position of Iron Mountain has not materially changed since 30 June 2015.

10.11.7 Financing

Long-term debt comprised the following as at the indicated dates:

	31 DECEMBER 2014		30 JUNE 2015	
US$ MILLIONS	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Revolving Credit Facility [1]	883.4	883.4	834.8	834.8
Term Loan [1]	249.4	249.4	248.1	248.1
6¾% Euro Senior Subordinated Notes due 2018 (the ***6¾% Notes***) [2,3]	308.6	309.6	284.2	283.7
7¾% Senior Subordinated Notes due 2019 (the ***7¾% Notes***) [2,3]	400.0	429.0	400.0	421.2
8⅜% Senior Subordinated Notes due 2021 (the ***8⅜% Notes***) [2,3]	106.0	110.5	106.0	109.8
6⅛% CAD Senior Notes due 2021 (the ***CAD Notes***) [2,4]	172.4	175.4	161.0	165.4
6⅛% GBP Senior Notes due 2022 (the ***GBP Notes***) [2,5]	623.0	639.3	629.1	644.0
6% Senior Notes due 2023 (the ***6% Notes***) [2,3]	600.0	625.5	600.0	624.0
5¾% Senior Subordinated Notes due 2024 (the ***5¾% Notes***) [2,3]	1,000.0	1,005.0	1,000.0	1,002.5
Accounts Receivable Securitisation Program [6]	–	–	217.5	217.5
Real estate mortgages, capital leases and other	320.7	320.7	308.5	308.5
Total long-term debt	4,663.5		4,789.2	
Less current portion	(52.1)		(70.2)	
Long-term debt, net of current portion	4,611.4		4,719.0	

NOTES

1 The capital stock or other equity interests of most of Iron Mountain's US subsidiaries, and up to 66% of the capital stock or other equity interests of Iron Mountain's firsttier foreign subsidiaries, are pledged to secure these debt instruments, together with all intercompany obligations (including promissory notes) of subsidiaries owed to Iron Mountain or to one of its US subsidiary guarantors. In addition, Iron Mountain Canada Operations ULC (***Canada Company***) has pledged 66% of the capital stock of its subsidiaries, and all intercompany obligations (including promissory notes) owed to or held by it, to secure the Canadian dollar subfacility under the Revolving Credit Facility (defined below). The fair value of these debt instruments approximates the carrying value (as borrowings under these debt instruments are based on current variable market interest rates (plus a margin that is subject to change based on its consolidated leverage ratio)), as of 31 December 2014 and 30 June 2015, respectively.

2 The fair values of these debt instruments are based on quoted market prices for these notes on 31 December 2014 and 30 June 2015, respectively.

3 Collectively, the ***Parent Notes***. Iron Mountain is the direct obligor on the Parent Notes, which are fully and unconditionally guaranteed, on a senior or senior subordinated basis, as the case may be, by substantially all of Iron Mountain's direct and indirect 100%-owned US subsidiaries (***Guarantors***). These guarantees are joint and several obligations of the Guarantors. Canada Company, Iron Mountain Europe PLC and the remainder of Iron Mountain's subsidiaries do not guarantee the Parent Notes.

4 Canada Company is the direct obligor on the CAD Notes, which are fully and unconditionally guaranteed, on a senior basis, by Iron Mountain and the Guarantors. These guarantees are joint and several obligations of Iron Mountain and the Guarantors.

5 Iron Mountain Europe PLC is the direct obligor on the GBP Notes, which are fully and unconditionally guaranteed, on a senior basis, by Iron Mountain and the Guarantors. These guarantees are joint and several obligations of Iron Mountain and the Guarantors.

6 The Special Purpose Subsidiaries (as defined below) are the obligors under this program.

(i) Revolving Credit Facility

The revolving credit facilities (***Revolving Credit Facility***) under its credit agreement, as amended (***Credit Agreement***), allow Iron Mountain and certain of its US and foreign subsidiaries to borrow in US dollars and (subject to sublimits) a variety of other currencies (including Canadian dollars, British pounds sterling, Euros, Brazilian reals and Australian dollars, among other currencies) in an aggregate outstanding amount not to exceed US$1.5 billion. Additionally, the Credit Agreement included an option to allow Iron Mountain to request additional commitments of up to US$500 million, in the form of term loans or through increased commitments under the Revolving Credit Facility. On 24 September 2014, Iron Mountain exercised its option and borrowed an additional US$250 million in the form of a term loan under the Credit Agreement (***Term Loan***). Commencing on 31 December 2014, the Term Loan began to amortise in quarterly instalments in an amount equal to US$0.6 million per quarter, with the remaining balance due on 27 June 2016. The Term Loan could be prepaid without penalty or premium, in whole or in part, at any time. The Credit Agreement included an option to allow Iron Mountain to request additional commitments of up to US$250 million, in the form of term loans or through increased commitments under the Revolving Credit Facility.

Iron Mountain and the Guarantors guarantee all obligations under the Credit Agreement, and have pledged the capital stock or other equity interests of most of their US subsidiaries, up to 66% of the capital stock or other equity interests of their firsttier foreign subsidiaries, and all intercompany obligations (including promissory notes) owed to or held by them to secure the Credit Agreement. In addition, Canada Company has pledged 66% of the capital stock of its subsidiaries, and all intercompany obligations (including promissory notes) owed to or held by it to secure the Canadian dollar subfacility under the Revolving Credit Facility. The interest rate on borrowings under the Credit Agreement varies depending on Iron Mountain's choice of interest rate and currency options, plus an applicable margin, which varies based on Iron Mountain's consolidated leverage ratio. Additionally, the Credit Agreement requires the payment of a commitment fee on the unused portion of the Revolving Credit Facility, which fee ranges from between 0.3% to 0.5% based on certain financial ratios and fees associated with outstanding letters of credit. As of 30 June 2015, Iron Mountain had US$834.8 million and US$248.1 million of outstanding borrowings under the Revolving Credit Facility and the Term Loan, respectively. Of the US$834.8 million of outstanding borrowings under the Revolving Credit Facility, 631.9 million was denominated in US dollars, 81.2 million was denominated in Canadian dollars, 73.8 million was denominated in Euros and 71.6 million was denominated in Australian dollars. In addition, Iron Mountain also had various outstanding letters of credit totalling US$33.8 million. The remaining amount available for borrowing under the Revolving Credit Facility as of 30 June 2015, based on Iron Mountain's leverage ratio, the last 12 months' earnings before interest, taxes, depreciation and amortisation and rent expense (***EBITDAR***), other adjustments as defined in the Credit Agreement and current external debt, was US$631.4 million (which amount represents the maximum availability as of such date). The average interest rate in effect under the Credit Agreement was 2.8% as of 30 June 2015. The average interest rate in effect under the Revolving Credit Facility was 3% and ranged from 2.3% to 4.5% as of 30 June 2015 and the interest rate in effect under the Term Loan as of 30 June 2015 was 2.4%. For the year ended 31 December 2014 and six months ended 30 June 2015, Iron Mountain recorded commitment fees and letter of credit fees of US$3.3 million and US$1.9 million, respectively, based on the unused balances under its revolving credit facilities and outstanding letters of credit.

On 2 July 2015, Iron Mountain entered into a new credit agreement (***New Credit Agreement***) to refinance the Credit Agreement that was scheduled to terminate on 27 June 2016. The New Credit Agreement consists of a revolving credit facility (***New Revolving Credit Facility***) and a term loan (***New Term Loan***). The New Credit Agreement is supported by a group of 25 banks. At the time that Iron Mountain entered into the New Credit Agreement, Iron Mountain borrowed US$846.2 million and US$250 million under the New Revolving Credit Facility and the New Term Loan, respectively, and used such borrowings to repay outstanding balances under the Credit Agreement, including the full amount due on the Term Loan. Before such repayment, there was US$1.1 billion outstanding under the Credit Agreement. Similar to the Revolving Credit Facility, the New Revolving Credit Facility enables Iron Mountain and certain of its US and foreign subsidiaries to borrow in US$ and (subject to sublimits) a variety of other currencies in an aggregate outstanding amount not to exceed US$1.5 billion. Commencing on 30 September 2015, the New Term Loan will begin to amortise in quarterly instalments in an amount equal to US$3.1 million per quarter, with the remaining balance due on 3 July 2019. The New Credit Agreement includes an option to allow Iron Mountain to request additional commitments of up to US$500 million, in the form of term loans or through increased commitments under the New Revolving Credit Facility, subject to the conditions as defined in the New Credit Agreement. In addition, Iron Mountain and the Guarantors continue to guarantee all the obligations under the New Credit Agreement, and similar to the Credit Agreement, the New Credit Agreement contains restrictive financial and operating covenants. The New Credit Agreement terminates on 6 July 2019, at which point all obligations become due, but may be extended by one year at Iron Mountain's option, subject to the conditions set out in the New Credit Agreement. Borrowings under the New Credit Agreement may be prepaid without penalty or premium, in whole or in part, at any time.

The Credit Agreement, Iron Mountain's indentures and other agreements governing Iron Mountain's indebtedness contain certain restrictive financial and operating covenants, including covenants that restrict Iron Mountain's ability to complete acquisitions, pay cash dividends, incur indebtedness, make investments, sell assets and take certain other corporate actions. The covenants do not contain a rating trigger. Therefore, a change in Iron Mountain's debt rating would not trigger a default under the Credit Agreement, its indentures or other agreements governing their indebtedness. The Credit Agreement uses EBITDAR based calculations as the primary measures of financial performance, including leverage and fixed charge coverage ratios. Iron Mountain's Credit Agreement net total lease adjusted leverage ratio was 5.4 and 5.7 as of 31 December 2014 and 30 June 2015, respectively, compared to a maximum allowable ratio of 6.5, and its net secured debt lease adjusted leverage ratio was 2.6 and 2.8 as of 31 December 2014 and 30 June 2015, respectively, compared to a maximum allowable ratio of 4. Iron Mountain's bond leverage ratio (which is not lease adjusted), per the indentures, was 5.7 and 5.8 as of 31 December 2014 and 30 June 2015, respectively, compared to a maximum allowable ratio of 6.5. Iron Mountain's Credit Agreement fixed charge coverage ratio was 2.5 and 2.3 at 31 December 2014 and 30 June 2015, respectively, compared to a minimum allowable ratio of 1.5 under the Credit Agreement. Non-compliance with these leverage and fixed charge coverage ratios would have a material adverse effect on Iron Mountain's financial condition and liquidity.

(ii) Notes issued under indentures

As of 30 June 2015, Iron Mountain had seven series of senior subordinated or senior notes issued under various indentures, five of which are direct obligations of the parent company, Iron Mountain (the Parent Notes); one (the CAD Notes) is a direct obligation of Canada Company and one (the GBP Notes) is a direct obligation of Iron Mountain Europe PLC; and all are subordinated to debt outstanding under the Credit Agreement, except the 6% Notes, the CAD Notes and the GBP Notes which are pari passu with the Credit Agreement:

- 255 million Euro principal amount of notes maturing on 15 October 2018 and bearing interest at a rate of 6¾% per annum, payable semiannually in arrears on 15 April and 15 October;
- US$400 million principal amount of notes maturing on 1 October 2019 and bearing interest at a rate of 7¾% per annum, payable semiannually in arrears on 1 April and 1 October;
- US$106.3 million principal amount of notes maturing on 15 August 2021 and bearing interest at a rate of 8⅜% per annum, payable semiannually in arrears on 15 February and 15 August;
- 200 million Canadian dollar principal amount of notes maturing on 15 August 2021 and bearing interest at a rate of 6⅛% per annum, payable semiannually in arrears on 15 February and 15 August;
- 400 million British pounds sterling principal amount of notes maturing on 15 September 2022 and bearing interest at a rate of 6⅛% per annum, payable semiannually in arrears on 15 March and 15 September;
- US$600 million principal amount of notes maturing on 15 August 2023 and bearing interest at a rate of 6% per annum, payable semiannually in arrears on 15 February and 15 August; and
- US$1 billion principal amount of notes maturing on 15 August 2024 and bearing interest at a rate of 5¾% per annum, payable semiannually in arrears on 15 February and 15 August.

The Parent Notes, the CAD Notes and the GBP Notes are fully and unconditionally guaranteed, on a senior or senior subordinated basis, as the case may be, by the Guarantors. These guarantees are joint and several obligations of the Guarantors. The remainder of Iron Mountain's subsidiaries do not guarantee the Parent Notes, the CAD Notes or the GBP Notes. Additionally, Iron Mountain guarantees the CAD Notes and the GBP Notes. Canada Company and Iron Mountain Europe PLC do not guarantee the Parent Notes.

In January 2014, Iron Mountain redeemed the 150 million British pounds sterling (approximately US$248 million) in aggregate principal amount of the 7¼% Notes at 100% of par, plus accrued and unpaid interest, utilising borrowings under its Revolving Credit Facility and cash on hand.

In September 2014, Iron Mountain Europe PLC completed a private offering of 400 million British pounds sterling in aggregate principal amount of the GBP Notes, which were issued at 100% of par. The net proceeds to Iron Mountain Europe PLC of 394 million British pounds sterling (approximately US$642 million based on an exchange rate of 1.63), after paying the initial purchasers' commissions and expenses, were used to repay amounts outstanding under the Revolving Credit Facility and for general corporate purposes.

In December 2014, Iron Mountain redeemed US$306 million aggregate principal outstanding of its 8⅜% Notes at 104.188% of par, plus accrued and unpaid interest, utilising borrowings under its Revolving Credit Facility. Iron Mountain recorded a charge to other expense (income), net of US$16.5 million related to the early extinguishment of this debt in the fourth quarter of 2014 representing the call premium associated with the early redemption, as well as a writeoff of original issue discounts and deferred financing costs related to this debt.

Each of the indentures for the notes provides that Iron Mountain may redeem the outstanding notes, in whole or in part, upon satisfaction of certain terms and conditions. In any redemption, Iron Mountain is also required to pay all accrued but unpaid interest on the outstanding notes.

The following table presents the various redemption dates and prices of the senior or senior subordinated notes. The redemption dates reflect the date at or after which the notes may be redeemed at Iron Mountain's option at a premium redemption price. After these dates, the notes may be redeemed at 100% of face value:

REDEMPTION DATE	6¾% NOTES 15 OCTOBER,	7¾% NOTES 1 OCTOBER,	8⅜% NOTES 15 AUGUST,	CAD NOTES 15 AUGUST,	GBP NOTES 15 SEPTEMBER,	6% NOTES 15 AUGUST,	5¾% NOTES 15 AUGUST,
2015	100.000%	103.875%[1]	102.792%	–	–	–	–
2016	100.000%	101.938%	101.396%	–	–	–	–
2017	100.000%	100.000%	100.000%	103.063%[1]	104.594%[1]	–	102.875%[1]
2018	100.000%	100.000%	100.000%	101.531%	103.063%	103.000%[1]	101.917%
2019	–	100.000%	100.000%	100.000%	101.531%	102.000%	100.958%
2020	–	–	100.000%	100.000%	100.000%	101.000%	100.000%
2021	–	–	100.000%	100.000%	100.000%	100.000%	100.000%
2022	–	–	–	–	100.000%	100.000%	100.000%
2023	–	–	–	–	–	100.000%	100.000%
2024	–	–	–	–	–	–	100.000%

NOTES

1 Prior to this date, the relevant notes are redeemable, at Iron Mountain's option, in whole or in part, at a specified make-whole price.

Each of the indentures for the notes provides that Iron Mountain must repurchase, at the option of the holders, the notes at 101% of their principal amount, plus accrued and unpaid interest, upon the occurrence of a 'Change of Control', which is defined in each respective indenture. Except for required repurchases upon the occurrence of a Change of Control or in the event of certain asset sales, each as described in the respective indenture, Iron Mountain is not required to make sinking fund or redemption payments with respect to any of the notes.

(iii) Accounts Receivable Securitisation Program

In March 2015, Iron Mountain entered into a US$250 million accounts receivable securitisation program (***Accounts Receivable Securitisation Program***) involving several of its wholly-owned subsidiaries and certain financial institutions. Under the Accounts Receivable Securitisation Program, certain of Iron Mountain's subsidiaries sell substantially all of its US accounts receivable balances to its wholly-owned special purpose entities, Iron Mountain Receivables QRS, LLC and Iron Mountain Receivables TRS, LLC (***Special Purpose Subsidiaries***). The Special Purpose Subsidiaries use the accounts receivable balances to collateralise loans obtained from certain financial institutions. Iron Mountain Information Management, LLC retains the responsibility of servicing the accounts receivable balances pledged as collateral in this transaction and Iron Mountain provides a performance guarantee. The Accounts Receivable Securitisation Program terminates on 6 March 2018, at which point all obligations become due. The maximum availability allowed is limited by eligible accounts receivable, as defined under the terms of the Accounts Receivable Securitisation Program. As of 30 June 2015, the maximum availability allowed and amount outstanding under the Accounts Receivable Securitisation Program was US$217.5 million. The interest rate in effect under the Accounts Receivable Securitisation Program was 1.1% as of 30 June 2015. Commitment fees at a rate of 40 basis points are charged on amounts made available but not borrowed under the Accounts Receivable Securitisation Program.

Maturities of longterm debt as of 31 December 2014

YEAR	US$ MILLIONS
2015	52.1
2016	1,178.3
2017	72.6
2018	340.8
2019	422.8
Thereafter	2,598.1
	4,664.7
Net premiums (discounts)	(1.2)
Total longterm debt (including current portion)	4,663.5

10.12 MATERIAL CHANGES IN FINANCIAL POSITION SINCE LAST ACCOUNTS

Iron Mountain has assessed any potential changes in financial position from its most recent quarterly period ended 30 June 2015 to the date of this Booklet. As part of this assessment, Iron Mountain considered changes in the business, new accounting pronouncements, and other factors and has concluded that there is no material change in financial position other than the offering of debt to the public as announced on 24 September 2015 to be used to refinance:

- 255 million Euro principal amount of notes maturing on 15 October 2018 and bearing interest at a rate of 6¾% per annum, payable semiannually in arrears on 15 April and 15 October;
- US$400 million principal amount of notes maturing on 1 October 2019 and bearing interest at a rate of 7¾% per annum, payable semiannually in arrears on 1 April and 1 October; and
- US$106.3 million principal amount of notes maturing on 15 August 2021 and bearing interest at a rate of 8⅜% per annum, payable semiannually in arrears on 15 February and 15 August,

and for general corporate purposes. Pending such application for general corporate purposes, Iron Mountain expects to invest the proceeds in time deposits with large, highly-rated investment-grade institutions or repay outstanding borrowings under its Revolving Credit Facility, as further described in Section 10.11.7(i). The new facility will mature in 2020.

10.13 FINANCING

10.13.1 Hedging position and policy

Iron Mountain financing arrangements as at 30 June 2015 are described at Section 10.11.7. In addition to those arrangements, Iron Mountain monitors and considers the use of a variety of hedging techniques to mitigate the impact of credit risk, interest rate risk, and currency risk.

Credit risk

Iron Mountain limits its exposure to concentration of credit risk by limiting the amount invested in any one mutual fund to a maximum of US$50 million or in any one financial institution to a maximum of US$75 million.

Interest rate risk

Iron Mountain targets approximately 75% of its debt portfolio to be fixed with respect to interest rates. Occasionally, Iron Mountain will use interest rate swaps as a tool to maintain its targeted level of fixed rate debt.

Currency risk

Iron Mountain's international investments may be subject to risks and uncertainties related to fluctuations in currency valuation. Iron Mountain has adopted and implemented a number of strategies to mitigate the risks associated with fluctuations in currency valuations. One strategy is to finance certain of its international subsidiaries with debt that is denominated in local currencies, thereby providing a natural hedge. In addition, on occasion, Iron Mountain enters into currency swaps to temporarily or permanently hedge an overseas investment, such as a major acquisition, to lock in certain transaction economics.

Iron Mountain's future hedging activities will depend on an ongoing assessment of the market, its hedging strategy, financing restrictions and other factors.

10.13.2 Notes issued under indentures

On 24 September 2015, Iron Mountain publicly announced that it would offer debt to the public to be used to refinance certain of the indentures described in Section 10.11.7(ii). That offering consists of US$1 billion principal amount of notes maturing in 2020 and bearing interest at a rate of 6% per annum. The offering closed on 29 September 2015.

After the close of the offer, Iron Mountain has the following notes issued under indentures:

- US$1 billion principal amount of notes maturing in 2020 and bearing interest at a rate of 6% per annum, payable semi-annually in arrears on 1 October and 1 April;
- 200 million Canadian dollar principal amount of notes maturing on 15 August 2021 and bearing interest at a rate of 6⅛% per annum, payable semiannually in arrears on 15 February and 15 August;
- 400 million British pounds sterling principal amount of notes maturing on 15 September 2022 and bearing interest at a rate of 6⅛% per annum, payable semiannually in arrears on 15 March and 15 September;
- US$600 million principal amount of notes maturing on 15 August 2023 and bearing interest at a rate of 6% per annum, payable semiannually in arrears on 15 February and 15 August; and
- US$1 billion principal amount of notes maturing on 15 August 2024 and bearing interest at a rate of 5¾% per annum, payable semiannually in arrears on 15 February and 15 August.

10.14 CAPITAL STRUCTURE

As at the date of this Booklet, Iron Mountain is authorised to issue 410 million shares of capital stock comprising:

- 400 million shares of common stock, par value US$0.01 per share; and
- 10 million shares of preferred stock, par value US$0.01 per share.

As at the date of this Booklet, Iron Mountain had outstanding 210,787,854 shares of common stock. Iron Mountain has no shares of preferred stock outstanding.

All Iron Mountain Shares rank equally with each other in all matters, including voting, and entitle the holder to participate in distributions and the proceeds on winding-up of Iron Mountain in proportion to the number of shares held. See Section 14 for a summary of the rights attaching to New Iron Mountain Shares.

As at the date of this Booklet, Iron Mountain is party to obligations under which it has agreed to issue new Iron Mountain Shares in the future (not in connection with the Scheme) as set out in the table below:

GRANT TYPE	MAXIMUM NUMBER OF IRON MOUNTAIN SHARES UNDERLYING ALL EQUITY AWARDS	NO OF IRON MOUNTAIN SHARES UNDERLYING VESTED EQUITY AWARDS
Performance Units	821,621	0
Restricted Stock Units	1,367,753	0
Stock Options	4,009,434	2,745,604
Total number of Iron Mountain Shares underlying vested equity awards		**2,745,604**

10.15 SUBSTANTIAL HOLDERS

As at the date of this Booklet, based on public quarterly filings made by institutional investment managers as well as information obtained by Iron Mountain, Iron Mountain is aware that the following persons held more than 5% of all Iron Mountain Shares on issue as at 30 June 2015:

STOCKHOLDER	NUMBER OF IRON MOUNTAIN SHARES	% OF ALL IRON MOUNTAIN SHARES ON ISSUE
The Vanguard Group, Inc	29,289,045	13.89
Capital World Investors (US)	19,989,577	9.48
Vincent J. Ryan	15,428,329	7.30
T. Rowe Price Associates, Inc	12,989,404	6.16
Parnassus Investments	11,299,124	5.36

10.16 DIVIDEND REINVESTMENT PLAN

Iron Mountain has not established a dividend reinvestment plan.

10.17 EMPLOYEE INCENTIVE SCHEMES

Iron Mountain sponsors two equity incentive plans under which awards may be granted:

- the Iron Mountain Incorporated 2014 Stock and Cash Incentive Plan (***2014 Plan***); and
- the Iron Mountain Incorporated 2002 Stock Incentive Plan (***2002 Plan***),

together with the 2014 Plan, the ***Equity Plans.***

In addition, Iron Mountain maintains the Iron Mountain Incorporated 2013 Employee Stock Purchase Plan (***ESPP***), under which awards may also be granted. The Compensation Committee administers the Equity Plans and the ESPP and the Iron Mountain Board generally may terminate or amend such plans, subject to certain applicable restrictions requiring stockholder approval.

The 2014 Plan, the 2002 Plan and the ESPP became effective on 20 January 2015, 1 April 2002 and 15 March 2013, respectively, and, respectively, will terminate and no longer grant new awards as of 20 January 2025, 31 March 2018 and the date in which there are no more shares available to be offered, unless earlier terminated.

10.17.1 Equity plans

The Equity Plans permit the issuance of equity-based awards, including incentive stock options (***ISOs***), non-qualified stock options (***NSOs***, and together with ISOs, ***Options***), restricted stock units (***RSUs***) and performance units that vest based on certain performance criteria (***PUs***, and collectively with Options and RSUs, ***Awards***).

Eligibility and transferability: Employees, officers, directors, consultants and advisers of Iron Mountain and its subsidiaries are eligible to participate in the Equity Plans (collectively, the ***Participants***) and the Participants may transfer such Awards to immediate family members or to a family partnership or trust for the benefit of an immediate family member at the discretion of the Compensation Committee.

Share limits and outstanding Awards: The total number of shares of Iron Mountain common stock that may be available for grant under the 2014 Plan may not exceed 7.75 million with 1,467,470 Awards issued and outstanding as of the date of this Booklet. The total number of shares of Iron Mountain common stock remaining available for grant under the 2002 Plan is 432,753, with an additional 4,151,273 Awards issued and outstanding as of the date of this Booklet. The total amount of common stock that may be granted to any single person in any calendar year under the 2014 Plan may not exceed in the aggregate,1.25 million shares. Generally, if an Award lapses or is forfeited, the shares subject to such Award will again become available for grant.

Stock options: The Compensation Committee determines the number of shares of Iron Mountain common stock subject to each Option, its exercise price, its duration and the manner and time of exercise; provided that no Option may be issued under the 2014 Plan and no ISO under the 2002 Plan with an exercise price that is less than the fair market value of Iron Mountain common stock as of the date the Option is granted, and no Option under the 2014 Plan and ISO under the 2002 Plan will have a duration that exceeds ten years. ISOs may be issued only to employees of Iron Mountain or any subsidiary and, in the case of a 10% or more stockholder, must have an exercise price that is at least 110% of the fair market value of the shares of Iron Mountain common stock as of the date the Option is granted, and may not have a duration of more than five years. The Compensation Committee may provide that any Option is subject to vesting limitations that make it exercisable during its entire duration or during any lesser period of time.

Generally, the exercise price of an Option may be paid in cash, by delivery of a recourse promissory note secured by the common stock acquired upon exercise of the Option, by a 'cashless exercise' procedure, by delivery of shares of common stock owned by the Participant, or under the 2014 Plan, by a 'net exercise' in the case of an NSO.

RSUs and PUs: The Compensation Committee may grant RSUs, which is a right to receive shares of Iron Mountain common stock at a specified future time and PUs, which is a right to receive shares of Iron Mountain common stock at a specified future time and based on satisfaction of applicable performance goals, and establish certain conditions and restrictions, including the period of restriction, purchase price, and with respect to PUs, the performance periods and goals. Subject to the satisfaction of applicable restrictions or performance goals during the applicable performance period, shares of common stock are generally delivered at settlement of the RSU or PU.

Payment of RSUs and PUs may be in cash, shares of Iron Mountain common stock or some combination thereof, but generally such payment has been in shares of Iron Mountain common stock.

Effect of certain Corporate Schemes: Under the 2014 Plan, in the event of a stock split, reverse stock split, stock dividend, recapitalisation, combination of shares, reclassification of shares, spin-off or other similar change in capitalisation or event, or any dividend or distribution on shares of Iron Mountain common stock other than an ordinary cash dividend, the Compensation Committee shall make equitable adjustments to Awards. In the case of:

- a merger or consolidation of Iron Mountain with or into another entity pursuant to which all shares of Iron Mountain common stock are cancelled or converted into or exchanged for the right to receive cash, securities or other property;
- any transfer or disposition of all shares of Iron Mountain common stock for cash, securities or other property pursuant to a share exchange or other transaction;
- the sale or other disposition of all or substantially all of Iron Mountain's assets; or
- any liquidation or dissolution of Iron Mountain,

the Compensation Committee may take any of a number of actions including providing for the assumption of Awards, the termination of Awards (with advance notice permitting exercise), the exercise of Awards prior to or upon the termination of the event, the liquidation of Awards or any combination of these actions.

If while unexercised Awards remain outstanding under the 2002 Plan, Iron Mountain merges or consolidates with one or more corporations, is liquidated, sells or otherwise disposes of substantially all of its assets to another entity or if there is a 'change of control' (each, a ***Corporate Scheme***) then, except as otherwise specifically provided to the contrary in any applicable agreement, the Compensation Committee may amend the terms of all unexercised Awards so that:

- after the effective date of such event, each Participant is entitled, upon exercise or settlement of an Award, to receive in lieu of shares of Iron Mountain common stock the number and class of shares of such stock or other securities to which he or she would have been entitled had he or she been a stockholder at the time of the event, or is entitled to receive from the successor entity a new Award of comparable value;
- each Participant is given an opportunity to exercise all or some of his or her unexercised Awards during a 20 day period ending on the day preceding the event, at which time the unexercised Awards will be cancelled; or
- all unexercised Awards are cancelled as of the effective date of the event in consideration for cash or other consideration with a value equal to the value of the shares of Iron Mountain common stock the Participant would have received had the Award been exercised (to the extent exercisable).

In addition to the foregoing, the Compensation Committee may also amend the terms of an Award by cancelling some or all of the restrictions on its exercise or vesting, to permit its exercise to a greater extent or vesting faster than that permitted under its existing terms.

The Equity Plans also provide that any unvested Awards will generally vest immediately should a Participant be terminated by Iron Mountain or its successor (or should the Participant terminate for 'good reason') in connection with a 'vesting change in control' within 14 days prior to or 12 months after the vesting change in control.

Special bonus Awards: Under the 2002 Plan, the Compensation Committee may grant a special cash bonus in an amount not to exceed the lesser of:

- the combined federal, state and local income and employment tax liability incurred by a Participant as a consequence of acquiring common stock on the exercise of the Option or the grant or vesting of common stock and the related special bonus; or
- 30% of the imputed income realised by the Participant on account of the exercise or vesting and the related special bonus.

A grant may also provide that Iron Mountain will lend a Participant an amount not more than the amount described in the preceding sentence, less the amount of any special cash bonus.

To date, the Compensation Committee has not granted a special cash bonus.

10.17.2 ESPP

The ESPP is a broad-based stock plan that allows employees of Iron Mountain and certain subsidiaries to use after-tax payroll deductions to acquire common stock in any offering period. The total number of shares that may be subject to options under the ESPP is one million and on an option's expiration, termination or surrender, shares allocable to the option may again become available. A participant may purchase no more than US$25,000 worth of common stock in any calendar year. The option price can be as low as 85% of the lower of the fair market value of Iron Mountain's shares at the beginning or end of the offering period, but the option price for the most recent offering period was 95% of such fair market value at the end of the offering period.

At the end of each offering, options issued will be exercised and the accumulated payroll deductions will be retained by Iron Mountain as full payment of the option price unless the Participant elects prior to the exercise date to receive a cash payout of the accumulated payroll deductions instead. Each Participant will receive a number of whole shares of Iron Mountain common stock equal to the accumulated payroll deductions credited to the Participant's account as of the exercise date divided by the option price.

Prior to the exercise date, a Participant may withdraw and request payment of an amount in cash equal to the accumulated payroll deductions credited to the Participant's account. Cash payments will also be made if the Participant is terminated or dies prior to the exercise date.

If there is a Corporate Scheme before an offering closes, then the Compensation Committee may either:

- convert outstanding options such that after the effective date of the event, each Participant is entitled upon exercise to receive, in lieu of shares of Iron Mountain common stock, the number and class of shares of the stock or other securities to which the Participant would have been entitled had the Participant been a stockholder at the time of the event; or
- end the offering and exercise the options as of the day before the effective date of the event.

10.17.3 Other equity incentive plans

Iron Mountain also maintains the following equity incentive plans:

- the Iron Mountain Incorporated 1997 Stock Option Plan (***1997 Plan***);
- the Iron Mountain Incorporated 1995 Stock Incentive Plan as amended through 28 May 1998 (***1995 Plan***);
- the Mimosa Systems, Inc. 2009 Equity Incentive Plan (***2009 Mimosa Plan***); and
- the Mimosa Systems, Inc. 2003 Stock Plan (***2003 Mimosa Plan***),

all under which new awards may not be granted, but prior awards are still outstanding and may become exercisable.

As at the date of this Booklet, the number of outstanding unexercised awards under the 1997 Plan are 36,024, the 1995 Plan are 39,825, the 2009 Mimosa Plan are 131, and the 2003 Mimosa Plan are 157. The awards outstanding under each of those plans may be exercised by payment of the exercise price or such other payment methodology that may be prescribed under the relevant award agreement.

10.18 RIGHTS ATTACHING TO IRON MOUNTAIN ISSUED SECURITIES

Holders of shares of Iron Mountain common stock are entitled to receive dividends as and when declared by the Iron Mountain Board and are entitled to one vote per share on all matters to be voted on at a meeting of Iron Mountain's stockholders. Holders of shares of Iron Mountain common stock will have one vote for each share held at meetings of Iron Mountain stockholders. Holders of shares of Iron Mountain common stock have no pre-emptive, conversion or redemption rights and are not subject to further assessment by Iron Mountain. Upon Iron Mountain's voluntary or involuntary liquidation, dissolution or winding-up, the holders of shares of Iron Mountain common stock are entitled to share ratably in the remaining assets available for distribution, after payment of liabilities, and subject to any preferential rights of any then outstanding preferred stock.

Under the Scheme Implementation Deed, upon implementation of the Scheme, Recall Shareholders as of the Record Date who do not make a Cash Election and those Recall Shareholders who made a Cash Election but were subject to the Scale Back Mechanism will receive either New Iron Mountain Shares or New Iron Mountain CDIs. A summary of the Scheme consideration is set out in Section 7. There are no differences between the rights attaching to the New Iron Mountain Shares as to the rights of other outstanding shares of Iron Mountain common stock. There are certain differences between the New Iron Mountain CDIs and other outstanding shares of Iron Mountain common stock. A summary of these differences is set out in Sections 12.5 and 15.3. There are also a number of differences between US/Delaware law and Australian law. A summary of these differences is set out in Section 14.

10.19 RESTRICTIONS ON OWNERSHIP AND TRANSFER OF IRON MOUNTAIN SHARES

10.19.1 Overview of ownership limits

Iron Mountain's certificate of incorporation contains restrictions on stock ownership and stock transfers to facilitate Iron Mountain's ongoing qualification as a REIT.

Specifically, no person may beneficially or constructively own more than 9.8% in value of the aggregate of outstanding shares of Iron Mountain stock, or more than 9.8% in value or number (whichever is more restrictive) of the outstanding shares of any class or series of stock, unless specifically excepted as permitted by Iron Mountain's certificate of incorporation.

The ownership limits are necessary because, for Iron Mountain to qualify as a REIT, its stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of the outstanding shares of Iron Mountain stock may be owned, directly or indirectly, by five or fewer 'individuals' (as defined in the Code to include certain entities such as private foundations) during the last half of a taxable year.

Iron Mountain intends that the ownership limitations will apply to holdings of both Iron Mountain Shares and Iron Mountain CDIs. Iron Mountain notes that these ownership limitations have been waived for The Vanguard Group, Inc and Capital World Investors (US).

10.19.2 Application of ownership limits

The applicable constructive ownership rules under the Code are complex and may cause stock owned actually or constructively by an individual or entity to be treated as owned by another individual or entity. As a result, the acquisition of less than 9.8% in value of outstanding stock or less than 9.8% in value or number of outstanding shares of any class or series of Iron Mountain stock, directly or indirectly, by an individual or entity could nevertheless cause that individual or entity, or another individual or entity, to own, constructively or beneficially, in excess of 9.8% in value of outstanding shares of stock or 9.8% in value or number of outstanding shares of any class or series of stock.

In addition to the ownership limits, Iron Mountain's certificate of incorporation prohibits any person from actually or constructively owning shares of stock to the extent that such ownership would cause any of Iron Mountain's income that would otherwise qualify as 'rents from real property' for the purposes of section 856(d) of the Code to fail to qualify as such.

The Iron Mountain Board has the authority to grant exceptions to the foregoing limitations under certain circumstances, subject to the person requesting such exception making representations and undertakings relating to REIT compliance. The Iron Mountain Board may require opinions of counsel or IRS rulings satisfactory to it with respect to Iron Mountain's qualification as a REIT and may impose such other conditions as it deems appropriate in connection with the granting of the exception.

Iron Mountain's certificate of incorporation further prohibits any person from:

- transferring shares of stock if such transfer would result in shares of stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution); and
- beneficially or constructively owning shares of stock if such ownership would result in Iron Mountain failing to qualify as a REIT.

Iron Mountain intends to grant an exemption from the foregoing limitations to the CDI Nominee in respect of the CDI Nominee's holding of interests in Iron Mountain Shares that trade on ASX in the form of Iron Mountain CDIs. However, Iron Mountain intends that the ownership limitations will apply across both Iron Mountain Shares and Iron Mountain CDIs, such that the various limits on an individual or entity owning or transferring shares of any class or series of stock will apply in the aggregate to all Iron Mountain Shares and Iron Mountain CDIs owned by that individual or entity.

10.19.3 Consequences of application of ownership limits

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of Iron Mountain stock that will or may violate the ownership or transfer restrictions described above will be required to give notice to Iron Mountain and provide Iron Mountain with such other information as it may request in order to determine the effect, if any, of such transfer on Iron Mountain's qualification as a REIT. Iron Mountain intends that this requirement will apply, in aggregate, across a person's holdings of both Iron Mountain Shares and Iron Mountain CDIs.

Pursuant to Iron Mountain's certificate of incorporation, if there is any purported transfer of Iron Mountain stock or other event that would violate any of the restrictions described above, then the number of shares causing the violation will be automatically transferred to a trust for the exclusive benefit of a designated charitable beneficiary, except that any transfer that results in the violation of the requirement that Iron Mountain stock be beneficially owned by 100 or more persons will be automatically void and of no force or effect. The automatic transfer will be effective as of the close of business on the business day prior to the date of the purported transfer or other event that requires the transfer to the trust. Iron Mountain's certificate of incorporation also provides for adjustments to the entitlement to receive dividends and other distributions as between the purported transferee and the trust. Iron Mountain intends that the automatic transfer will apply, to the extent necessary, to holdings of both Iron Mountain Shares and Iron Mountain CDIs.

Shares of Iron Mountain stock transferred to the trustee are deemed to be offered for sale to Iron Mountain or its designee at a price per share equal to the lesser of:

- the price per share in the transaction that resulted in such transfer to the trust or, if no value was given for the shares (e.g. in the case of a gift, devise or other such transaction), the market price at the time of such event; and
- the market price on the date Iron Mountain accepts, or its designee accepts, such offer. Iron Mountain has the right to accept such offer until the trustee has sold the shares of Iron Mountain stock held in the trust.

Iron Mountain's certificate of incorporation includes provisions addressing the distribution of the net proceeds of any such sale, actions the trustee may take to sell such shares and the designation of the trustee of the trust. Iron Mountain intends to apply such provisions mutatis mutandis to both Iron Mountain Shares and Iron Mountain CDIs to be sold under the automatic transfer provisions of Iron Mountain's certificate of incorporation.

In addition, if the Iron Mountain Board determines that a proposed or purported transfer would violate the restrictions on ownership and transfer of Iron Mountain stock set out in Iron Mountain's certificate of incorporation, the Iron Mountain Board may take such action as it deems advisable to refuse to give effect to or to prevent such violation, including, but not limited to, causing Iron Mountain to repurchase shares of Iron Mountain stock, refusing to give effect to the transfer on Iron Mountain's books or instituting proceedings to enjoin the transfer. Iron Mountain intends that such actions will be undertaken, to the extent necessary, to holdings of both Iron Mountain Shares and Iron Mountain CDIs.

10.20 RECENT IRON MOUNTAIN SHARE PRICE PERFORMANCE

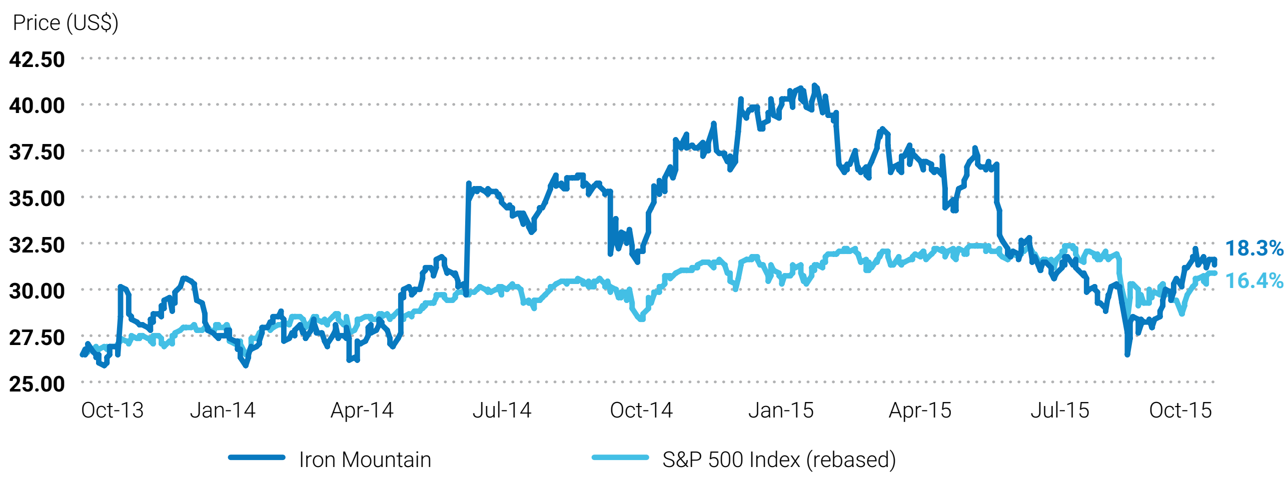
Iron Mountain is a member of the S&P 500 index, and the below chart shows the performance of Iron Mountain Shares on NYSE over the last two years, as compared to the S&P 500 index during the same period. As a member of the S&P 500 index, Iron Mountain regularly compares the trading price of Iron Mountain Shares against the performance of that index.

As at 20 October 2015, being the last practicable day before the date of this Booklet:

- the last recorded trading price of Iron Mountain Shares on NYSE was US$31.41; and
- the lowest and highest closing prices of Iron Mountain Shares during the previous three months were US$26.52 and US$32.30, respectively.

As at 5 June 2015, being the last trading day before Recall and Iron Mountain announced that they had entered into the Scheme Implementation Deed, the last recorded trading price of Iron Mountain Shares on NYSE was US$32.65.

Figure 17 – Recent Iron Mountain Share Price performance (last two years)



Source: IRESS data as at 20 October 2015. Rebased to the Iron Mountain Share Price.

10.21 LITIGATION

As at the date of this Booklet and as far as the Iron Mountain Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative or criminal or governmental prosecution of a material nature in which Iron Mountain or any of its subsidiaries is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of Iron Mountain.

10.22 NO PRE-TRANSACTION BENEFITS

Except as referred to in this Booklet, during the period of four months before the date of this Booklet, neither Iron Mountain nor any associate of Iron Mountain gave, or offered to give, or agreed to give, a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- vote in favour of the Scheme; or
- dispose of Recall Shares,

and which will not be provided to all Scheme Shareholders under the Scheme.

10.23 EXISTING INTERESTS IN RECALL SHARES

As at the date of this Booklet, neither Iron Mountain nor any of its associates has a Relevant Interest in Recall Shares.

10.24 DEALING IN RECALL SHARES IN PREVIOUS FOUR MONTHS

Except for the consideration to be provided under the Scheme, neither Iron Mountain nor any of its associates has provided, or agreed to provide, consideration for any Recall Shares under any purchase or agreement during the period of four months before the date of this Booklet.

10.25 FURTHER INFORMATION

Iron Mountain files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document Iron Mountain files at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Iron Mountain's SEC filings are also available to the public at the SEC's website at www.sec.gov or at Iron Mountain's website at www.IronMountain.com. The information provided in Iron Mountain's SEC filings (or available on Iron Mountain's website) is not part of this Booklet and is not incorporated by reference.

11 Overview of the Combined Group

11.1 BUSINESS OVERVIEW

11.1.1 Introduction

Through the combination of Iron Mountain and Recall, the Combined Group is expected to be a leading global provider of storage and information management solutions.

Similarly to the existing service offerings of Iron Mountain and Recall, the Combined Group is expected to offer information management services, data management solutions and information destruction services to the respective customers of Iron Mountain and Recall. Further details relating to the services offered by Iron Mountain and Recall, respectively, are provided in Sections 9 and 10.

The Combined Group is expected to:

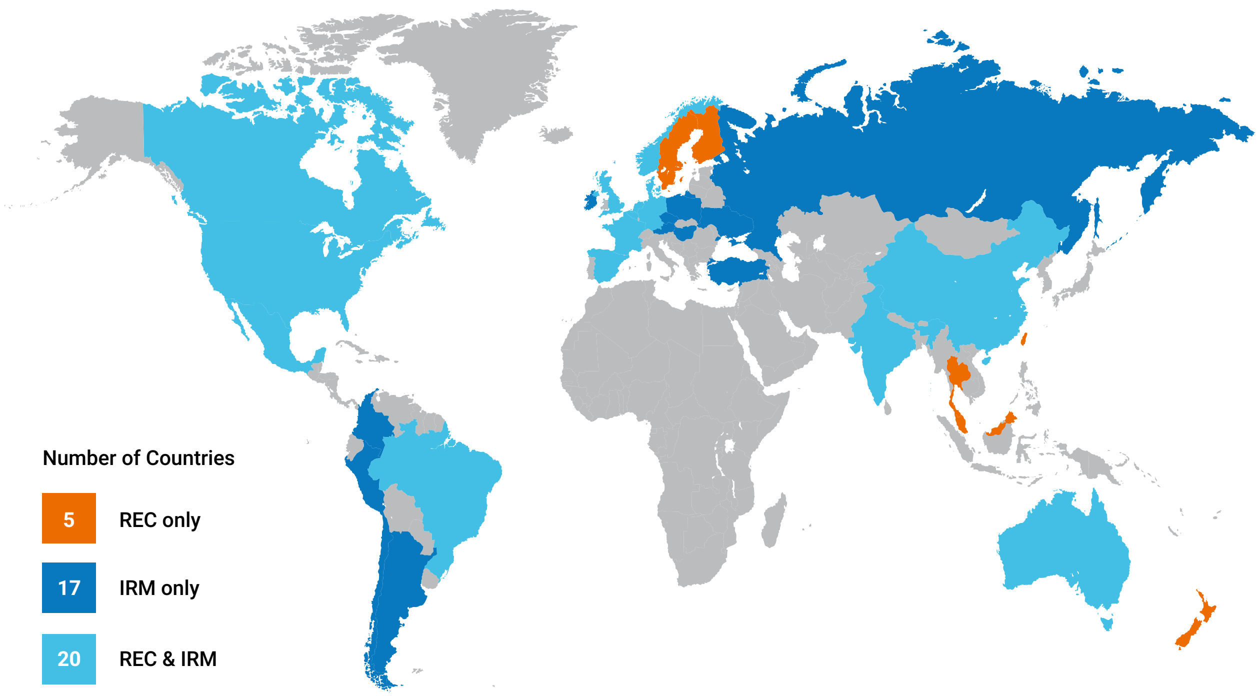
- have a pro forma market capitalisation of approximately US$8.2 billion;[67]
- earn US$4 billion in annual revenue;[68]
- serve over 200,000 customer accounts;
- employ over 25,700 people throughout the world;
- operate over 1,300 facilities globally in 42 countries across 5 continents; and
- have an expansive global enterprise storage real estate portfolio of over 80 million square feet.

On implementation of the Scheme, the Combined Group will continue to be listed on the NYSE under Iron Mountain's existing symbol, IRM. In addition, following implementation of the Scheme, Iron Mountain will establish a secondary listing on ASX to allow New Iron Mountain Shares to trade on ASX via CDIs under the symbol INM.

11.1.2 Geographical footprint

The Combined Group is expected to operate a truly global business and will create a strong platform to pursue growth opportunities. The Combined Group is expected to operate in 42 countries across North America, Europe, Latin America and the Asia Pacific region.

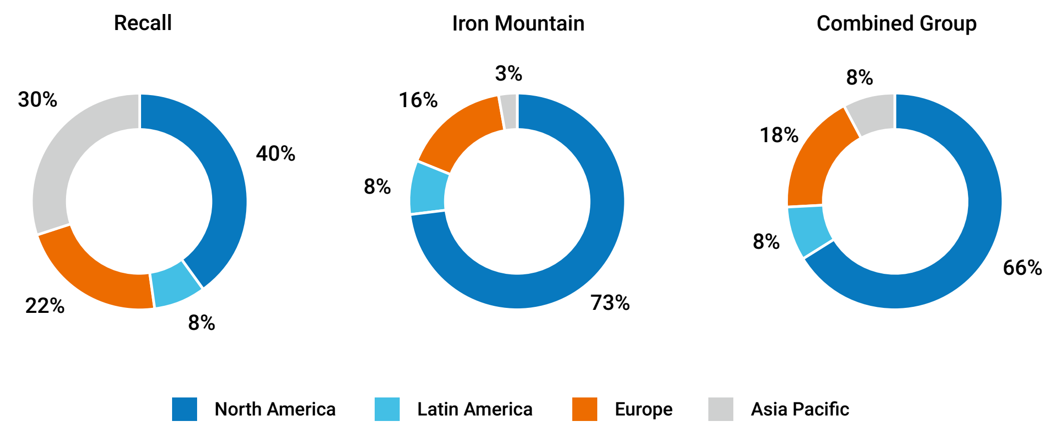
Combined Group's geographical operations



67 Based on the Iron Mountain Share Price of US$31.41 and the AUD/USD exchange rate of 0.7261 as at 20 October 2015, being the last practicable date before the date of this Booklet and assumes 261.3 million Iron Mountain Shares on issue immediately following implementation of the Scheme (assuming 100% take up of the Cash Alternative). The actual number of Iron Mountain Shares to be issued under the Scheme may vary due to the take up of the Cash Alternative, the AUD/USD exchange rate and any elimination of fractional share entitlements.

68 Based on the Pro Forma Historical Income Statement for the Contained Group for the 12 months ended 31 December 2014, as presented in section 11.9.4.

Figure 18 – Revenue by geography for the six months ended 30 June 2015



The Combined Group's global operations are expected to be enhanced by the combination of Recall and Iron Mountain's existing operations, given Recall and Iron Mountain's complementary market positions across markets in which they operate.

In the US, Recall has a strong presence with SMEs, while Iron Mountain primarily serves large enterprise customers. Recall also has market leading positions in Australia and parts of Europe.

In emerging markets, Recall overlaps Iron Mountain's footprint in Latin America, while Recall has a stronger emerging platform in South East Asia versus Iron Mountain's large market presence in Eastern Europe.

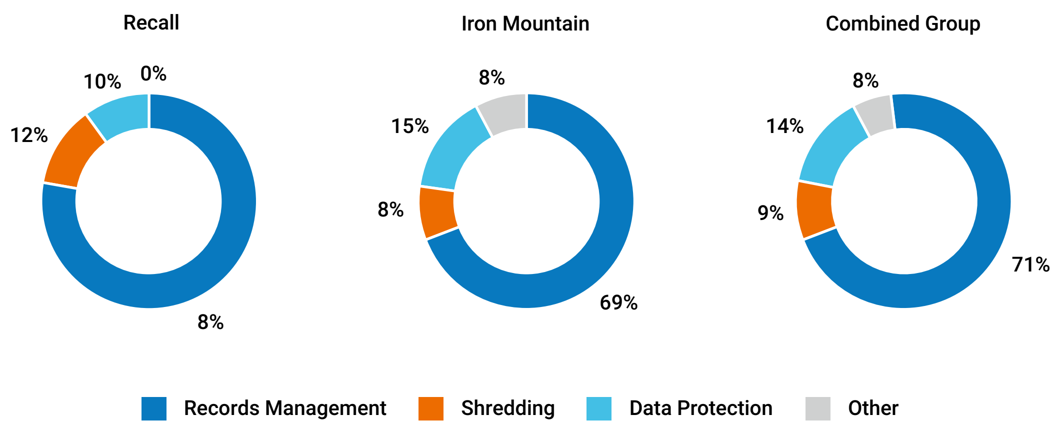
11.1.3 Operational profile

The Combined Group is expected to offer a similar service offering to those provided by Recall and Iron Mountain to their respective customers, spanning records management services, data management solutions and information destruction services. Further details relating to the services offered by Iron Mountain and Recall, respectively, are provided in Sections 9 and 10.

In the financial year ended 31 December 2014, Iron Mountain derived approximately 75% of its annual revenues from records management services. In the financial year ended 30 June 2015, Recall derived 78% of its annual revenues from records management services. Of the remaining approximately 25% of Iron Mountain's revenues in the financial year ended 31 December 2014, Iron Mountain derived a slightly higher proportion of its revenue from data management solutions than Recall did in its financial year ended 30 June 2015, and generated a slightly lower proportion of its revenue from its information destruction services than Recall did in its financial year ended 30 June 2015.

As a result of the combination of the two businesses, the operational profile of the Combined Group is very similar to Recall's current operational profile, with a slightly increased exposure to data management solutions, and decreased exposure to information destruction services.

Figure 19 – Combined Group's operational profile



11.1.4 Facility network

The Combined Group is expected to have an expansive global enterprise storage real estate portfolio, with over 80 million square feet of real estate under management. This real estate portfolio is expected to provide ample coverage for both the Combined Group's global enterprise customers, as well as smaller mid-market companies seeking to expand their businesses into new markets. The combination of Recall and Iron Mountain real estate also provides the opportunity for the Combined Group to optimise the portfolio to match changing market and customer needs in a manner that is better than was possible by either Recall or Iron Mountain on a standalone basis.

Figure 20 – Combined Group real estate portfolio

	IRON MOUNTAIN	RECALL	TOTAL/ WEIGHTED AVERAGE
Owned (million square feet)	24	2	26
Leased (million square feet)	44	18	62
Total (million square feet)	**68**	**20**	**88**
Average size (thousand square feet)	62	58	61
Buyout option (million square feet)	3.5	N/A	N/A
Owned/controlled [1]	40%	9%	34%
Weighted average lease obligation (years)	5.6	4.8	5.4
– w/renewal	12.4	9.1	11.7
Records management utilisation – Building/racking	83%/91%	83%/91%	N/A
Data protection utilisation – Building/racking	68%/81%		

NOTES

1 Includes real estate with purchase options

11.2 BENEFITS OF THE SCHEME

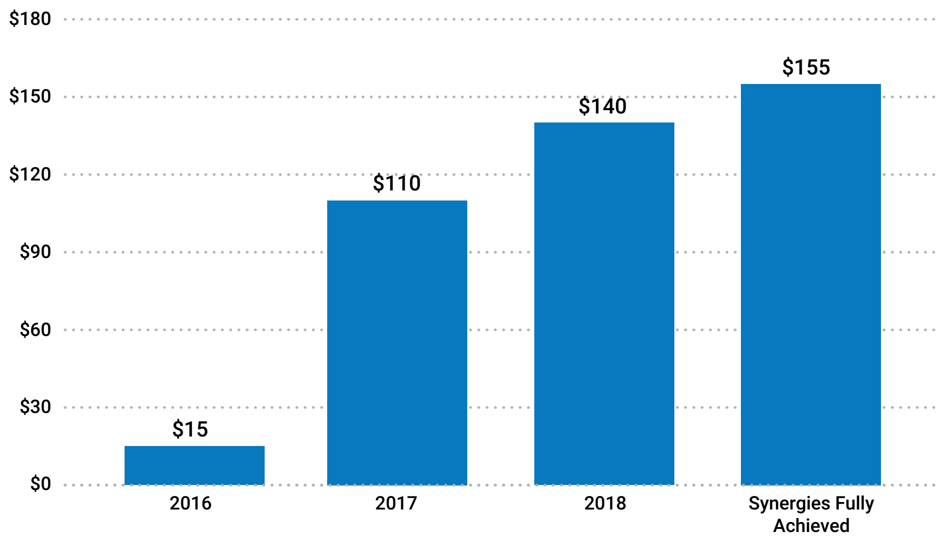
11.2.1 Synergies

The Scheme is expected to create significant value for shareholders of both Recall and Iron Mountain through the realisation of material cost savings. Based on analysis undertaken by it to date, Iron Mountain estimates annual net synergies as a result of the Scheme at US$155 million per annum when fully achieved; approximately 5% of the Combined Group's pro forma 2015 operating expenses. Iron Mountain is considering further opportunities to achieve synergies exceeding 6% of operating expenses identified through additional due diligence and a detailed integration analysis, although there can be no assurance that this will occur.

The estimate of net synergies reflects the impact on profitability of the Combined Group of the targeted effects of cost savings from integrating the operations, overhead savings from the consolidation of corporate and support costs, real estate benefits from scale of the business and potential tax favourability due to the updated corporate structure; potentially offset by impacts from pass through of benefits to customers, undertakings or conditions as may be required by regulators, or customer attrition. Sensitivity analysis indicates a US$10 million change in achieved synergies would result in a directionally similar 2.0%-2.5% change in EPS accretion.

Iron Mountain estimates that approximately 90% of these synergies will be achieved in the first three years following implementation of the Scheme, with approximately US$110 million realised in calendar year 2017 and US$140 million realised in calendar year 2018. The time to achieve these synergies reflects the complexity of integrating two global businesses.

Figure 21 – Total expected net synergies (US$ millions) [69]



Estimates of potential synergies available through the Scheme are preliminary and will become more certain following ongoing analysis and refinement. After the implementation of the Scheme, the Combined Group will commence putting in place arrangements to seek to achieve these synergies.

Figure 22 – Key areas of expected synergies

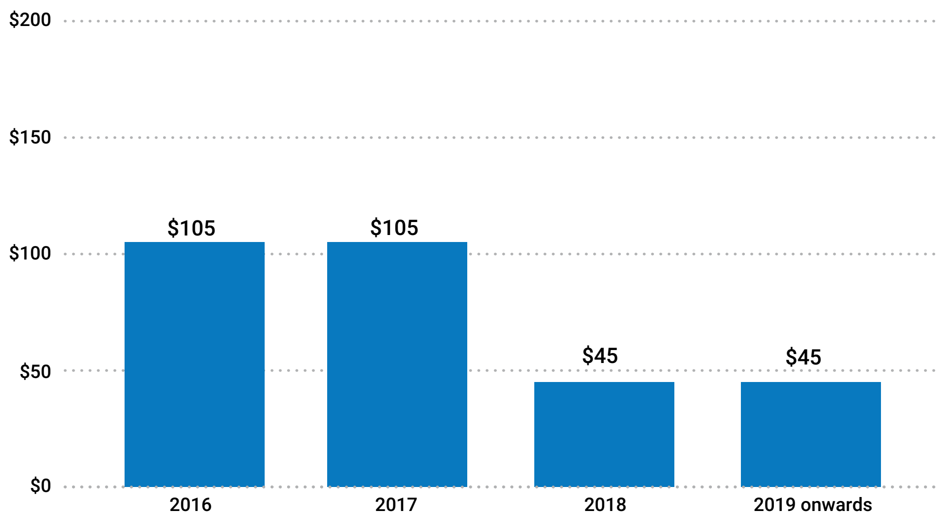
Overhead synergies	Overhead synergies are expected to be achieved by implementing a number of measures, including: • integrating board, management and executive teams; • consolidating corporate costs and headquarters; and • integration of reporting and IT systems. The majority of these savings are expected to be generated from consolidation of corporate and support costs.
Cost of sales synergies	Cost of sales synergies are expected to be achieved by implementing a number of measures, including: • staff cost savings through the elimination of duplicated functions; • procurement efficiencies through scale benefits of the Combined Group; • cost optimisation at an individual facility level; and • routing and other logistics optimisation. Cost of sales synergies are expected to be partially offset by potential customer attrition and other potential losses.
Real estate synergies	Real estate synergies are expected to be created through: • consolidation of adjacent facilities; • negotiation of improved terms at existing facilities; and • ability to exit underperforming facilities and improve utilisation across the facility network.
Tax synergies	Iron Mountain's REIT status provides beneficial US tax status for storage profits generated in the US. Companies brought into the REIT structure can also generally repatriate storage profits to the US without additional taxation. A small proportion of the total net synergies is therefore expected to be generated through tax efficiencies generated through the integration of the two companies.
Other potential synergies	Following implementation of the Scheme, there may be the potential for synergies to be realised beyond those identified above. These may include, but are not limited to: • potential revenue benefits from the enhanced product and services cross-selling to the Combined Group's broadened customer base; • additional reductions in real estate costs as leases for the Combined Group's facilities are renewed and the potential for facility consolidation in some locations arises; and • enhanced capabilities to accelerate development of new solutions and services for clients given enhanced scale of the Combined Group.

69 Synergies and accretion exclude one-off costs to achieve and integrate.

11.2.2 Costs to achieve synergies

Iron Mountain anticipates a total of approximately US$300 million in one-off costs to integrate the businesses and achieve the estimated level of synergies. Approximately US$220 million is expected to be treated as operating expenses and US$80 million is expected to be treated as capital expenditure. These costs are expected to include moving, racking and severance costs, costs related to the facilities upgrade program, REIT conversion and systems integration costs.

Figure 23 –Estimated one-off costs (including operating and capital expenditures) (US$ millions)



11.2.3 Earnings accretion

The Scheme is expected to generate significant earnings accretion for Iron Mountain's stockholders. Excluding the impact of estimated non cash purchase accounting adjustments and one-off costs to achieve the synergies, Iron Mountain estimates the Scheme to be 20% accretive to EPS in 2017, 25% in 2018 and 26% when the US$155 million per annum of expected net synergies are fully realised.

On 14 October 2015, Iron Mountain communicated its intent to pursue additional value creating initiatives beyond those considered for the EPS calculations in this Section, including:

- an updated transformation program;
- expanded multi-year plans for developed markets, emerging markets, and adjacent businesses; and
- real estate portfolio expansion.

These initiatives, while independent of the Scheme, are expected by Iron Mountain to further increase the earnings, Normalised FFO and AFFO of the Combined Group on a per share basis for each year under consideration 2016-2018. As there were no parallel updates for the Recall financial outlook, Iron Mountain believes that the accretion analysis shown still provides the most accurate comparative view of the incremental value creation of the Scheme for Iron Mountain Shareholders.

Iron Mountain also expects the Scheme to be accretive to Normalised FFO and AFFO, which are key metrics for REIT investors.

Non GAAP measures

As part of regular reporting to their respective stockholders and shareholders, Iron Mountain and Recall disclose a number of financial measures that are not in compliance with either US GAAP or IFRS, which they believe to be important to investors to consider when evaluating their respective financial performance and that of the Combined Group. These non GAAP measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with US GAAP or IFRS.

The non GAAP information referred to in this Section 11.2.3 are as follows:

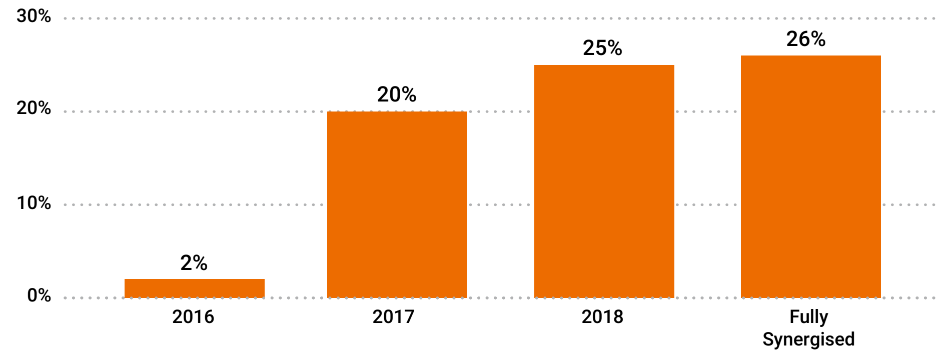
- normalised funds from operations or Normalised FFO, comprises net income excluding gains and losses on the sales or write-down of real estate assets, earnings from non real estate investments, realised and unrealised foreign exchange gains and losses, provisions or benefits from deferred taxes, earnings from discontinued operations, significant one-off costs, plus depreciation on real estate assets; and
- adjusted funds from operations or AFFO, which is Normalised FFO less maintenance or non real estate capital expenditure, non cash rent income and expense, plus depreciation on non real estate assets, amortisation expense and non cash equity compensation costs.

Recall Shareholders who receive Iron Mountain Securities will have the opportunity to benefit from any potential earnings accretion.

Recall Shareholders should note that if the Scheme is implemented, Iron Mountain is expected to apply purchase price accounting adjustments which are expected to result in fair value adjustments associated with Recall's tangible and intangible assets in accordance with US GAAP. These adjustments are expected to result in an increase in depreciation and amortisation expenses of approximately US$82 million per annum, which will impact Iron Mountain's reported earnings per share. These adjustments are non cash in nature and do not impact the fair value assessment of the transaction. Further details on the purchase price accounting adjustments expected as a result of the Scheme are set out in Section 11.9.2.

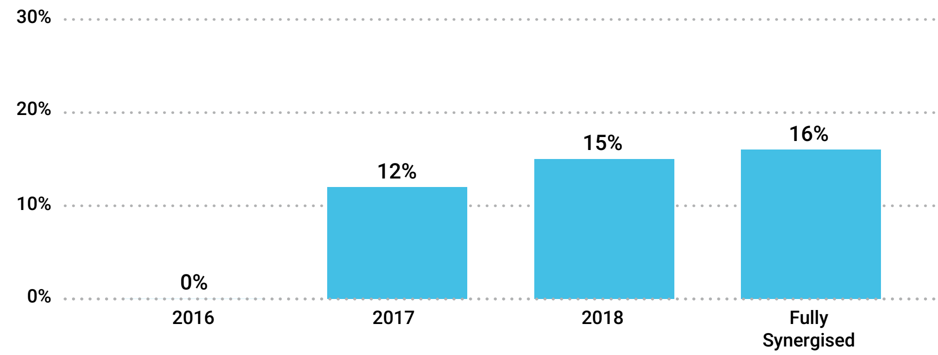
Iron Mountain's expected level of Adjusted EPS, Normalised FFO and AFFO accretion is set out in the charts below:

Figure 24 – Iron Mountain Adjusted EPS accretion [70]



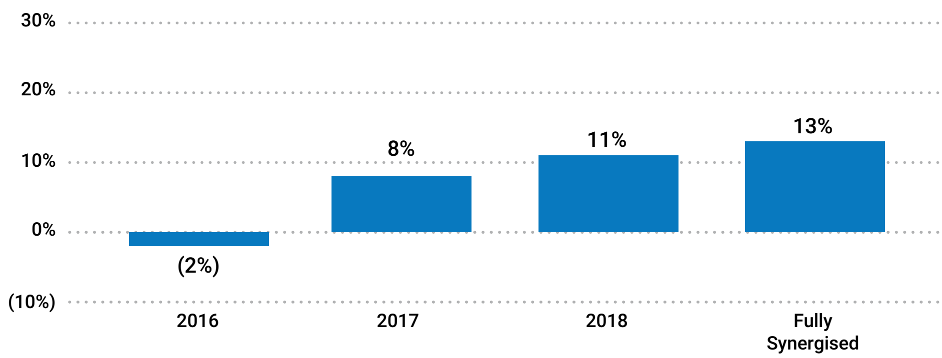
Adjusted EPS accretion, including the expected purchase price accounting adjustments, is expected to be 3% in 2017, 9% in 2018 and 13% on a fully synergised basis.

Figure 25 – Iron Mountain Normalised FFO accretion [70]



Normalised FFO accretion, including the expected purchase price accounting adjustments, is expected to be 1% in 2017, 4% in 2018 and 6% on a fully synergised basis.

Figure 26 – Iron Mountain AFFO accretion



AFFO does not incorporate depreciation or amortisation charges and so is not impacted by purchase price accounting adjustments except as far as the incremental depreciation and amortisation reduces the effective taxable income.

70 Accretion estimates assume weighted average Iron Mountain Shares outstanding of 267 million in 2016, AUD/USD exchange rate of 0.71 and an effective tax rate of 20%. Accretion estimates do not include operating and capital expenditures related to integration, as these are one time in nature and will be excluded from Adjusted EPS, Normalised FFO and AFFO. These assumptions represent analysis as at the date of this Booklet and are subject to change.

11.3 IMPACT OF THE SCHEME ON IRON MOUNTAIN'S REIT STRUCTURE

Iron Mountain intends to incorporate Recall into its REIT structure, and has developed REIT compliance strategies for the Combined Group in order to manage the applicable REIT qualification requirements given the size and structure of the Combined Group and the timing of implementation of the Scheme. Although Iron Mountain's primary REIT compliance strategy for the Combined Group may change in light of ongoing due diligence, regulatory requirements or other developments, Iron Mountain currently expects to include Recall and its subsidiaries within Iron Mountain's QRSs and TRSs.

Iron Mountain expects that it will acquire Recall as a TRS early in a calendar quarter, and it will effect the necessary restructurings to achieve compliance with applicable REIT requirements before the end of that same calendar quarter.

Iron Mountain will undertake measures to cause Recall's US subsidiaries, and some of its non-US subsidiaries to be treated as its QRSs, with each of these QRSs having in place an accompanying TRS to perform services for tenants such that the overall arrangement is REIT compliant. However, Recall itself, and several of its non-US subsidiaries, will remain Iron Mountain TRSs for the foreseeable future.

11.4 IRON MOUNTAIN'S INTENTIONS

11.4.1 Overview

This Section 11.4 sets out certain of Iron Mountain's intentions in relation to Recall and the Combined Group, including Iron Mountain's intentions regarding:

- the continuation of the business of Recall or how Recall's existing business will be conducted;
- any major changes to be made to the business of Recall, including any redeployment of the fixed assets of Recall; and
- the future employment of the present employees of Recall,

in each case, after the Scheme is implemented.

The intentions set out in this Section 11.4 have been formed on the basis of facts and information concerning Recall and the general business environment which are known to Iron Mountain as at the date of this Booklet.

Final decisions regarding the matters set out below will be made by Iron Mountain in light of all such material information, facts and circumstances at the relevant time. Accordingly, it is important to recognise that the statements set out in this Section 11.4 are statements of current intentions only, which may change as new information becomes available or circumstances change.

In particular, the intentions set out in this Section 11.4 have been formed without the benefit of certainty as to what, if any, divestments may be agreed to by Iron Mountain in order to obtain the Competition Approvals. Any such divestments may materially impact Iron Mountain's ability to implement its intentions as described in this Section 11.4, and may require Iron Mountain to form alternative intentions based on the impact of any divestments.

The intentions of other members of the Iron Mountain Group are the same as Iron Mountain's intentions.

11.4.2 Corporate structure

Iron Mountain will be the parent company of the Combined Group upon the implementation of the Scheme. Recall will be a wholly-owned Australian Subsidiary of Iron Mountain following implementation of the Scheme.

There are likely to be changes in the Recall corporate structure following implementation of the Scheme as part of its integration into the Iron Mountain Group's corporate structure. These changes will include integrating Recall and its subsidiaries within Iron Mountain's REIT structure in the manner described in Section 10.6.

11.4.3 Operating structure

It is expected that the operating structure of the Combined Group will largely follow the operating structure of the Iron Mountain Group, as described in Section 10.4.2, which consists of five reportable operating segments based on the North American information management and data management businesses, other international business and corporate.

However, Iron Mountain recognises that Recall's operating structure and service offering, while similar to that of Iron Mountain, has some key differences, notably based on the strength of Recall's service offering in certain geographies and market segments. As such, Iron Mountain intends to review the operating structure of both Iron Mountain and Recall following implementation of the Scheme to determine the most suitable operating structure for the Combined Group. That review may result in changes to the operating structure of either or both of Iron Mountain and Recall, but is not expected to result in a change in the service offering of the Combined Group.

11.4.4 Restructure

Iron Mountain intends to undertake certain actions to give effect to the acquisition of Recall by Iron Mountain Sub under the Scheme, and to assist in the integration of the Recall Group into the Iron Mountain Group. While those actions have not been finally determined, they are expected to include actions that would be undertaken by members of the Recall Group and the Iron Mountain Group both before and after implementation of the Scheme, such as:

- certain tax elections for US federal income tax purposes;
- transfers of entities within the Recall Group and the Iron Mountain Group;
- actions affecting the capital structure of members of the Recall Group and the Iron Mountain Group, including distributions of shares and receivables; and
- conversions of members of the Recall Group and the Iron Mountain Group into different types of corporate entity.

11.4.5 Strategy

Iron Mountain intends that its strategic plan as outlined in Section 10.5 will be applied to the Combined Group. It is expected that the Combined Group will have a broader geographical footprint and a larger real estate platform which will assist the Combined Group in meeting its strategic objectives.

In developed markets, the benefits of the Combined Group are expected to help better serve Iron Mountain's existing customer base and address other information management needs worldwide. In particular, Recall's strength in SMEs is expected to be enhanced by Iron Mountain's offerings for enterprise customers.

In emerging markets, Recall has a complementary global footprint that gives Iron Mountain access to key growth markets and expands the combined footprint in other markets.

11.4.6 Continuation of business

In the short term, Iron Mountain intends that Recall will be operated similarly to how it has been operated historically, and otherwise in accordance with the strategy and direction of the Combined Group, as described in Section 11.4.5.

Iron Mountain intends to, over time, seek to maximise the performance of the Recall business through operational improvement and the realisation of the synergies discussed in Section 11.2. Given the similarity of Recall's service offering to those of Iron Mountain, and the overlap of geographies in which each of Recall and Iron Mountain operate, it is expected that a level of Recall's current operational functions will be substituted by Iron Mountain's existing operations over time.

Iron Mountain has no current intention to redeploy any of Recall's fixed assets, other than as may be required in order to integrate Recall and its subsidiaries within Iron Mountain's REIT structure in the manner described in Section 11.3.

11.4.7 Dividend policy

To maintain its qualification for taxation as a REIT following implementation of the Scheme, Iron Mountain (as the parent company of the Combined Group) must distribute to its stockholders, an amount at least equal to 90% of its REIT taxable income (determined before the deduction for dividends paid and excluding any net capital gain).

Following implementation of the Scheme, Iron Mountain (as the parent company of the Combined Group) expects to continue declaring regular cash quarterly distributions to holders of Iron Mountain Shares, the amount of which will be determined, and is subject to adjustment by, the Iron Mountain Board.

In particular, following the implementation of the Scheme, Iron Mountain intends to maintain or increase its current ordinary dividend rate based on FY15 levels of US$1.90 per Iron Mountain Share; however, any final determination on dividend rates will be made by the Iron Mountain Board based on the performance of the Combined Group and other relevant factors, such as available cash, at the time of declaration.

Generally, following implementation of the Scheme, Iron Mountain expects to distribute all or substantially all of its REIT taxable income so as not to be subject to the income or excise tax on undistributed REIT taxable income. Iron Mountain expects that the earnings and cash flow accretion of the Combined Group, as well as increased REIT taxable income and the transformation initiative, will provide the opportunity for significant dividend growth as well as growth in investment in the Combined Group's business.

11.4.8 Future employment of the present employees of Recall

Iron Mountain recognises that there is a deep pool of talent throughout Recall's operations globally. Iron Mountain will evaluate the future employment requirements of the Combined Group as part of the integration process and the realisation of the synergies discussed in Section 11.2. Iron Mountain will endeavour to minimise any disruption to Recall and Iron Mountain employees during the integration process and realisation of synergies.

Given the similarity of Recall's service offering to those of Iron Mountain, and the overlap of geographies in which each of Recall and Iron Mountain operate, some redundancies of Combined Group employees will result from the integration of Recall into the Iron Mountain Group and the realisation of the synergies discussed in Section 11.2. It is not possible for Iron Mountain to currently predict the extent and timing of such redundancies, if they occur.

However, Iron Mountain believes that the Scheme should also offer benefits for Recall employees, by bringing together the businesses of the Recall Group and the Iron Mountain Group with the potential to create exciting growth opportunities across the Combined Group. As such, the Combined Group may be able to offer suitable alternative roles to some affected employees, but may not be able to do so in all cases.

Any employee who is made redundant will receive, on redundancy, payments and other benefits in accordance with his or her contractual and other legal entitlements.

11.4.9 Employee incentive arrangements

Iron Mountain understands that Recall has a long-term incentive plan and a short-term incentive plan, each of which will no longer be applicable following implementation of the Scheme. After implementation of the Scheme, Iron Mountain intends to review and implement appropriate incentive arrangements for key employees so as to align the interests of Recall Group employees with those of the Iron Mountain Group. The terms of the current employee incentive plans adopted by the Iron Mountain Group are described at Section 10.17.

The terms of any new incentive plans and the employees who will be entitled to participate in those plans will be determined by Iron Mountain after implementation of the Scheme.

11.4.10 Delisting of Recall from ASX

If the Scheme is implemented, Iron Mountain will cause Recall to request ASX to remove it from ASX's official list.

Following delisting, Recall Shareholders will no longer be able to acquire or trade in Recall Shares on ASX.

Recall Shareholders will, however, be able to trade in New Iron Mountain Shares on NYSE or New Iron Mountain CDIs on ASX.

11.4.11 Headquarters

Iron Mountain currently intends that the principal operational centre of the Recall business will be moved to Iron Mountain's current headquarters following implementation of the Scheme.

11.4.12 Funding of cash component of the Scheme Consideration

The cash component of the Scheme Consideration to be paid to Recall Shareholders consists of the Cash Pool of A$225 million, plus the aggregate of Australian dollar equivalent of US$0.50 per Scheme Share.

Applying an AUD/USD exchange rate of 0.7261, as at 20 October 2015, being the last practicable date before the date of this Booklet, the Cash Pool of A$225 million is equal to approximately US$163 million.

Based on there being a total of approximately 323.1 million Scheme Shares on issue as at the Record Date, the aggregate of US$0.50 per Scheme Share is equal to US$162 million.

Accordingly, the maximum amount of cash to be paid to Recall Shareholders as part of the Scheme Consideration equals approximately US$325 million or approximately A$447 million (based on an AUD/USD exchange rate of 0.7261, as at 20 October 2015, being the last practicable date prior to the date of this Booklet).

As of the date of this Booklet, Iron Mountain had US$663 million or approximately A$913.1 million (based on an AUD/USD exchange rate of 0.7261, as at 20 October 2015, being the last practicable date prior to the date of this Booklet) in undrawn capacity available under the New Revolving Credit Facility, which is sufficient to fund in full the total amount of cash to be paid to Recall Shareholders as part of the Scheme Consideration. Under the terms of the New Revolving Credit Facility, Iron Mountain is permitted to borrow directly in Australian dollars.

Iron Mountain intends to draw down on its New Revolving Credit Facility in order to fund the total amount of cash to be paid to Recall Shareholders as part of the Scheme Consideration.

11.5 FOREIGN EXEMPT LISTING

Iron Mountain intends to apply for admission to the official list of ASX as a Foreign Exempt Listing, conditional on the Scheme being implemented. Once listed on ASX as a Foreign Exempt Listing, Iron Mountain (as the parent company of the Combined Group) will be exempt from complying with most of the Listing Rules. However, Iron Mountain must:

- immediately provide to ASX all information it provides to its overseas home exchange, being NYSE, that is, or is to be, made public. Such information will be prepared in accordance with US law requirements and disclosure standards;
- continue to comply with the listing rules of its overseas home exchange, being the NYSE listed company manual;
- comply with some Listing Rules relating to transfers and registers of Iron Mountain CDIs; and
- comply with some Listing Rules relating to certain procedural and administrative matters, including the manner of lodgement of announcements and trading halts, suspension and removal.

ASX retains the discretion to prescribe additional Listing Rules with which Iron Mountain, as a Foreign Exempt Listing, must comply.

Further details on Iron Mountain's corporate governance are set out in Section 10.10, and a comparison of relevant Australian and US laws is set out in Section 14.

11.6 BOARD AND MANAGEMENT

11.6.1 Board

Immediately following the implementation of the Scheme, the Combined Group Board will consist of 12 directors, comprised as follows:

Existing Iron Mountain Directors

Each of the existing 10 Iron Mountain Directors will continue as directors following the implementation of the Scheme. Profiles for each of the existing Iron Mountain Directors are set out in Section 10.8.1.

Recall Directors appointed to expanded Combined Group Board

The Iron Mountain Board is currently comprised of 10 members. Pursuant to the terms of the Scheme Implementation Deed, Iron Mountain shall, on or before the Implementation Date, appoint two existing Recall Directors to the Iron Mountain Board (conditional on the Scheme becoming Effective).

Iron Mountain has consulted with Recall and the companies have agreed that Iron Mountain will invite Neil Chatfield and Wendy Murdock to become directors of Iron Mountain and each of them has informed Iron Mountain that they intend to accept the invitation. Profiles for each of Neil Chatfield and Wendy Murdock are set out in Section 9.3.1.

Both Neil Chatfield and Wendy Murdock have considerable experience serving on boards of public companies. The Iron Mountain Board considers that Mr Chatfield's deep experience in the transport, logistics and resources industries in the Australian market, and Ms Murdock's experience in managing large global organisations in the financial services sector, will be of particular value to the Combined Group.

Iron Mountain Directors are subject to nomination and re-election for one year terms. Accordingly, the Recall Directors appointed to the Iron Mountain Board will also be subject to nomination and re-election at Iron Mountain's next Annual General Meeting. Iron Mountain has agreed to nominate Mr Chatfield and Ms Murdock to be appointed to the Iron Mountain Board for election at the first annual meeting of Iron Mountain stockholders following implementation of the Scheme.

Details of Iron Mountain's policies in relation to directors' fees are contained in Section 10.10.4.

11.6.2 Senior management

Mr William L. Meaney will be the President and CEO, and Mr Roderick Day will be Executive Vice President and CFO, of the Combined Group.

The remaining members of the Combined Group's senior management team have not been finalised as at the date of this Booklet and will be determined by the Iron Mountain Board following completion of the review of the operating structure of both Iron Mountain and Recall to determine the most suitable management structure for the Combined Group.

11.7 FINANCING

Section 10.13 provides an outline of Iron Mountain's stand-alone financing sources. Iron Mountain envisages that the financing sources outlined in Section 10.13 will remain in place following implementation of the Scheme.

As described in Section 11.4.12, Iron Mountain intends to draw down on its New Revolving Credit Facility in order to fund the total amount of cash to be paid to Recall Shareholders as part of the Scheme Consideration.

In addition, Iron Mountain will be required to pay transaction costs (such as adviser fees and filing fees) associated with implementation of the Scheme, which are expected to total approximately US$80 million. Iron Mountain expects to fund those costs using its existing debt finance facilities.

As at the date of this Booklet, approximately US$661 million is drawn under Recall's existing multi-bank syndicated debt finance facility (***Recall Debt Facility***). The obligation to refinance would arise if a 66⅔% majority of the lenders under the Recall Debt Facility, within 30 days after implementation of the Scheme, declare all outstanding amounts under the facility to be due and payable, which would mean that as of the 90th day after the implementation of the Scheme all outstanding amounts would be then immediately due and payable. Iron Mountain is exploring various options in respect of the Recall Debt Facility, including whether that facility will be refinanced or repaid on or soon after implementation of the Scheme. Those options are being explored as part of a broader review of Recall's financing structure in the context of Recall's integration into the Combined Group and as part of the Combined Group's overall financing strategy. Iron Mountain intends to discuss the Recall Debt Facility with the lenders in order to determine the treatment of that facility in connection with implementation of the Scheme and its role in the Combined Group's overall financing strategy.

Given the above, upon implementation of the Scheme, Iron Mountain expects that the Combined Group's outstanding borrowings to total approximately US$5.3 billion. See Sections 11.9.2 and 11.9.5.

Further, following implementation of the Scheme, Iron Mountain anticipates that it will incur a total of approximately US$300 million in one-off costs to integrate the businesses and achieve the estimated level of synergies. Iron Mountain expects that such costs will be funded out of some combination of Iron Mountain's cash reserves, availability under its existing debt finance facilities, and new public or private debt financing.

See Section 12.2.7 for risks associated with the above financing.

11.8 CAPITAL STRUCTURE

The capital structure of the Combined Group will depend on the number of Cash Elections, and therefore the number of New Iron Mountain Securities issued under the Scheme.

As such, the capital structure shown in the figure below is based on two scenarios:

- no Cash Elections, such that a total of approximately 55.6 million New Iron Mountain Securities will be issued; and
- the Cash Pool is fully utilised, such that a total of approximately 50.7 million New Iron Mountain Securities will be issued.

Figure 27 – Number of Iron Mountain Securities on issue before and after implementation of the Scheme

	NO CASH ELECTIONS	CASH ELECTIONS CAUSE CASH POOL TO BE FULLY UTILISED
New Iron Mountain Securities to be issued as part of the Scheme Consideration [1]	55.6 million	50.7 million
Total Iron Mountain Securities on issue following Implementation Date [2]	266.3 million	261.3 million
Recall Shareholder pro forma ownership of the Combined Group	21%	19%

NOTES

1 Assumes that a total of approximately 314 million Recall Shares are on issue on the Record Date, and up to approximately an additional 9.4 million Recall Shares are issued in relation to Recall Performance Rights and Recall Retention Rights. The vesting of 758,447 of the Recall Performance Rights remains subject to determination by the Recall Board at or around the date of the Scheme Meeting.

2 Assumes that a total of approximately 210.7 million Iron Mountain Shares are on issue on the Record Date.

11.9 PRO FORMA HISTORICAL FINANCIAL INFORMATION

11.9.1 Introduction

The financial information set out in this Section 11.9 has been prepared by Iron Mountain and includes the following financial information:

- ***Pro Forma Historical Income Statements*** for the Combined Group for the year ended 31 December 2014 and the six months ended 30 June 2015, as described in Section 11.9.4;
- ***Pro Forma Historical Balance Sheet*** for the Combined Group as at 30 June 2015, as described in Section 11.9.5; and
- ***Pro Forma Historical Cash Flow Statements*** for the Combined Group for the year ended 31 December 2014 and the six months ended 30 June 2015, as described in Section 11.9.6.

The Pro Forma Historical Income Statements, the Pro Forma Historical Balance Sheet and the Pro Forma Historical Cash Flow Statements are together the ***Pro Forma Historical Financial Information*** for the Combined Group. The Pro Forma Historical Financial Information is unaudited.

As discussed in Section 9.4.2, the underlying financial statements for Recall for the years ended 30 June 2014 and 30 June 2015 were audited and the interim financial statements for the six months ended 31 December 2013 and 31 December 2014 were reviewed by PwC. As further discussed in Section 10.11.1, the underlying financial statements for Iron Mountain for the year ended 31 December 2014 were audited by Deloitte & Touche LLP as Independent Registered Public Accounting Firm for Iron Mountain. Deloitte & Touche LLP performs reviews of Iron Mountain's interim financial statements filed with the SEC in accordance with standards of the Public Company Accounting Oversight Board (United States).

The Iron Mountain Board and Recall Board appointed PricewaterhouseCoopers Securities Ltd as the Investigating Accountant to prepare an Investigating Accountant's Report in relation to the Pro Forma Historical Financial Information for the Combined Group. A copy of the Investigating Accountant's Report is contained in Appendix 2.

11.9.2 Basis of preparation

The Pro Forma Historical Financial Information has been prepared under accounting principles generally accepted in the US (US GAAP) and the accounting policies detailed in Section 9.4.2. If the Scheme is implemented, existing Recall Shareholders will receive Iron Mountain financial information prepared under US GAAP. US GAAP financial information was also the basis for the EPS, Normalised FFO and AFFO accretion calculations discussed in Section 11.2.3.

The Pro Forma Historical Financial Information has been derived from:

- Recall's audited financial statements for the years ended 30 June 2014 and 30 June 2015 and Recall's reviewed financial statements for the six months ended 31 December 2014; and
- Iron Mountain's audited financial statements for the year ended 31 December 2014 and the unaudited financial statements for the six months ended 30 June 2015.

Pro forma adjustments have been made to the financial information to provide the financial information consistently in US GAAP, to align the financial year end to Iron Mountain's year end, to exclude transaction costs, to show the impact of purchase price accounting and to show the impact of the post transaction capital structure.

The Pro Forma Historical Financial Information was prepared using the acquisition method of accounting with Iron Mountain treated as the acquiring entity. Accordingly, the historical consolidated financial information has been adjusted to give effect to the impact of the consideration issued in connection with the Scheme. In the Pro Forma Historical Balance Sheet, Iron Mountain's purchase price has been allocated to Recall's assets acquired and liabilities assumed based upon Iron Mountain management's preliminary estimate of their respective fair values as of the date of the Scheme. Any differences between the fair value of the consideration issued and the fair value of the assets acquired and liabilities assumed will be recorded as goodwill. The amounts allocated to the assets acquired and liabilities assumed in the Pro Forma Historical Financial Information are based on Iron Mountain management's preliminary valuation estimates. Definitive allocations will be performed and finalised based on certain valuations and other studies that will be performed by Iron Mountain with the services of outside valuation specialists after the closing of the Scheme. Accordingly, the purchase price allocation adjustments and related depreciation and amortisation reflected in the Pro Forma Historical Financial Information are preliminary, have been made solely for the purpose of preparing the Pro Forma Historical Financial Information for the Combined Group and are subject to revisions based on a final determination of fair value upon the closing of the Scheme.

The Pro Forma Historical Income Statements include certain purchase accounting adjustments, including items expected to have a continuing impact on the combined results, such as increased amortisation expense on acquired intangible assets. The Pro Forma Historical Income Statements do not include the impacts of any revenue, cost or other operating synergies that may result from the Scheme or any related restructuring costs. Iron Mountain and Recall have just recently begun collecting information in order to formulate detailed integration plans to deliver planned synergies. However, at this time, the integration plans are in their preliminary stages and the associated acquisition related costs are estimates and not yet factually supportable for the purposes of inclusion in the Pro Forma Historical Financial Information.

The financial information in this Section 11.9 is presented in an abbreviated form insofar as it does not include all of the presentation disclosures, statements or comparative information as required by US GAAP.

The Pro Forma Historical Financial Information in this Section 11.9 has been prepared in accordance with the recognition and measurement requirements of US GAAP, other than that it includes adjustments which have been prepared in a manner consistent with US GAAP to reflect the impact of certain transactions had they occurred on or before 1 January 2014 in the Pro Forma Historical Income Statements and the Pro Forma Historical Cash Flow Statements or as at 30 June 2015 in the Pro Forma Historical Balance Sheet.

In order to assess the impact of potential differences between US GAAP and Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, which are consistent with the recognition and measurement principles of the IFRS and interpretations adopted by the International Accounting Standards Board, Iron Mountain compared its own applied accounting policies under US GAAP with Recall's applied accounting policies under Australian Accounting Standards and also assessed fundamental differences between US GAAP and Australian Accounting Standards. Based on this analysis, Iron Mountain determined that the material differences between US GAAP and Australian Accounting Standards are limited to the following:

- US GAAP requires real estate assets to be carried on the balance sheet at amortised cost with depreciation over the useful life recognised through earnings. Australian Accounting Standards give REITs the option of recording real estate assets at either fair value or amortised cost. Iron Mountain concluded that with a policy choice of recording real estate assets at amortised cost no material difference exists. If the real estate assets are carried at amortised cost, Australian Accounting Standards require the disclosure of the fair value of these assets in the notes to the financial statements. Based on a 31 December 2014 valuation date, the fair value of Iron Mountain's real estate assets is US$3,525 million, which includes US$1,314 million of racking assets, US$1,776.5 million of real property and US$434.5 million of personal and other property; and

- Australian Accounting Standards to US GAAP adjustments for Recall which have been identified in Note 1 of Section 11.9.4 and Note 2 of Section 11.9.5 were also considered in Iron Mountain's review of its own assessment of US GAAP to Australian Accounting Standards differences. The following adjustments from Australian Accounting Standards to US GAAP were identified for Recall:
  - the jurisdictional netting of deferred tax assets and liabilities;
  - the timing of the recognition of liabilities related to exit costs; and
  - the classification of unamortised debt issuance costs as an asset instead of a reduction of debt.

As part of this review, Iron Mountain has determined that each of the adjustments made for Recall noted above is not material in relation to Iron Mountain's or the Combined Group's historical financial information.

Information provided in this Section 11.9 should be read in conjunction with the risk factors outlined in Section 12 and all other information set out in this Booklet.

Non GAAP measures

As part of regular reporting to its stockholders, Iron Mountain discloses a number of financial measures that are not in compliance with either US GAAP or Australian Accounting Standards, which they believe to be important to investors to consider when evaluating their respective financial performance and that of the Combined Group. These non GAAP measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with US GAAP or Australian Accounting Standards.

The non GAAP information referred to in this Section 11.9 include Adjusted OIBDA. Iron Mountain management determines Adjusted OIBDA as operating income before depreciation, amortisation, impairment of intangibles, (gain) loss on disposal/write-down of property, plant and equipment, net (excluding real estate), REIT Costs and Recall Costs (as defined above). In addition, investor communications also use Normalised FFO and AFFO, as further defined in Section 11.2.3.

Financing Arrangement

As at the date of this Booklet, approximately US$661 million is drawn under the Recall Debt Facility. An obligation to refinance the Recall Debt Facility would arise if a 66⅔% majority of the lenders under the Recall Debt Facility, within 30 days after implementation of the Scheme, declare all outstanding amounts under the facility to be due and payable, which would mean that as of the 90th day after the implementation of the Scheme all outstanding amounts would be then immediately due and payable. Iron Mountain is exploring various options in respect of the Recall Debt Facility, including whether that facility will be refinanced or repaid on or soon after implementation of the Scheme. Those options are being explored as part of a broader review of Recall's financing structure in the context of Recall's integration into the Combined Group and as part of the Combined Group's overall financing strategy. Iron Mountain intends to discuss the Recall Debt Facility with the lenders in order to determine the treatment of that facility in connection with implementation of the Scheme and its role in the Combined Group's overall financing strategy.

See Section 12.2.7 for risks associated with the above financing.

11.9.3 Purchase price

For the purpose of preparing the accompanying Pro Forma Historical Balance Sheet as of 30 June 2015, the preliminary estimate of the purchase price was calculated as follows:

ITEM	UNIT	AMOUNT
Recall shares issued and outstanding prior to closing of the Scheme [1]	M	323.1
Closing price per share of Iron Mountain common stock on 15 September 2015	US$	28.89
Closing date exchange ratio	#	0.1722
Consideration per share for Equity Election	US$	4.97486
Cash Alternative price	A$	8.50
AUD/USD as at 15 September 2015	#	0.7113
Cash Alternative price	**US$**	**6.04605**
Cash Supplement Amount per Recall Share	US$	(0.50000)
Consideration per share for Cash Election	**US$**	**5.54605**
Fair value of Cash Supplement Amount [2]	US$M	161.6
Fair value of consideration for Cash Election [3]	US$M	160.0
Fair value of consideration for Equity Election [4]	US$M	1,463.8
Total estimated purchase price	**US$M**	**1,785.4**

The estimated purchase price reflected in the Pro Forma Historical Financial Information does not purport to represent what the actual purchase price will be when the Scheme is implemented. In accordance with the Accounting Standards Codification 805, *Accounting for Business Combinations* (***ASC 805***), the fair value of equity securities issued as part of the consideration transferred will be measured on the closing date of the Scheme at the then current market price. This requirement will likely result in a per-share equity component different from the US$28.89 assumed in the Pro Forma Historical Financial Information and that difference may be material. Iron Mountain believes that an increase or decrease of 24% in the market price of Iron Mountain's common stock on the closing date of the transaction as compared to the market price of Iron Mountain's common stock assumed for the purposes of the Pro Forma Historical Financial Information is possible based upon the recent history of the market price of Iron Mountain's common stock. This amount was derived based on historical volatility of Iron Mountain's common stock and is not indicative of Iron Mountain's future stock performance. Assuming that Recall Shareholders make a Cash Election up to the total Cash Pool, a change of this magnitude would increase or decrease the purchase price by approximately US$351 million, which would result in a corresponding increase or decrease to goodwill in the Pro Forma Historical Financial Information.

NOTES

1 In accordance with the Scheme Implementation Deed, prior to the implementation of the Scheme, all outstanding rights to acquire any ordinary shares of Recall under Recall's equity incentive arrangements, including all unvested performance rights and retention rights (***Recall Equity Awards***) will vest and Recall will issue the number of Recall Shares required by the Recall Equity Awards prior to the Record Date. The number of Recall Shares included in the table above represents the number of Recall Shares outstanding as if the transaction was completed as of 30 June 2015, including approximately 314 million Recall Shares outstanding as of 30 June 2015, as well as up to approximately an additional 9.4 million Recall Shares to be issued in connection with the Recall Equity Awards (inclusive of up to approximately 2.3 million Recall Shares related to Recall Equity Awards expected to be granted between 30 June 2015 and the close of the transaction, as mutually agreed to by Recall and Iron Mountain). The vesting of 758,447 of the Recall Performance Rights remains subject to determination by the Recall Board at or around the date of the Scheme Meeting.

2 The aggregate amount of the Cash Supplement Amount upon the closing of the Scheme has been calculated as follows:

ITEM	UNIT	AMOUNT
Cash Supplement Amount per Recall Share	US$	0.50
Recall shares issued and outstanding prior to closing of the Scheme	M	323.1
Total Cash Supplement Amount	US$M	161.6

3 As noted in the table above, the estimated per-share consideration for the Equity Election based on the closing market price of Iron Mountain common stock as of 15 September 2015 is less than the estimated Cash Election per Recall Share based on the closing market price of Iron Mountain's common stock and the USD/AUD exchange rate of 0.7113 as of 15 September 2015. As a result, for the purpose of preparing the Pro Forma Historical Financial Information, Iron Mountain has assumed that Recall Shareholders would elect the Cash Alternative up to the total Cash Pool of US$160 million (A$225 million at the AUD/USD exchange rate of 0.7113 as of 15 September 2015).

ITEM	UNIT	AMOUNT
Aggregate Cash Election amount	US$M	160.0
Cash Election consideration per Recall Share	US$	5.54605
Recall Shares purchased from Cash Election	M	28.9

4 Represents the portion of consideration to be paid assuming a closing price of Iron Mountain common stock on 15 September 2015 of US$28.89 per share as follows:

ITEM	UNIT	AMOUNT
Recall shares issued and outstanding prior to closing of the Scheme	M	323.1
Recall Shares purchased from Cash Election	M	(28.9)
Remaining Recall shares to be purchased after Cash Election	**M**	**294.2**
Fair value of total consideration per Recall share for Equity Election	US$	4.97486
Fair value of consideration for Equity Option	**US$M**	**1,463.8**
Fair value of consideration for Equity Option	US$M	1,463.8
Closing price per share of Iron Mountain common stock on 15 September 2015	US$	28.89
Total Iron Mountain shares issued to satisfy Equity Election	M	50.7

The following is a summary of the preliminary allocation of the above purchase price as reflected in the Pro Forma Historical Balance Sheet as of 30 June 2015:

ITEM	US$ MILLIONS
Cash and cash equivalents	88.5
Accounts receivable, net	183.2
Prepaid expenses and other current assets	18.6
Property, plant and equipment	606.5
Customer relationship intangible asset	1,209.0
Other intangible assets	48.9
Deferred income tax assets, including current portion	21.5
Other assets – long term	7.1
Accounts payable	(134.2)
Accrued expenses	(19.9)
Deferred revenue	(30.0)
Long-term debt, including current portion	(654.6)
Unfavourable lease liability	(13.9)
Other long-term liabilities	(29.1)
Deferred income tax liabilities, including current portion	(454.3)
Estimated fair value of net assets acquired	**847.3**
Preliminary allocation to goodwill	938.1
Estimated purchase price	**1,785.4**

The goodwill balance is primarily attributed to the assembled workforce, expanded market opportunities and cost and other operating synergies anticipated upon the integration of the operations of Iron Mountain and Recall. See Note 6 in Section 11.9.5 for a discussion of the methods used to determine the fair value of Recall's identifiable assets.

11.9.4 Financial performance

Pro forma performance of the Combined Group

The Pro Forma Historical Income Statements for the year ended 31 December 2014 and the six months ended 30 June 2015 set out in this Section 11.9.4 assumes the Scheme had been implemented on 1 January 2014 and comprises:

- Recall's consolidated statement of financial performance for the year ended 31 December 2014 and the six months ended 30 June 2015 – extracted from Recall's audited financial reports the years ended 30 June 2014 and 30 June 2015 and Recall's reviewed half year results for the six months ended 31 December 2013 and 31 December 2014. Adjustments were made to Recall's consolidated statement of financial performance to align Recall's year end to Iron Mountain's 31 December year-end;
- Iron Mountain's consolidated income statements for the year ended 31 December 2014 and the six months ended 30 June 2015 – extracted from Iron Mountain's audited financial statements for the year ended 31 December 2014 and the unaudited financial statements for the six months ended 30 June 2015;
- US GAAP adjustments – the impact of conversion of Recall's consolidated statement of financial performance to US GAAP; and
- merger adjustments – the impact arising from implementing the Scheme.

Pro Forma Historical Income Statement for the Combined Group

For the 12 months ended 31 December 2014

US$ MILLIONS	RECALL IN IFRS	US GAAP ADJUST-MENT	*NOTES*	RECALL IN US GAAP	IRON MOUNTAIN	MERGER ADJUST-MENTS	*NOTES*	FINANCING ADJUST-MENTS	*NOTES*	MERGECO
Total revenues	856.8	–		856.8	3,117.7	–		–		3,974.5
Operating expenses	(688.2)	8.7	*1*	(679.5)	(2,215.3)	7.8	*2, 4*	–		(2,887.0)
OIBDA	**168.6**	**8.7**		**177.3**	**902.4**	**7.8**		**–**		**1,087.5**
Depreciation and amortisation	(70.8)	–		(70.8)	(353.1)	(81.6)	*5, 6*	–		(505.5)
Operating income	**97.8**	**8.7**		**106.5**	**549.3**	**(73.8)**		**–**		**582.0**
Interest expense, net	(20.1)	–		(20.1)	(260.7)	–		(50.6)	*8*	(331.5)
Other expense, net	1.6	–		1.6	(65.2)	–		–		(63.6)
Income from continuing operations, before provision (benefit) for income taxes and gain on sale of real estate	**79.3**	**8.7**		**88.0**	**223.4**	**(73.8)**		**(50.6)**		**186.9**
(Provision) benefit for income taxes	(26.3)	(2.4)	*1*	(28.7)	97.3	20.7	*7*	(5.8)	*8*	83.4
Gain on sale of real estate	–	–		–	8.3	–		–		8.3
Income from continuing operations	**53.0**	**6.3**		**59.3**	**329.0**	**(53.1)**		**(56.4)**		**278.6**
(Loss) income from discontinued operations, net of tax	–	–		–	(0.2)	–		–		(0.2)
Net (loss) income	**53.0**	**6.3**		**59.3**	**328.8**	**(53.1)**		**(56.4)**		**278.4**
Less: Net income (loss) attributable to noncontrolling interests	–	–		–	2.6	–		–		2.6
Net income (loss) attributable to Iron Mountain Incorporated	**53.0**	**6.3**		**59.3**	**326.2**	**(53.1)**		**(56.4)**		**275.8**

Pro Forma Historical Income Statement for the Combined Group

For the 12 months ended 31 December 2015

US$ MILLIONS	RECALL IN IFRS	US GAAP ADJUST-MENT	*NOTES*	RECALL IN US GAAP	IRON MOUNTAIN	MERGER ADJUST-MENTS	*NOTES*	FINANCING ADJUST-MENTS	*NOTES*	MERGECO
Total revenues	400.8	–		400.8	1,509.0	–		–		1,909.8
Operating expenses	(319.9)	11.1	*1*	(308.8)	(1,061.1)	16.4	*2, 3, 4*	–		(1,353.5)
OIBDA	**80.9**	**11.1**		**92.0**	**447.9**	**16.4**		**–**		**556.3**
Depreciation and amortisation	(33.7)	–		(33.7)	(173.5)	(42.5)	*5, 6*	–		(249.7)
Operating income	**47.2**	**11.1**		**58.3**	**274.4**	**(26.1)**		**–**		**306.6**
Interest expense, net	(11.8)	–		(11.8)	(131.0)	–		(28.3)	*8*	(171.1)
Other expense, net	(1.7)	–		(1.7)	(24.4)	–		–		(26.1)
Income from continuing operations, before provision (benefit) for income taxes and gain on sale of real estate	**33.7**	**11.1**		**44.8**	**119.0**	**(26.1)**		**(28.3)**		**109.4**
(Provision) benefit for income taxes	(1.2)	(3.1)	*1*	(4.3)	(23.4)	7.3	*7*	(3.0)	*8*	(23.3)
Gain on sale of real estate	–	–		–	–	–		–		–
Income from continuing operations	**32.5**	**8.0**		**40.5**	**95.6**	**(18.8)**		**(31.3)**		**86.1**
(Loss) income from discontinued operations, net of tax	–	–		–	–	–		–		–
Net (loss) income	**32.5**	**8.0**		**40.5**	**95.6**	**(18.8)**		**(31.3)**		**86.1**
Less: Net income (loss) attributable to noncontrolling interests	–	–		–	1.3	–		–		1.3
Net income (loss) attributable to Iron Mountain Incorporated	**32.5**	**8.0**		**40.5**	**94.3**	**(18.8)**		**(31.3)**		**84.8**

NOTES

1 **Australian Accounting Standards to US GAAP adjustments**
Reflects adjustments to reverse accrued expenses and related tax effects for restructuring actions taken by Recall during the year ended 31 December 2014 and the six months ended 30 June 2015 due to differences in the timing of recognition of such liabilities permitted under Australian Accounting Standards and US GAAP. Under Australian Accounting Standards, liabilities for plant closures, lease terminations and other exit costs may generally be recognised when an entity has formally committed to a plan. US GAAP prohibits the recognition of a liability based solely on an entity's commitment to a plan, and recognition of a provision for lease termination usually is upon the date the property is no longer used and most categories of exit costs are recognised as incurred.

2 **Rent expense**
Reflects adjustments to operating expenses of US$0.7 million and US$0.3 million for the year ended 31 December 2014 and the six months ended 30 June 2015, respectively, representing a net decrease in rent expense related to the amortisation of favourable and unfavourable lease assets and liabilities recognised as part of purchase accounting related to above- or below- market leases.

3 **Transaction costs**
Reflects an adjustment to operating expenses of US$11.5 million for the six months ended 30 June 2015, representing the elimination of the advisory, legal and accounting expenses incurred by both Iron Mountain and Recall in connection with the Scheme, which are not expected to have a continuing impact on the results of the Combined Group.

4 **Share-based compensation**
Reflects adjustments to operating expenses of US$7.1 million and US$4.6 million related to 7.1 million and 7.1 million performance and retention rights outstanding during the year ended 31 December 2014 and the six months ended 30 June 2015, respectively, representing the elimination of the Recall share-based compensation expenses for each respective period. In accordance with the Scheme Implementation Deed, prior to the completion of the transaction, all Recall Equity Awards will vest and Recall will issue the number of Recall Shares required by the Recall Equity Awards so that the relevant former holders of the Recall Equity Awards. The Pro Forma Historical Financial Information assumes that the vesting and settlement of these awards occurred prior to 1 January 2014.

5 **Intangible asset amortisation**
Reflects adjustments to depreciation and amortisation expense of US$70.8 million and US$34 million for the year ended 31 December 2014 and the six months ended 30 June 2015, respectively, representing an increase in amortisation expense related to the fair value of identified intangible assets with definite lives. The following table shows the pre-tax impact on amortisation expense:

			AMORTISATION EXPENSE	
DESCRIPTION	ESTIMATED USEFUL LIFE (YEARS)	ESTIMATED FAIR VALUE (US$ MILLIONS)	YEAR ENDED 31 DECEMBER 2014 (US$ MILLIONS)	SIX MONTHS ENDED 30 JUNE 2015 (US$ MILLIONS)
Customer relationships	15	1,209.0	80.6	40.3
Recall trade name	8	34.0	4.3	2.1
Amortisation expense			84.9	42.4
Less: Recall historical amortisation			(14.1)	(8.4)
Additional amortisation expense			70.8	34.0

Preliminary estimated future amortisation expense, based upon Iron Mountain's newly acquired intangible assets at 30 June 2015, is as follows:

YEAR ENDING 31 DECEMBER,	AMOUNT (US$ MILLIONS)
Remaining 2015	42.4
2016	84.9
2017	84.9
2018	84.9
2019	84.9
Thereafter	861.0
Total	1,243.0

6 Depreciation of property, plant and equipment

Reflects adjustments to depreciation and amortisation of US$10.8 million and US$8.5 million for the year ended 31 December 2014 and the six months ended 30 June 2015, respectively, representing increased net depreciation expense related to the fair value step-up of property, plant and equipment, with estimated lives ranging from three to 35 years, as follows:

DESCRIPTION	ESTIMATED USEFUL LIFE (YEARS)	ESTIMATED FAIR VALUE (US$ MILLIONS)	DEPRECIATION EXPENSE YEAR ENDED 31 DECEMBER 2014 (US$ MILLIONS)	DEPRECIATION EXPENSE SIX MONTHS ENDED 30 JUNE 2015 (US$ MILLIONS)
Racking	12	373.4	31.1	15.6
Land	N/A	22.3	N/A	N/A
Warehouse equipment and vehicles	4	42.7	10.7	5.3
Computer hardware and software	3	31.6	10.5	5.3
Buildings	35	73.6	2.1	1.1
Other property, and equipment	5	63.0	13.1	6.5
Depreciation expense			67.5	33.8
Less: Recall historical depreciation			(56.7)	(25.3)
Additional depreciation expense			10.8	8.5

7 Income tax expense

Reflects adjustments to provision for income taxes of US$20.7 million and US$7.3 million for the year ended 31 December 2014 and the six months ended 30 June 2015, respectively, to reflect the tax effect of the pro forma adjustments based on an estimated blended statutory tax rate of 28%. This statutory tax rate does not assume that the US subsidiary of Recall will qualify as a REIT for US income tax reporting purposes, as it is not factually supportable at this time. Because the tax rate used for the Pro Forma Historical Financial Information is an estimate, it will likely vary from the effective rate in periods subsequent to the completion of the transaction and those differences may be material. The change in the income tax expense as a result of the election of certain of the Recall subsidiaries to be treated as a REIT is not expected to be material to Iron Mountain's consolidated income tax expense.

8 Financing adjustments

Reflects the following adjustments to interest expense resulting from the anticipated financing arrangement entered into by Iron Mountain (*Recall Financing*) upon the closing of the transaction as well as the repayment in full of Recall's outstanding indebtedness:

(i) increase to interest expense of US$67.8 million and US$37.2 million for the year ended 31 December 2014 and six months ended 30 June 2015, respectively, reflecting estimated interest expense associated with the Recall Financing using a weighted average interest rate of 7% per year;

(ii) increase to interest expense, reflecting amortisation of estimated discount of US$3.4 million and US$1.7 million for the year ended 31 December 2014 and the six months ended 30 June 2015, respectively, associated with the establishment of the Recall Financing; and

(iii) the elimination of interest expense of US$20.6 million and US$10.6 million and a corresponding tax expense of US$5.8 million and US$3 million for the year ended 31 December 2014 and the six months ended 30 June 2015, respectively, related to Recall's outstanding indebtedness that would be repaid in full upon the closing of the Scheme, which is assumed, for the purposes of the Pro Forma Historical Income Statements for the Combined Group to have occurred on 1 January 2014.

The Recall Financing is denominated in US dollars and is expected to be borrowed by Iron Mountain (the parent company of the Iron Mountain Group). As Iron Mountain qualifies as a REIT, the pro forma interest expense and amortisation of deferred financing costs associated with the Recall Financing do not reflect a corresponding tax benefit.

A 1/8th percent increase in the assumed rates would result in an aggregate increase to the above noted interest expense, of US$1.2 million and US$0.6 million for the year ended 31 December 2014 and the six months ended 30 June 2015, respectively.

11.9.5 Balance sheet

The Pro Forma Historical Balance Sheet as at 30 June 2015 set out in this Section 11.9.5 assumes the Scheme had been implemented and comprises:

- Recall's consolidated balance sheet as at 30 June 2015 – extracted from Recall's audited financial report for the year ended 30 June 2015;
- Iron Mountain's unaudited consolidated balance sheet as at 30 June 2015 – extracted from Iron Mountain's unaudited financial report for the quarterly period ended 30 June 2015;
- reclassification – to align the presentation of Recall's consolidated balance sheet to Iron Mountain's presentation;
- US GAAP adjustments – the impact of conversion of Recall's consolidated statement of financial position to US GAAP;
- merger adjustments – the impact arising from implementing the Scheme; and
- financing adjustments – the impact of the extinguishment of Recall's existing debt and Iron Mountain's new debt to fund the cash portion of the purchase consideration.

Pro forma financial position

Pro Forma Historical Balance Sheet for the Combined Group as of 30 June 2015

US$ MILLIONS	RECALL IN IFRS	US GAAP ADJUST-MENTS	*NOTES*	RECALL IN US GAAP	IRON MOUNTAIN	MERGER ADJUST-MENTS	*NOTES*	FINANCING ADJUST-MENTS	*NOTES*	COMBINED GROUP
Current assets										
Cash and cash equivalents	88.5	–		88.5	117.1	(321.6)	*3*	331.2	*12*	215.2
Restricted cash	–	–		–	–	–		–		–
Accounts receivable	183.2	–		183.2	596.3	–		–		779.5
Prepaid expenses and other	18.6	17.4	*2a,b*	36.0	161.4	(0.5)	*10*	–		196.9
Total current assets	**290.3**	**17.4**		**307.7**	**874.8**	**(322.1)**		**331.2**		**1,191.6**
Property, plant and equipment, net	413.1	–		413.1	2,493.0	193.4	*4*	–		3,099.5
Goodwill	677.2	–		677.2	2,388.7	260.9	*5*	–		3,326.8
Customer relationships and acquisition costs	109.5	–		109.5	595.5	1,099.5	*6*	–		1,804.5
Deferred financing costs	–	6.1	*2c*	6.1	43.8	(6.1)	*7*	27.5	*12*	71.3
Deferred income taxes	–	–		–	–	–		–		–
Other	13.9	(4.5)	*2a,b*	9.4	26.8	51.4	*6, 10*	–		87.5
Total assets	**1,504.0**	**19.0**		**1,523.0**	**6,422.6**	**1,277.0**		**358.7**		**9,581.2**
Current liabilities										
Current portion of long-term debt	(21.8)	–		(21.8)	(70.2)	–		17.4	*12*	(74.6)
Accounts payable	(135.7)	–		(135.7)	(162.2)	1.4	*8*	–		(296.5)
Accrued expenses	(39.7)	19.5	*2a,b*	(20.2)	(333.8)	0.0	*10*	–		(354.0)
Deferred revenue	(30.0)	–		(30.0)	(185.9)	–		–		(215.9)
Total current liabilities	**(227.2)**	**19.5**		**(207.7)**	**(752.1)**	**1.4**		**17.4**		**(941.0)**
Long-term debt, net of current portion	(626.7)	(6.1)	*2c*	(632.8)	(4,718.9)	–		(376.1)	*12*	(5,727.8)
Other long-term liabilities	(20.9)	(8.2)	*2a*	(29.1)	(79.1)	(13.9)	*9*	–		(122.1)
Deferred rent	(11.3)	–		(11.3)	(100.4)	11.4	*8*	–		(100.3)
Deferred income taxes	(68.7)	(11.5)	*2a,b*	(80.2)	(49.9)	(373.9)	*10*	–		(504.0)
Total liabilities	**(954.8)**	**(6.3)**		**(961.1)**	**(5,700.4)**	**(375.0)**		**(358.7)**		**(7,395.2)**
Equity										
Iron Mountain Incorporated Stockholders' Equity:										
Common stock	–	–		–	(2.1)	(0.5)	*11*	–		(2.6)
Additional paid in capital	(380.6)	–		(380.6)	(1,603.3)	(1,082.7)	*11*	–		(3,066.6)
(Distributions in excess of earnings)/ Earnings in excess of distributions	(246.1)	(12.7)	*2b*	(258.8)	766.8	258.8	*11*	–		766.8
Accumulated other comprehensive income, net	77.5	–		77.5	129.8	(77.6)	*11*	–		129.8
Total Iron Mountain Incorporated Stockholders' Equity	**(549.2)**	**(12.7)**		**(561.9)**	**(708.8)**	**(902.0)**		**–**		**(2,172.6)**
Non-controlling Interests					(13.4)	–		–		(13.4)
Total equity	**(549.2)**	**(12.7)**		**(561.9)**	**(722.2)**	**(902.0)**		**–**		**(2,186.0)**
Total liabilities and equity	**(1,504.0)**	**(19.0)**		**(1,523.0)**	**(6,422.6)**	**(1,277.0)**		**(358.7)**		**(9,581.2)**

Amounts may not add due to rounding.

NOTES

1 Reclassifications to conform Recall's consolidated balance sheet presentation to Iron Mountain's consolidated balance sheet presentation

Certain balances presented in the historical financial statements of Recall included within the Pro Forma Historical Balance Sheet as at 30 June 2015 were reclassified to conform their presentation to that of Iron Mountain as indicated in the tables below:

ITEM	AMOUNT (US$ MILLIONS)	PRESENTATION IN RECALL'S IFRS STATUTORY FINANCIAL STATEMENTS	PRESENTATION IN PRO FORMA HISTORICAL BALANCE SHEET
Inventories	2.1	Inventories	Prepaid expenses and other
Other assets	16.5	Other assets	Prepaid expenses and other
Customer relationships	78.9	Intangible assets	Customer relationships and acquisition costs
Customer acquisition costs	30.6	Intangible assets	Customer relationships and acquisition costs
Other intangible assets	2.0	Intangible assets	Other
Computer software	23.3	Intangible assets	Property, plant and equipment, net
Deferred revenue	30	Trade and other payables	Deferred revenue
Deferred rent	11.4	Other liabilities	Deferred rent

The following balances have been included in other assets, accrued expenses and other long-term liabilities as follows:

ITEM	AMOUNT (US$ MILLIONS)	PRESENTATION IN PRO FORMA HISTORICAL BALANCE SHEET
Other receivables	6.7	Other
Deferred tax assets	4.8	Other
Derivatives	0.1	Other
Other assets	0.3	Other
Taxes payable	7.5	Accrued expenses
Provisions	32.2	Accrued expenses
Derivatives	0.8	Other long-term liabilities
Other provisions	12.0	Other long-term liabilities
Other liabilities	8.1	Other long-term liabilities

2 Australian Accounting Standards to US GAAP adjustments

(a) Reflects adjustments to the presentation of deferred income taxes as a result of the application of US GAAP. In accordance with Australian Accounting Standards, on a jurisdictional basis all deferred tax assets (DTAs) and deferred tax liabilities (DTLs) are netted together, and the net DTA or DTL is recorded on the balance sheet as a noncurrent DTA or DTL, respectively. Under US GAAP, jurisdictional netting of DTAs and DTLs are performed on a current versus noncurrent basis. The following table reflects the adjustments to current and noncurrent DTAs and DTLs as a result of the application of US GAAP:

	AMOUNT (US$ MILLIONS)	PRESENTATION IN PRO FORMA HISTORICAL BALANCE SHEET
Current deferred tax assets	19.4	Prepaid expenses and other
Long-term deferred tax assets	0.4	Other
Current deferred tax liabilities	0.2	Accrued expenses
Uncertain tax position liability	8.2	Other long-term liabilities
Long-term deferred tax liabilities	11.3	Deferred income taxes

(b) Reflects adjustments to reverse accrued expenses and related tax effects for restructuring actions taken by Recall during the year ended 31 December 2014 and the six months ended 30 June 2015, due to differences in the timing of recognition of such liabilities permitted under Australian Accounting Standards and US GAAP. Under Australian Accounting Standards, liabilities for plant closures, lease terminations and other exit costs may generally be recognised when an entity has formally committed to a plan. US GAAP prohibits the recognition of a liability based solely on an entity's commitment to a plan, and recognition of a provision for lease termination usually is upon the date the property is no longer used and most categories of exit costs are recognised as incurred.

	AMOUNT (US$ MILLIONS)	PRESENTATION IN PRO FORMA HISTORICAL BALANCE SHEET
Current deferred tax assets	(2.0)	Prepaid expenses and other
Long-term deferred tax assets	(4.9)	Other
Accrued expenses	(19.8)	Accrued expenses
Long-term deferred tax liabilities	0.2	Deferred income taxes
Earnings in excess of distributions	12.7	Earnings in excess of distributions

(c) Reflects an adjustment to reclassify US$6.1 million of unamortised debt issuance costs associates with Recall's outstanding indebtedness that were presented as a reduction of the debt liability. Under Australian Accounting Standards, when a financial liability is not carried at fair value, transaction costs including third party costs and creditor fees are deducted from the carrying value of the financial liability and are not recorded as separate assets. Under US GAAP, third party fees related to debt issuance are classified as assets.

3 Cash and cash equivalents

Reflects the cash portion of the purchase price paid to Recall common shareholders, calculated as follows:

	AMOUNT (US$ MILLIONS)
Cash paid to Recall Shareholders pursuant to Cash Supplement Amount	161.6
Cash paid to Recall Shareholders pursuant to Cash Election	160.0
Total cash consideration	321.6

4 Property, plant and equipment

Reflects an increase in book value for Recall's property, plant and equipment balance to reflect their acquisition-date fair values of US$193.4 million (consisting primarily of an increase in the value of racking structures of US$171 million), resulting in a total fair value of acquired property, plant and equipment of US$606.5 million. The fair value estimate for property, plant and equipment is preliminary and has been determined based on the assumptions that Iron Mountain management believes market participants would use in pricing an asset, based on the most advantageous market for the asset (i.e. its highest and best use). This preliminary fair value estimate could include assets that are not intended to be used, may be sold or are intended to be used in a manner other than their highest and best use. For the purposes of the accompanying Pro Forma Historical Financial Information, it is assumed that all assets will be used in a manner that represents their highest and best use. The final fair value determination for property, plant and equipment may differ materially from this preliminary determination.

5 Goodwill

Goodwill is calculated as the difference between the fair value of the purchase price and the values assigned to the identifiable tangible and intangible assets acquired and liabilities assumed. See Section 11.9.3 for the calculation of the amount of goodwill recognised in connection with the Scheme.

6 Customer relationships and acquisition costs and other

Reflects identifiable intangible assets expected to be recognised in connection with the Scheme, consisting of the following:

DESCRIPTION	ESTIMATED FAIR VALUE (US$ MILLIONS)	PRESENTATION IN PRO FORMA HISTORICAL BALANCE SHEET
Customer relationships	1,209	Customer relationships and acquisition costs
Recall trade name	34	Other
Favourable leases	15	Other
Total identifiable intangible assets	1,258	

The fair value of the customer relationships intangible asset was valued using a multi-period excess earnings method, a form of the income approach, which incorporates the estimated future cash flows to be generated from Recall's existing customer base. Excess earnings are the earnings remaining after deducting the market rates of return on the estimated values of contributory assets, including debt-free net working capital, tangible assets, and other identifiable intangible assets. The excess earnings are thereby calculated for each year of a multi-year projection period and discounted to present value. Accordingly, the primary components of this method consist of the determination of excess earnings and an appropriate rate of return.

The Recall trade name was valued using the relief from royalty method under the income approach, which estimates the cost savings generated by a company related to the ownership of an asset for which it would otherwise have had to pay royalties or licence fees on revenues earned through the use of the asset. The discount rate used is determined at the time of measurement based on an analysis of the implied internal rate of return of the transaction, weighted average cost of capital and weighted average return on assets.

The estimated value of favourable lease assets is US$15 million and reflects leases with contractual rents that are less than current market rents.

The fair value estimate for all identifiable intangible assets is preliminary and is based on assumptions that Iron Mountain management believes market participants would use in pricing an asset, based on the most advantageous market for the asset (i.e. its highest and best use). This preliminary fair value estimate could include assets that are not intended to be used, may be sold or are intended to be used in a manner other than their highest and best use. For the purposes of the accompanying Pro Forma Historical Financial Information, it is assumed that all assets will be used in a manner that represents their highest and best use. The final fair value determinations for identifiable intangible assets may differ from this preliminary determination and those differences may be material.

7 Deferred financing costs

Reflects the removal of capitalised borrowing costs of US$6.1 million associated with Recall's outstanding indebtedness as a result of the application of purchase accounting.

8 Deferred rent

Reflects an adjustment to eliminate the previously existing current and long-term deferred rent liabilities of Recall of US$1.4 million and US$11.4 million as a result of the application of purchase accounting.

9 Unfavourable leases

Reflects an adjustment to record the fair value of unfavourable lease obligations of US$13.9 million for leases with contractual rents that are greater than current market rents. The final fair value determination for unfavourable lease obligations may differ from this preliminary determination and those differences may be material.

10 Deferred taxes
Reflects the adjustments to record the step up of deferred income tax assets and liabilities resulting from the pro forma fair value adjustments for the assets acquired and liabilities assumed as follows:

	AMOUNT (US$ MILLIONS)	PRESENTATION IN PRO FORMA HISTORICAL BALANCE SHEET
Current deferred tax assets	(0.5)	Prepaid expenses and other
Long-term deferred tax assets	4.0	Other
Current deferred tax liabilities	0.0	Accrued expenses
Long-term deferred tax liabilities	373.9	Deferred income taxes

This estimate of deferred taxes was determined based on the changes in the book basis of the net assets to be acquired compared to the historical basis reflected in Recall's financial statements using a blended statutory tax rate of 28%. This statutory tax rate does not assume that the US subsidiary of Recall will qualify as a REIT for US income tax reporting purposes, as it is not factually supportable at this time. If the US subsidiary of Recall were to qualify as a REIT, the estimated net deferred tax liability recorded at acquisition would be reduced by approximately US$228 million. Adjustments to established deferred tax assets and deferred tax liabilities due to refined determination of statutory rates as well as the recognition of additional deferred tax assets and deferred tax liabilities upon detailed analysis of the acquired assets and assumed liabilities may occur in conjunction with the finalisation of the purchase accounting and these items could be material.

11 Stockholders' equity and the Scheme
Reflects an adjustment of US$561.9 million to eliminate Recall historical stockholders' equity, which represents the historical book value of Recall's net assets, as a result of the application of purchase accounting.

Reflects adjustments of US$0.5 million and US$1,082.7 million to common stock and additional paid-in capital, respectively, to reflect the issuance of 50.7 million shares of New Iron Mountain Securities with a par value of US$0.01 per share to satisfy the Equity Election pursuant to the Scheme Implementation Deed, assuming a closing price of Iron Mountain Shares on 15 September 2015 of US$28.89 per share.

12 Financing
Prior to, and conditioned upon, the closing of the Scheme, Iron Mountain intends to enter the Recall Financing, the proceeds of which will be used to finance the cash portion of the consideration to be paid in exchange for Recall Shares pursuant to the Scheme, and to repay Recall's outstanding indebtedness at the time of closing. Upon implementation of the Scheme, Iron Mountain expects outstanding borrowings under the Recall Financing to be approximately US$1 billion, and that the cash proceeds to Iron Mountain will be approximately US$972.5 million (net of an approximately US$27.5 million of financing costs that are expected to be deferred and amortised over the term of the Recall Financing to interest expense). Iron Mountain expects that these borrowings under the Recall Financing will bear interest at LIBOR plus a margin resulting in an interest rate starting at 6.25% per annum. The interest rate on borrowings under the Recall Financing resets quarterly and is capped at 7.75% per annum. The adjustment reflect the entry into the Recall Financing as well as the repayment of US$641.3 million of Recall's outstanding indebtedness at 30 June 2015.

11.9.6 Cash flows

Pro forma cash flows

Pro Forma Historical Cash Flow Statement for the Combined Group

For the 12 months ended 31 December 2014

US$ MILLIONS	RECALL IN IFRS	US GAAP ADJUSTMENTS	*NOTES*	RECALL IN US GAAP	IRON MOUNTAIN	MERGER ADJUSTMENTS	*NOTES*	COMBINED GROUP
Pro forma OIBDA	168.6	8.7	*1*	177.3	902.4	7.8	*2*	1,087.5
Pro forma change in working capital	(5.1)			(5.1)	(93.9)			(99.0)
Net operating cash flows, before capital expenditure, financing costs and tax	**163.5**	**8.7**		**172.2**	**808.5**	**7.8**		**988.5**
Pro forma capital expenditure	(58.0)			(58.0)	(361.9)			(419.9)
Net operating cash flows, before financing costs and tax	**105.5**	**8.7**		**114.2**	**446.6**	**7.8**		**568.6**

Pro Forma Historical Cash Flow Statement for the Combined Group

For the six months ended 30 June 2015

US$ MILLIONS	RECALL IN IFRS	US GAAP ADJUSTMENTS	*NOTES*	RECALL IN US GAAP	IRON MOUNTAIN	MERGER ADJUSTMENTS	*NOTES*	COMBINED GROUP
Pro forma OIBDA	80.9	11.1	*1*	92.0	447.9	16.4	*2*	556.3
Pro forma change in working capital	14.9			14.9	(115.0)			(100.1)
Net operating cash flows, before capital expenditure, financing costs and tax	**95.8**	**11.1**		**106.9**	**332.9**	**16.4**		**456.2**
Pro forma capital expenditure	(34.2)			(34.2)	(139.4)			(173.6)
Net operating cash flows, before financing costs and tax	**61.6**	**11.1**		**72.7**	**193.5**	**16.4**		**282.6**

NOTES

1 **Australian Accounting Standards to US GAAP adjustments**
As mentioned in Note 1 of Section 11.9.4 under US GAAP the timing of recognition of certain exit related activities is different from when these activities would be recognised under Australian Accounting Standards. This adjustment reflects the elimination of exit activity costs for the year ended 31 December 2014 and the six months ended 30 June 2015.

2 **Purchase accounting adjustments**
As mentioned in Notes 2, 3 and 4 of Section 11.9.4, the adjustment of US$7.8 million for the year ended 31 December 2014 relates to a net decrease of US$0.7 million in rent expense related to the amortisation of favourable and unfavourable leases assets and US$7.1 million representing the elimination of the Recall share-based compensation expense. The adjustment of US$16.4 million for the six months ended 30 June 2015 relates to a net decrease of US$0.3 million in rent expense, US$4.6 million in share-based compensation expense, and US$11.5 million for the elimination of advisory, legal and accounting expenses incurred by both Iron Mountain and Recall in connection with the Scheme.

This Booklet includes forward looking statements in respect of the Combined Group, such as the information on potential synergies and earnings accretion set out in Section 11.2. In addition to those forward looking statements, Iron Mountain has given careful consideration as to whether forecast financial information can and should be included in this Booklet in respect of the Combined Group. In particular, Iron Mountain has considered whether there is a reasonable basis for the preparation and disclosure in this Booklet of reliable and useful forecast financial statements. Iron Mountain has concluded that forecast financial statements for the Combined Group cannot be provided in this Booklet as Iron Mountain does not have a reasonable basis for such forecasts as required by applicable law and practice, and that inclusion of such forecasts could be potentially misleading. The considerations which have resulted in this conclusion include:

- changes in variables which are beyond the control of Iron Mountain, such as the competitive environment and general economic conditions, can have a material impact on the reliability of any forecasts produced;
- Iron Mountain and Recall do not have a like-for-like forecasting track record and process;
- at the date of this Booklet, the extent and timing of opportunities, benefits and costs that are associated with combining Iron Mountain and Recall are not fully known to Iron Mountain; and
- exchange rates, which are subject to material change from time to time are not known.

For further discussion on the risk factors impacting the Combined Group, refer to Section 12.

12 Key Risks

12.1 OVERVIEW

This Section 12 describes a number of key risks associated with:

- implementation of the Scheme;
- the operations of the Combined Group;
- trading;
- Iron Mountain Securities;
- Iron Mountain's status as a REIT; and
- share ownership.

A significant number of these risks are, or will be, risks to which Recall Shareholders are already exposed. However, as the nature of the Combined Group's business will change from that of the standalone business of Recall, Recall Shareholders will potentially be exposed to additional risks in respect of the Combined Group.

The information set out in this Section should be considered in conjunction with other information contained in this Booklet and is not, and should not be relied on as, an exhaustive list of the risks that Recall Shareholders may face or to which they may be exposed.

These risks are general in nature and have been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Recall Shareholder or any other person.

Additional risks and uncertainties that Recall and Iron Mountain are currently unaware of, or that may currently be considered immaterial, may also become important factors that can adversely affect the Combined Group's operating and financial performance.

12.2 RISKS ASSOCIATED WITH IMPLEMENTATION OF THE SCHEME

12.2.1 Uncertain exact value of the Standard Consideration

Recall Shareholders who receive the Standard Consideration will receive US$0.50 [71] in cash, plus 0.1722 New Iron Mountain Securities, for each Scheme Share. As at the date of this Booklet, the implied value of the Standard Consideration was A$8.14 per Recall Share. [72]

The implied value of the Standard Consideration will vary over time depending on the prevailing Iron Mountain Share Price and the AUD/USD exchange rate. As a result of changes in these factors, the implied value of the Standard Consideration is likely to change, including between the date of this Booklet, the date of the Scheme Meeting, the Election Date and the Implementation Date (being the date on which the Standard Consideration is received).

Following implementation of the Scheme, the price of any New Iron Mountain Securities received will continue to rise or fall based on market conditions and the Combined Group's financial and operating performance.

12.2.2 Scheme Shareholders who make Cash Elections may be subject to the Scale Back Mechanism

The total Cash Pool available to satisfy Cash Elections is capped at A$225 million. [73] If the Cash Pool is not sufficient to satisfy all Cash Elections, the Scale Back Mechanism will apply. [74]

If the Scale Back Mechanism applies, you were a Recall Shareholder on 11 June 2015 and you continued to hold those shares until the Record Date, you will receive preferential access to the Cash Pool for the first 5,000 of those shares. [75]

In addition, you will receive A$8.50 in cash per Scheme Share for that proportion of your Scheme Shares that is able to be satisfied out of the Cash Pool, plus the Standard Consideration for that remaining proportion of your Scheme Shares that is not. [76]

The total Cash Pool of A$225 million represents approximately 9% of the cash which would be required if all Recall Shareholders made Cash Elections. Accordingly, Scheme Shareholders may be subject to material scale back in respect of Scheme Shares that do not have preferential access to the Cash Pool.

71 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

72 Based on the Iron Mountain Share Price of US$31.41 and the AUD/USD exchange rate of 0.7261 as at 20 October 2015, being the last practicable date before the date of this Booklet.

73 The Cash Alternative of A$8.50 per Scheme Share includes the Cash Supplement Amount (being US$0.50 in cash to be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date), plus the Cash Base Amount. The payment of the Cash Supplement Amount per Scheme Share is not sourced from the A$225 million Cash Pool.

74 The total Cash Pool of A$225 million represents approximately 9% of the cash which would be required if all Recall Shareholders made Cash Elections. Accordingly, Scheme Shareholders may be subject to material scale back in respect of Scheme Shares that do not have preferential access to the Cash Pool. Ineligible Foreign Shareholders will not be entitled to receive any New Iron Mountain Shares and will instead receive cash under the Sale Facility for any New Iron Mountain Shares that they would otherwise have been entitled to receive.

75 Or such lower number if 5,000 Preferential Access Shares would cause the Cash Pool of A$225 million to be exceeded, including as a result of Recall exercising its discretion to allow Nominee Shareholders to make Cash Elections in respect of multiple underlying beneficial holdings. See Sections 7.3.4 and 15.2.5 for further details.

76 Ineligible Foreign Shareholders will not be entitled to receive any New Iron Mountain Shares and will instead receive cash under the Sale Facility for any New Iron Mountain Shares that they would otherwise have been entitled to receive.

The extent to which the Scale Back Mechanism will apply to an individual Scheme Shareholder will depend on a number of factors including:

- the total number of Cash Elections;
- the number of Cash Elections that qualify as Preferential Access Shares;
- the AUD/USD exchange rate as at the Record Date;
- the number of shares held by that Scheme Shareholder; and
- whether that Scheme Shareholder was a Recall Shareholder as at 11 June 2015, and whether that shareholder continues to hold those shares until the Record Date.

For further detail regarding the Scale Back Mechanism, see Section 7.3.1. An illustrative example of the operation of the Scale Back Mechanism and its impact on different shareholders is set out in Section 7.3.3.

12.2.3 Conditions Precedent and Competition Approvals

The implementation of the Scheme is subject to a number of Conditions Precedent, which are summarised in Section 15.14. These Conditions Precedent include obtaining approvals from all the relevant Competition Authorities. Therefore, there is a timing risk associated with satisfaction of the Conditions Precedent.

The Scheme will not proceed to a Second Court Hearing unless the Conditions Precedent are satisfied. In particular, if the Competition Approvals have not been obtained before the Second Court Hearing (currently scheduled for 16 December 2015), the Second Court Hearing will be delayed, which may in turn delay the Implementation Date.

Further, Iron Mountain and Recall have agreed that, in order to facilitate REIT compliance measures, the Implementation Date should occur within the first 30 days of any given calendar quarter. Accordingly, if there is a delay in the receipt of the Competition Approvals which delays the Implementation Date beyond 30 January 2016, implementation of the Scheme may be further delayed until April 2016.

In addition, the Scheme will not proceed if the Competition Approvals are not obtained by the End Date.

As at the date of this Booklet, the ACCC, DOJ, CMA and CCB have not provided any indication of the prospects or timing of obtaining the Competition Approvals. An update will be provided on the status of the Conditions Precedent, including the Competition Approvals, at the Scheme Meeting.

As such, a failure to satisfy any of the Conditions Precedent (including the Competition Approvals) or a delay in satisfaction of the Conditions Precedent and implementation of the Scheme, may adversely affect the price of Recall Shares or Iron Mountain Shares.

12.2.4 Court approval

There is a risk that the Court may not approve the Scheme or that the approval of the Court is delayed. In particular, if there is a material change in circumstances between the Scheme Meeting and the Second Court Date, then the Court will have regard to that change in deciding how it should proceed. If such changes are so important that they materially alter the Scheme, there is a risk that the Court may not approve the Scheme at the Second Court Hearing. If the Scheme is not approved by the Court, then unrecoverable transaction costs already paid are estimated to be approximately US$24 million.

12.2.5 Potential inability to obtain third party consents

Certain customer contracts include clauses that enable the counterparty to terminate the contract on the occurrence of a change of control of a Recall entity which occurs without the consent of the customer. In some cases, these clauses apply in the circumstances of the Scheme. Not all change of control clauses are triggered by the Scheme. Whether a change of control clause is triggered depends on the terms of each clause. Recall management has assessed the need to obtain consent from key customers and has begun the process of contacting the relevant customers.

Supplier contracts and leases held by Recall also contain change of control clauses which benefit the relevant supplier or landlord. Again, not all change of control clauses are triggered by the Scheme as it depends on the terms of each clause.

To the extent consents are required in respect of the Scheme, Recall management will contact all relevant customers to obtain such consents.

In addition, certain of Recall's customer contracts enable the counterparty to terminate on short notice without cause (whether or not in the context of a change of control of a Recall entity). There is a risk that the relevant counterparties to these arrangements could terminate the contracts they have in place with Recall or seek to renegotiate the terms of such contracts, which could have an adverse effect on Recall.

12.2.6 Tax consequences for Scheme Shareholders

If the Scheme is implemented, there may be adverse tax consequences for Scheme Shareholders.

In particular, for US Holders, the exchange of Recall Shares for either the Standard Consideration or the Cash Alternative will be treated as a fully taxable disposition of such Recall Shares and no tax roll-over relief will be available to defer any resulting taxable gain.

A general guide to the Australian, US and United Kingdom tax consequences of the Scheme is set out in Section 13. Scheme Shareholders should seek their own professional advice regarding the individual tax consequences of the Scheme applicable to them.

12.2.7 Iron Mountain's need for additional financing to implement the transaction

As described in Section 11.7:

- Iron Mountain intends to draw down on its New Revolving Credit Facility in order to fund the total amount of cash to be paid to Recall Shareholders as part of the Scheme Consideration;
- Iron Mountain expects to use its existing debt finance facilities to fund transaction costs (such as adviser fees and filing fees) associated with implementation of the Scheme, which are expected to total approximately US$80 million;
- Iron Mountain may refinance the Recall Debt Facility (under which approximately US$661 million is drawn as at the date of this Booklet) on or after implementation of the Scheme, including if the lenders require repayment of that facility; and
- following implementation of the Scheme, Iron Mountain expects to fund integration costs, of approximately US$300 million using a combination of Iron Mountain's cash reserves, availability under its existing debt finance facilities, and new public or private debt financing.

There is a risk that, to the extent that the above financing requires new public or private debt financing to be sourced by Iron Mountain, such new debt financing may not be available on favourable terms, if at all. If Iron Mountain is unable to obtain sufficient financing it may have an adverse impact on Iron Mountain and the Combined Group following implementation of the Scheme.

12.3 RISKS ASSOCIATED WITH THE OPERATIONS OF THE COMBINED GROUP

12.3.1 Expected benefits of the Scheme

Following implementation of the Scheme, Recall and Iron Mountain may not be able to achieve some or all of the expected benefits of the Scheme as outlined in Section 8.2. If Recall and Iron Mountain fail to achieve some or all of the benefits, the business, financial condition and results of operations of the Combined Group could be materially and adversely affected.

12.3.2 Integration issues, including in relation to the realisation of synergies

The long-term success of the Combined Group will depend, amongst other things, on the success of management in integrating the respective businesses.

While both Recall and Iron Mountain expect that value can be added to the Combined Group through the realisation of synergies, there is a risk that implementation of the Scheme may not result in the full realisation of the expected synergies due to various factors, including:

- unexpected delays, challenges, liabilities and costs in relation, but not limited, to integrating operating and management systems such as IT, information or accounting systems; and
- the loss of key personnel or customers of the Combined Group.

If the integration is not achieved in an orderly manner and within the assumptions as stated in this Booklet, the expected synergies and benefits may be achieved only in part, or not at all. This could adversely impact the Combined Group's financial performance and position, and the future prospects of the Combined Group.

12.3.3 Integration and transaction costs

Iron Mountain anticipates that it will incur material one-off transaction costs of approximately US$80 million in implementing the Scheme.

Recall is expected to have incurred one-off transaction costs of approximately US$24 million, which will be payable by Recall regardless of whether the Scheme is implemented or not.

These costs are expected to comprise adviser, legal, accounting and expert fees, employee payments and various other costs. These costs exclude success-based fees and other costs which are contingent upon the successful implementation of the Scheme.

Iron Mountain anticipates a total of approximately US$300 million in one-off costs to integrate the businesses and achieve the estimated level of synergies. It is difficult to predict the amount of these costs before the Combined Group begins the integration process. The Combined Group may incur additional unanticipated costs as a consequence of difficulties arising from efforts to integrate the two companies.

However, the total integration and transaction costs actually incurred may exceed the costs described above. The incurring of such integration and transaction costs may have an adverse effect on the Combined Group's performance and financial condition.

12.3.4 Divestments

As described in Section 15.14.1, Iron Mountain has agreed to make divestments and has agreed to operating restrictions to obtain Competition Approvals, limited to the extent that they would require the disposition of any assets of the records management business of Iron Mountain, Recall or any of their respective subsidiaries in the US and Canada that, in the aggregate, generated more than US$30 million of revenue during the 12 month period prior to the date of the Scheme Implementation Deed, and uncapped divestments required in the rest of the world for the purpose of obtaining Competition Approvals. It is possible that such divestments, if required, may materially alter the composition of the Combined Group as compared to that described in Section 11 and have an adverse effect on the Combined Group's performance and financial condition.

12.3.5 Failure of due diligence to identify liabilities of or key issues affecting Iron Mountain

Before executing the Scheme Implementation Deed, Recall and Iron Mountain undertook a period of mutual due diligence for the purpose of negotiating the terms of the Scheme.

While Recall and Iron Mountain decided to proceed with the Scheme following that due diligence exercise, there is a risk that the due diligence undertaken was insufficient or failed to identify key issues.

Furthermore, after implementation of the Scheme, the Combined Group will be subject to any unknown liabilities of either Recall or Iron Mountain which may have an adverse effect on the Combined Group's performance and financial condition.

12.3.6 Competition and loss of major customers

The Combined Group has a number of competitors (being records and information management service providers) across the regions and jurisdictions in which it operates. Actions by the Combined Group's competitors (such as aggressive price discounting or other actions) or the entry of new competitors may make it challenging for the Combined Group to win significant new business, and may disadvantage the Combined Group's market position, resulting in a loss of market share, price reductions or underutilisation of the Combined Group's facilities. Any of these occurrences could materially impact the Combined Group's operational and financial performance.

The Combined Group has some customers whose contribution to the Combined Group's revenue is significant. Due to general economic conditions and other factors, the Combined Group faces risks associated with customers seeking to reduce their business with the Combined Group. Some customers have implemented strategies designed to reduce costs, including reducing the volume of documents in storage (i.e. lower new volumes and higher destructions of existing volumes), reducing levels of activity and special projects, or seeking price reductions through aggressive procurement management initiatives.

Either of the above scenarios may result in lower revenues and margins and have a material impact on the Combined Group's financial performance.

12.3.7 Failure to adapt to changes in the business environment or market conditions

The Combined Group's business models have been proven to be profitable. However, they may be impacted by incremental or rapid changes in the business environment or market conditions, such as:

- the advancement of digital documentation management and retention technologies or policies, of governments and customers, which may lead to a decline in the volume of physical records required to be stored, impacting future revenues and growth rates in the Combined Group's retention service line. In addition, physical records may become less active due to a reduction in retrievals or projects leading to declining activity revenues;
- the continued advancement of disc and tape back-up technology (increasing data density) and cloud-based back-up and storage solutions, and their growing adoption, may lead to declines in the volume of media managed within the Combined Group's retention service line. In addition, existing tapes may become more archival leading to reductions in service revenues; and
- the fluctuation in commodity prices (such as for shredded paper and fuel) may impact profitability, as may rising labour costs and market rental rates for the industrial properties leased.

The above risks may result in declining or more volatile future revenue streams and key cost inputs and could have a material impact on the Combined Group's operational and financial performance.

In addition, if key services or technologies were to be rendered obsolete through market developments, for example changes in customer demand for different document storage solutions, the Combined Group could require substantial capital expenditure to adjust its business models to meet those developments, or face potential impairment of the carrying value of its existing assets.

12.3.8 Disruptions to systems and technology impairing ability to provide services

The Combined Group relies extensively on information technology and communication systems to process transactions, manage its businesses and track resources. In particular, given the number of individual transactions that the Combined Group is required to process, uninterrupted operation of computer systems is critical.

The Combined Group has independent and physically separate primary and secondary computer systems, as well as offsite storage, advanced fire and smoke suppression systems, and a disaster recovery plan. However, the Combined Group's IT systems and infrastructure, including back-up systems, are subject to damage or interruption from power outages, hardware, software and telecommunications failures, viruses and malware, insufficient or ineffective support and maintenance, catastrophic events (such as fires, floods, tornadoes and hurricanes), ineffective data and system back-up and recovery plans, and usage errors by employees or contractors.

In addition, the Combined Group may be vulnerable to unauthorised access attacks by third parties (such as hackers). There is a risk that key business systems do not deliver the business critical information in a timely, accurate and cost effective manner or that they are unable to effectively support the business into the future.

If the Combined Group's IT systems and infrastructure are damaged or cease to function properly, or suppliers cease to support its existing systems, the Combined Group may have to make a significant investment to fix or replace them, and it may suffer interruptions in its operations in the interim.

Any material interruption in the Combined Group's IT systems and infrastructure may adversely affect its operational and financial performance. Interruption or failure of these systems could impair the Combined Group's ability to provide its services effectively and materially damage its reputation and ability to attract and retain customers.

The risk of system disruption is increased when significant system changes are undertaken. If the Combined Group fails to integrate its computer systems and processes, it may fail to realise the cost savings anticipated to be derived from these initiatives. There is also a risk that the actual cost of any system upgrade may be higher than the amount budgeted.

12.3.9 Inability to attract, develop and retain high performing individuals

In order to manage and operate its business effectively, the Combined Group must attract, develop and retain high performing individuals. Challenges include recruiting external executives with the necessary experience and recruiting or transferring executives who are suitable for each of the various countries, cultures and business environments in which the Combined Group operates. Externally recruited executives and employees may not have the institutional knowledge of, and experience with, the Combined Group's business available to previous or existing executives and employees.

The Combined Group also faces the challenges of maintaining a reputation as an attractive place to work and to enable talented individuals to be developed and promoted within the Combined Group. To do so, the Combined Group must ensure it has a remuneration structure (including incentive plans) that meets market expectations, quality human resources and training systems and opportunities for advancement, including effective succession planning.

In addition, the Combined Group will be dependent upon a number of key management personnel and executives to manage the day-to-day requirements of the business. The loss of the services of one or more key management personnel could have an adverse effect on the Combined Group.

12.3.10 Insufficient growth or inability to execute strategy

Growth is important to the Combined Group's strategy. The Combined Group may fail to effectively implement growth strategies or devote sufficient resources to new business initiatives or may select and pursue sub-optimal corporate strategies, business models, financial structures or allocation of capital that could, in each case, inhibit the growth of the Combined Group's business. This may have an impact on the Combined Group's daily operations, profitability, demand for the Combined Group's services, employee retention, asset carrying values and investor confidence in the business and its management.

The Combined Group may be unable to: acquire and integrate businesses or technologies to complement its current service offerings; keep up with technological changes, evolving industry expectations and changing customer requirements; develop, hire or otherwise obtain the necessary technical expertise; accurately predict the size of the markets for any of its services; or compete effectively against other companies that possess alternative platforms, technologies or service offerings.

12.3.11 Inability to innovate or take advantage of technological advancements

The Combined Group is subject to the risk of not being able to optimise innovations in its services, products, processes and commercial solutions, which may adversely impact its ability to exploit growth opportunities and its operational and financial performance.

In particular, technology continues to evolve rapidly, leading to alternative methods for information management and storage. Failure to protect and exploit the Combined Group's technology and intellectual property, or to respond to and develop new products to take advantage of technological advancements, could adversely affect the Combined Group's digital solutions business, revenue and asset values.

12.3.12 Inability to manage occupational health and safety obligations

The Combined Group is subject to various operational risks, including industrial hazards, road traffic or transportation accidents or equipment failures, that could potentially result in injury or fatality to employees, contractors or members of the public. As a result, the Combined Group will be subject to extensive laws and regulations governing health and safety matters, protecting both the public and the Combined Group's employees. Any breach of these obligations could adversely affect the results of the Combined Group and its reputation and expose it to claims for financial compensation or adverse regulatory consequences. There is also risk associated with incidents relating to health and safety that do not result from any breach of obligations.

The Combined Group has safety policies in place to manage safety risks, but may face challenges implementing those policies in locations where prioritisation of safe working practices is not the local norm.

12.3.13 Impact of fires or other unexpected events

Major unexpected events could impact the Combined Group's operational and financial performance, cause service disruptions to customers and result in reputational damage, asset impairment or litigation. Such events could include fires or other serious events at facilities, natural disasters (such as hurricanes, floods or earthquakes), security breaches leading to loss or compromise of customer data, IT system failure, fatalities, major accidents and labour strikes. In addition, the Combined Group may be impacted by acts of terrorism or social unrest.

12.3.14 Inability to maintain information security or inadequate contract management

The Combined Group's information management solutions will be underpinned by customers' need for highly secure information transportation, storage and destruction of confidential information. This includes the storage and protection of customers' information from unauthorised access, use, disclosure, destruction, modification or disruption. The inability of the Combined Group to offer its customers highly secure information management solutions may adversely impact the Combined Group's reputation and cause reputational and financial loss to its customers. Any breaches of information security standards may impact the Combined Group's ability to retain customers or win contracts with new customers, which could have a material impact on the Combined Group's operational and financial performance.

In addition, any inadequate customer contracts or undocumented customer arrangements could give rise to a potential exposure to customer disputes and legal liability in the event of a service failure, such as loss of customer data.

12.3.15 Inability to comply with regulatory obligations

Government regulations will affect many aspects of the Combined Group's operations, across multiple jurisdictions. Regulations impose obligations on the Combined Group in respect of, among other things, customer privacy, customer compliance programs, IT, security, transport, occupational health and safety, environmental protection, security over personal property and competition. The Combined Group also has specific compliance obligations in respect of certain heavily regulated customers (such as financial and health care institutions).

If the Combined Group is unable to comply with its regulatory obligations, it could give rise to litigation, adversely affect licences held by the Combined Group to operate its business and damage its reputation, which could adversely affect its operational and financial performance. There may be delays in obtaining or renewing necessary permits or licences key to the Combined Group's businesses.

In addition, any material change or increase in regulatory obligations could also adversely affect the viability of the Combined Group's current business model and strategies.

12.3.16 Increased governmental focus globally on data security and privacy

In addition to the regulatory obligations noted in Section 12.3.15, there has been increased governmental focus globally on data security and privacy. For example, in the US, there has been an increase in state-based regulation regarding the transmission and safekeeping of personal information, in response to publicised incidents in which electronically stored information has been lost, illegally accessed or stolen. Certain states have also adopted breach of data security statutes or regulations that require notification to customers if the security of their personal information is breached.

Certain federal laws and regulations affect, among other things, financial institutions and health care providers. Health care plans typically impose requirements regarding the privacy and security of information maintained by those institutions as well as notification to persons whose personal information is lost or accessed by an unauthorised third party. In addition, federal rules in the US are mandating the conversion of medical records into digital format. Some of these laws and regulations provide for civil fines in certain circumstances and require the adoption and maintenance of privacy and information security programs. Non-compliance with these requirements may adversely affect the Combined Group's business.

Continued governmental focus on data security may also lead to additional legislative action.

Regulatory changes may require the Combined Group to modify its operations to further improve data security and comply with those regulations. The Combined Group may not be able to fully offset any increased costs by increasing the rates charged for the services it provides to its customers.

12.3.17 International operations

The Combined Group will conduct operations in a number of geographies and countries. The future operating results in the countries or regions in which the Combined Group will operate, or may in the future operate, could be negatively affected by a variety of factors beyond the control of the Combined Group, including political instability, economic conditions, legal and regulatory constraints, trade policies, currency regulations, and risks associated with having facilities located in countries which have historically been subject to volatility in one or more of these areas. Additional risks inherent in the Combined Group's global operations generally include, among other things, the costs and difficulties of managing international operations, of obtaining and maintaining operating and fire permits for all of their facilities, adverse tax consequences arising from carrying on operations in a large number of countries and the conduct of cross-border transactions and greater difficulty in enforcing intellectual property rights in certain countries.

In addition, Recall currently derives over half of its revenue in Australia and parts of Europe, while Iron Mountain derives over 70% of its revenue in North America. Given the Combined Group will have a relatively higher concentration of operations in North America than Recall on a standalone basis, formation of the Combined Group will, therefore, result in reduced geographical diversification on a revenue and earnings basis relative to Recall on a standalone basis.

12.3.18 Fluctuations in commodity prices and raw material availability

The Combined Group has operations that are directly or indirectly exposed to volatility in pricing of fuel, paper and other raw materials that have the potential to impact its operations and margins. The Combined Group has implemented a range of initiatives to manage transport costs; however, significant increases in fuel prices may negatively impact the Combined Group's results of operations. The failure to source other raw materials, at acceptable costs and as required, could adversely affect the Combined Group's operations.

12.3.19 Changes in dividend policy

The Combined Group's dividend policy will be determined by the Combined Group Board at its discretion after taking account of the availability of profits, operating results and financial performance of the Combined Group, REIT requirements (see Section 12.6), future capital requirements, covenants in relation to financial agreements, general business conditions and other factors considered relevant by the Combined Group Board. Therefore, the Combined Group's dividend policy may change over time and there is no assurance that the Combined Group will pay dividends at any particular level or with any particular regularity.

In addition, the Combined Group's dividends will be unfranked which will negatively impact Australian Recall Shareholders.

12.3.20 Ability to service or refinance debt

The Combined Group may become unable to service or refinance existing debt, or obtain new debt, on acceptable terms or at all, depending on future performance and cash flows which are affected by various factors, some of which are outside the Combined Group's control, such as interest and exchange rates, general economic conditions and global financial markets. If any of these scenarios materialise, the Combined Group may be unable to raise financing on acceptable terms to repay maturing indebtedness, and consequently need to reallocate capital from other uses, such as funding its growth, to meet its obligations or respond to market pressures. This could adversely affect the longer term prospects and financial performance of its business; or it may also default, which could result in cross-defaults under other indebtedness. Additionally, ongoing requirements to meet debt covenants may impact the Combined Group's ability to refinance debt.

12.3.21 Counterparties

A counterparty may fail to meet its contractual obligations resulting in financial loss to the Combined Group and impacting on the Combined Group's business relationships and operations. The Combined Group can provide no guarantee that its counterparties (including contractors) will fulfil these obligations.

The Combined Group will be exposed to general counterparty credit risk if customers fail to make payments or perform their other obligations on time or at all. Reduced demand for services of the Combined Group would likely result in reduced revenue and profitability.

The Combined Group will need to assess the credit quality of the counterparty taking into account its financial position, past experience with the debtor, and other available credit risk information.

There can be no assurance that the Combined Group will successfully manage this risk or that such payment defaults by counterparties will not adversely affect the Combined Group's financial condition or performance.

12.3.22 Iron Mountain's guarantee of certain obligations of Recall to Brambles relating to Recall's demerger

Prior to, and in connection with the Demerger, Brambles spun off certain of its US and Canadian subsidiaries, directly or indirectly, to Recall. Such spin-offs were intended to be tax-free or tax-deferred under US and Canadian tax laws, respectively, and Brambles obtained rulings from the IRS (with respect to the US spin-off) and the Canada Revenue Agency (with respect to the Canadian spin-off), as well as opinions of its tax advisers, to such effect. However, the tax-free status of the spin-off of such US subsidiaries could be adversely affected under certain circumstances if a 50% or greater interest in such US subsidiaries were acquired as part of a plan or series of related transactions that included such spin-off. Similarly, the tax-deferred status of the spin-off of the Canadian subsidiaries could be adversely affected under certain circumstances if control of such subsidiaries were acquired as part of a series of transactions or events that included such spin-off.

In connection with the Demerger, Recall agreed to indemnify Brambles and certain of its affiliates for taxes to the extent that actions by Recall (e.g. an acquisition of Recall shares) resulted in the US spin-off or the Canadian spin-off described above failing to qualify as tax-free or tax-deferred for US or Canadian tax purposes, respectively. In addition, Recall agreed, among other things, that it would not, within two years of the 2013 spin-offs, enter into a proposed acquisition transaction, merger or consolidation (with respect to the US spin-off) or take any action that could reasonably be expected to jeopardise, directly or indirectly, any of the conclusions reached in the Canadian tax ruling or opinion, without obtaining a supplemental tax ruling from the relevant taxing authority, the consent of Brambles or an opinion of a tax adviser, acceptable to Brambles in its reasonable discretion, that such transaction should not result in the spin-offs failing to be tax-free under US federal income tax law or Canadian tax law, respectively. Recall has obtained or intends to obtain such tax opinions, based on, among other things, representations and warranties made by Recall and Iron Mountain. Such opinions, once accepted by Brambles, do not affect Recall's obligation to indemnify Brambles for an adverse impact on the tax-free status of such prior spin-offs. The delivery of those opinions is a condition to Iron Mountain's obligation to consummate the Scheme.

Iron Mountain has agreed, contingent on the consummation of the Scheme, to guarantee the foregoing indemnification obligations of Recall. Consistent with the foregoing tax opinions, Iron Mountain believes that the Scheme is not part of a plan or series of related transactions, or part of a series of transactions or events, that included the US spin-off or the Canadian spin-off, respectively. However, if the IRS or the Canada Revenue Agency were to prevail in asserting a contrary view, Iron Mountain and Recall would be liable for the resulting taxes, which could be material. For further details on this agreement by Iron Mountain, see Section 15.18.

12.4 TRADING RISKS

12.4.1 Trading liqudity

New Iron Mountain CDIs may have less trading liquidity than Recall Shares currently have. Trading liquidity in New Iron Mountain CDIs may decline further if other Recall Shareholders who receive New Iron Mountain Securities as New Iron Mountain CDIs subsequently convert into Iron Mountain Shares.

12.4.2 Flowback

If a large number of Recall Shareholders do not intend to continue to hold the New Iron Mountain Securities received as Scheme Consideration and instead choose to sell, there is a risk that the trading price of New Iron Mountain Securities will be adversely impacted by selling.

In addition, the Sale Agent will be issued New Iron Mountain Shares attributable to certain Ineligible Foreign Shareholders and will be seeking to sell those securities on NYSE as soon as reasonably practicable, which may also contribute to any potential adverse impact on the trading price of the New Iron Mountain Shares.

12.4.3 Liqudity of New Iron Mountain CDIs

The market for New Iron Mountain CDIs may be less liquid than the market for Iron Mountain Shares. This may have the effect of reducing the volume of New Iron Mountain CDIs that can be bought and sold on ASX and the speed with which they can be bought and sold. This reduced liquidity may also result in New Iron Mountain CDIs trading at a discount to New Iron Mountain Shares on NYSE.

As set out in Section 15.3.3(ix), holders of New Iron Mountain CDIs can convert their New Iron Mountain CDIs into Iron Mountain Shares. If Scheme Shareholders that receive their New Iron Mountain Securities as New Iron Mountain CDIs subsequently convert their New Iron Mountain CDIs into Iron Mountain Shares, this may further reduce the liquidity in the market for New Iron Mountain CDIs, and increase the likelihood of New Iron Mountain CDIs trading at a discount to New Iron Mountain Shares.

12.4.4 Volatility of New Iron Mountain CDIs

New Iron Mountain CDIs will be quoted and traded on ASX in Australian dollars. The price of New Iron Mountain CDIs will therefore reflect movements in both the Iron Mountain Share Price and the AUD/USD exchange rate. The combination of movements may cause the New Iron Mountain CDIs to be more volatile than the historical volatility of Recall Shares.

12.4.5 Trading during deferred settlement trading period

Scheme Shareholders will not necessarily know the exact number of New Iron Mountain Securities that they will receive (if any) until a number of days after those securities can be traded on ASX on a deferred settlement basis. Scheme Shareholders who trade New Iron Mountain Securities on a deferred settlement basis without knowing the number of New Iron Mountain Securities they will receive as Scheme Consideration, may risk adverse financial consequences if they purport to sell more New Iron Mountain Securities than they receive.

12.5 RISKS ASSOCIATED WITH IRON MOUNTAIN SECURITIES

The risks outlined in this Section 12.5 currently relate specifically to Iron Mountain, but will affect the Combined Group.

12.5.1 The rights attaching to New Iron Mountain Securities will be different than those attaching to Recall Shares

If the Scheme is implemented, the rights attaching to New Iron Mountain Shares will be primarily governed by the General Corporation Law of the State of Delaware, the US federal securities laws, the NYSE listing rules and Iron Mountain's certificate of incorporation and bylaws.

The differences between the rights attaching to New Iron Mountain Shares and Recall Shares are summarised in Section 14.

In addition, the rights attaching to New Iron Mountain CDIs will be different to those attaching to Recall Shares (see Section 15.3.4).

12.5.2 The rights attaching to New Iron Mountain CDIs are different than those attaching to New Iron Mountain Shares

The holder of a New Iron Mountain CDI has, through the CDI Nominee, an indirect, beneficial interest in the New Iron Mountain Share underlying their New Iron Mountain CDI instead of directly owning that New Iron Mountain Share. This means that the holder of the New Iron Mountain CDI is not the registered holder of the underlying New Iron Mountain Share and therefore:

- cannot directly trade the underlying New Iron Mountain Share; and
- is a beneficial holder (rather than registered legal holder) of the underlying New Iron Mountain Share.

The differences between the New Iron Mountain Shares and New Iron Mountain CDIs are summarised in Section 15.3.4.

A | Summary of the Scheme
B | Detailed Information About the Scheme
C | Independent Expert's Report
D | Investigating Accountant's Report
E | Appendices

12.6 RISKS ASSOCIATED WITH IRON MOUNTAIN'S STATUS AS A REIT

The risks outlined in this Section 12.6 currently relate specifically to Iron Mountain, but will affect the Combined Group.

12.6.1 Failure to remain qualified as a REIT

If Iron Mountain fails to remain qualified as a REIT, it will be subject to tax at corporate income tax rates and will not be able to deduct distributions to shareholders when computing its taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for other purposes.

12.6.2 Failure to make required distributions

To remain qualified and be taxed as a REIT, Iron Mountain will generally be required to distribute at least 90% of its REIT taxable income each year to shareholders. If cash available for distribution falls short of estimates, Iron Mountain may be unable to maintain distributions that approximate its REIT taxable income and may fail to remain qualified for taxation as a REIT.

To the extent that Iron Mountain satisfies the minimum 90% distribution requirement but distributes less than 100% of its REIT taxable income, it will be subject to US federal corporate income tax on undistributed taxable income. In addition, it will be subject to a 4% non-deductible excise tax if the actual amount distributed to shareholders for a calendar year is less than the minimum amount specified under the Code.

12.6.3 Requirement for additional capital or asset sales

In order to meet the REIT distribution requirements and maintain its qualification and taxation as a REIT, or to fund capital expenditures, future growth and expansion initiatives, Iron Mountain may need to borrow funds, sell assets or raise equity, even if the then-prevailing market conditions are not favourable for these borrowings, sales or offerings.

If additional funds are raised through the issuance of equity securities or debt convertible into equity securities, the percentage of stock ownership by existing shareholders may be diluted.

If Iron Mountain fails to comply with specified asset ownership tests applicable to REITs as measured at the end of any calendar quarter, it must correct such failure within 30 days after the end of the applicable calendar quarter or qualify for statutory relief provisions to avoid losing its REIT qualification. As a result, Iron Mountain may be required to liquidate otherwise attractive investments.

12.6.4 Complying with REIT requirements may limit flexibility to take advantage of otherwise attractive opportunities

To remain qualified as a REIT for US federal income tax purposes, Iron Mountain must continually satisfy tests concerning, among other things, the sources of its income, the nature and diversification of assets and the amounts distributed to shareholders.

Compliance with these tests may require it to refrain from certain activities and may hinder the Combined Group's ability to make certain attractive investments, including the purchase of non-REIT qualifying operations or assets, the expansion of non real estate activities, entry into certain hedging transactions, and investments in the businesses to be conducted through TRSs, and to that extent limit opportunities and flexibility to execute on otherwise attractive opportunities.

As Iron Mountain operates as a REIT, it has a higher dividend payout ratio than Recall on a standalone basis. As described in Section 11.4.7, Iron Mountain must distribute at least 90% of its REIT taxable income to shareholders. Under this structure, the Combined Group may face more challenges to fund future growth initiatives than Recall on a standalone basis or may require equity injections.

12.6.5 Extensive use of TRSs, including for certain of international operations, may impact the ability to remain qualified as a REIT

At least 75% of Iron Mountain's gross income for each taxable year as a REIT must be derived from real estate, which principally includes gross income from providing customers with secure storage space.

Consequently, no more than 25% of gross income may consist of dividend income from TRSs and other non-qualifying types of income.

Thus, the ability to receive distributions from TRSs may be limited, and may impact the ability to fund distributions to shareholders using cash flows from TRSs.

There may be also be limitations on the ability to accumulate earnings in TRSs and the accumulation or reinvestment of significant earnings in TRSs could result in adverse tax treatment. In particular, if the accumulation of cash in TRSs causes the fair market value of securities in Iron Mountain's TRSs and other non-qualifying assets to exceed 25% of the fair market value of its assets, it will fail to remain qualified as a REIT.

12.6.6 Limited experience operating as a REIT

Iron Mountain began operating as a REIT on 1 January 2014 and, as such, has limited operating history as a REIT. In addition, prior to 1 January 2014 Iron Mountain's senior management team had no experience operating a REIT. There can be no assurance that experience to date has sufficiently prepared the Combined Group to operate successfully as a REIT. An inability to operate successfully as a REIT, including the failure to maintain REIT status, could adversely affect the Combined Group's business, financial condition and results of operations.

12.6.7 The ownership and transfer restrictions contained in Iron Mountain's certificate of incorporation could have unintended anti-takeover effects

To facilitate compliance with REIT tax rules, subject to certain exceptions, Iron Mountain's certificate of incorporation prohibits any stockholder from owning, beneficially or constructively, more than:

- 9.8% in value of the outstanding shares of all classes or series of capital stock; or
- 9.8% in value or number, whichever is more restrictive, of the outstanding shares of any class or series of capital stock.

The overall effect of the ownership and transfer restrictions may be to render more difficult or discourage any attempt to acquire Iron Mountain, even if such acquisition may be favourable to the interests of shareholders of the Iron Mountain.

12.7 GENERAL RISKS IN RELATION TO SHARE OWNERSHIP

12.7.1 Markets and investments in equity capital

There are general risks associated with any investment in a NYSE listed company. As is the case in respect of ASX listed companies, the share prices for many NYSE listed companies have been subject to substantial fluctuations and may experience fluctuations in the future.

The trading price of New Iron Mountain Securities may fluctuate depending on the financial condition and operating performance of Iron Mountain (and the Combined Group), as well as other external factors over which the Combined Group Directors have no control. These external factors include: general movements in international stock markets; investor sentiment; international economic conditions and outlook, changes in interest rates and the rate of inflation; changes in government regulation and policies; announcement of new technologies; and geo-political instability, including international hostilities and acts of terrorism.

Fluctuation in the Iron Mountain Share Price may cause difficulties in raising capital, attracting analyst coverage, and accessing liquidity and funding.

No assurances can be given that the price of Iron Mountain Securities will not be adversely affected by these factors. None of Iron Mountain, the Iron Mountain Board, Recall, the Recall Board or any other person guarantees the market performance of Iron Mountain Securities.

12.7.2 Adverse global economic conditions

General economic conditions, globally or in one or more of the markets served by the Combined Group, may adversely affect the Combined Group's financial and operational performance. A number of factors affect the performance of the stock markets, which could affect the price at which New Iron Mountain CDIs trade on ASX, and New Iron Mountain Shares trade on NYSE, following implementation of the Scheme.

Recessionary or low economic growth conditions in their key markets and the ongoing disruption in global financial markets significantly impacted, and may continue to significantly impact, the business of key customers. As a result, customers may fail to make payments or perform their other obligations on time or at all, increasing the Combined Group's general counterparty credit risk (see Section 12.3.21). These factors may affect the Combined Group's operational and financial performance both in the short and medium term.

In addition, poor economic conditions may force customers to cease using the Combined Group's services, as well as force customers to seek protection under bankruptcy laws, potentially affecting both future business and the ability of the Combined Group to collect accounts receivable and may give rise to an increase in the delay of debtor payments. There is no guarantee of the Combined Group being able to obtain damages sufficient to compensate them in full for losses arising as a result.

The Combined Group will be exposed to outsourcing risk where its operations rely on third parties. Market conditions and/or changing business needs may require the Combined Group to reorganise their operations or outsource more activities, which could lead to risk of business disruption.

12.7.3 Exposure to rising interest rates

The Combined Group will be subject to the risk of rising interest rates associated with borrowing on a floating rate basis. The Combined Group will seek to manage its exposure to adverse fluctuations in floating interest rates by entering into interest rate hedging arrangements, including derivative financial instruments. However, as set out in Section 12.6.4, the Combined Group's status as a REIT may restrict it from entering certain hedging transactions. To the extent that the Combined Group does not hedge effectively, or at all, against movements in interest rates, such interest rate movements may adversely affect the Combined Group's results.

12.7.4 Exposure of earnings to fluctuating foreign exchange rates

The Combined Group will have operations in many jurisdictions. Therefore, it will be exposed to foreign earnings, expenses and borrowings, primarily transaction exposures affecting the value of transactions translated back to the functional currency of the subsidiary and translation exposures affecting the value of assets and liabilities of overseas subsidiaries when translated into US dollars.

The Combined Group may manage the impact of exchange rate movements on both its earnings and balance sheet by entering into hedging transactions, including derivative financial instruments. As the Combined Group may hold some borrowings denominated in a foreign currency, it will therefore be exposed to this risk in the absence of effective hedging.

To the extent the Combined Group does not hedge effectively, or at all, against movements in the exchange rate of these currencies, such exchange rate movements may adversely affect its earnings and/or balance sheet.

12.7.5 Changes in accounting or financial reporting standards

Changes in accounting or financial reporting standards may adversely impact the reported financial performance of the Combined Group.

12.7.6 Litigation

Like any business, disputes or litigation may arise from time to time in the course of the business activities of the Combined Group. There is a risk that any material or costly dispute or litigation could adversely affect the Combined Group's reputation, financial performance or value.

12.7.7 Negative publicity and failure to communicate effectively

The Combined Group will be subject to the risk that negative publicity, whether true or not, may affect stakeholder perceptions of the Combined Group's past actions and future prospects. Being listed on the NYSE and ASX, the Combined Group will be subject to risks relating to market expectations for its business, and financial and operating performance. If the Combined Group does not communicate these expectations in an effective manner, this may give rise to a loss of investor confidence in its business and management.

12.7.8 Unfavourable changes in taxation laws

Variation in the taxation laws of the countries where the Combined Group will operate could materially affect the Combined Group's financial performance. The interpretation of taxation laws could also change, leading to a change in taxation treatment of investments or activities. In particular, changes to taxation laws may impact the Combined Group's ability to maintain its status as a REIT. Consistent with other companies of comparable size, financing complexity and diversity, the Combined Group may be the subject of periodic information requests, investigations and audit activities by tax authorities in jurisdictions in which the Combined Group operates.

13 Taxation Implications of the Scheme

This Section summarises the general taxation position of Scheme Shareholders in relation to the Scheme if it is implemented. This Section 13 does not provide a complete analysis of the potential tax implications of the Scheme. Rather, it is only a general guide on the tax implications in Australia, the US and the United Kingdom. This Section 13 does not constitute tax advice. It should not be relied upon as a substitute for advice from an appropriate professional adviser having regard to your individual circumstances. Scheme Shareholders are strongly advised to seek their own independent professional advice on the tax implications of the Scheme based on their own specific circumstances.

13.1 AUSTRALIA

The following is a general summary of the Scheme's Australian tax implications for Scheme Shareholders who hold their Recall Shares on capital account. This summary does not apply to Scheme Shareholders who hold their Recall Shares on revenue account (for example, as trading stock or as revenue assets or are subject to the Taxation of Financial Arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth)).

The following description has been prepared on the basis of Australian taxation law and administrative practice as at the date of this Booklet.

In this summary, references to ***Australian resident Scheme Shareholders*** are to Scheme Shareholders who are residents of Australia for Australian income tax purposes. Likewise, references to ***Scheme Shareholders that are not residents of Australia*** are to Scheme Shareholders who are not residents of Australia for Australian income tax purposes.

13.1.1 Australian resident Scheme Shareholders

(i) Disposal of Recall Shares

Under the Scheme you will be entitled to receive the Scheme Consideration, as described in Section 7.

The transfer of your Recall Shares on the Implementation Date in exchange for the Scheme Consideration will constitute a disposal of those Recall Shares by you for CGT purposes. If that occurs, you will make:

- a capital gain if the capital proceeds from the disposal of your Recall Shares are greater than the cost base of those Recall Shares; and
- a capital loss if the capital proceeds from the disposal of your Recall Shares are less than the reduced cost base of those Recall Shares.

The capital proceeds from the disposal of your Recall Shares will be equal to the sum of the cash received by you plus the market value of the New Iron Mountain Securities (if any) received by you (determined at the Implementation Date).

The cost base (and reduced cost base) of your Recall Shares will generally include their original or deemed cost of acquisition, plus certain other costs incurred in relation to the acquisition and disposal of your Recall Shares such as brokerage fees. If you acquired some of your Recall Shares pursuant to the Demerger, then you should refer to paragraphs 44 to 49 of Class Ruling 2014/12 (available on the ATO website) for guidance on the calculation of the cost base of those Recall Shares.

Individuals, complying superannuation entities or trusts may be entitled to reduce the amount of any capital gain made on the disposal of their Recall Shares if, amongst other things, they have held their Recall Shares for at least 12 months before the Implementation Date (this reduction is referred to as the ***CGT discount***). The CGT discount is applied only after any available capital losses have been applied to reduce the capital gain and is not generally available to companies.

The discount rate is:

- 50% for individuals and trusts; or
- 33⅓% for complying superannuation entities.

If you would realise a capital loss as a result of disposing of your Recall Shares under the Scheme, no roll-over relief will apply and the capital loss will be crystallised. Capital losses can only be offset against capital gains realised by you in the same income year or in a subsequent income year.

(ii) Partial scrip for scrip roll-over relief from capital gains tax

Scrip for scrip roll-over relief may be available to defer a capital gain made by a taxpayer if, under an arrangement, a taxpayer exchanges a share in a company for a share in another company.

To the extent that Scheme Shareholders exchange their Recall Shares for the New Iron Mountain Securities and would otherwise realise a capital gain in respect of the disposal of their Recall Shares, partial scrip for scrip roll-over relief should be available to a Scheme Shareholder who chooses to obtain the roll-over relief.

Broadly the consequences of a Scheme Shareholder choosing the scrip for scrip roll-over relief will be that:

- the portion of a capital gain made upon the disposal of Recall Shares that is attributable to the value of the New Iron Mountain Securities will be deferred; and
- the Scheme Shareholder will be deemed (for CGT discount purposes only) to have acquired their New Iron Mountain Securities at the time that they originally acquired, or are deemed to have acquired, their Recall Shares. This may be relevant for CGT discount purposes in respect of future disposals (refer to Section 13.1.1(iii)).

Scrip for scrip roll-over relief will not be available to the extent that a Scheme Shareholder receives cash for their Recall Shares.

Scheme Shareholders who wish to choose scrip for scrip roll-over relief should include in their net capital gain calculation for the year in which the Implementation Date occurs that portion of the capital gain which is attributable to the cash received by them for their Recall Share. They should not include the portion of the capital gain that is attributable to the New Iron Mountain Securities received by them. The lodgement of your tax return on that basis is sufficient evidence of that choice having been made and no formal election is required to be lodged in order to choose to obtain the roll-over relief.

Scheme Shareholders who do not wish to choose scrip for scrip roll-over relief should include in their net capital gain calculation for the year in which the Implementation Date occurs the full amount of the capital gain realised by them on the disposal of their Recall Shares.

The ATO is expected to issue a class ruling confirming that partial scrip for scrip rollover relief will be available in respect of any capital gain you realise on Recall Shares that are exchanged for New Iron Mountain Securities (but not for cash) if you choose for the rollover relief to apply. The class ruling, if issued, will be available on the ATO website at www.ato.gov.au and on Recall's website at www.recall.com.

It is expected that the class ruling will include guidance on how the cost base of the New Iron Mountain Securities should be calculated.

(iii) Subsequent disposals on or after the Implementation Date

The subsequent disposal of New Iron Mountain Securities received pursuant to the Scheme will result in you realising a capital gain or a capital loss. The amount of that capital gain or capital loss will depend on your cost base, or reduced cost base, of your New Iron Mountain Securities. This, in turn, will depend on whether you chose scrip for scrip rollover relief.

For the purposes of claiming the CGT discount in respect of any capital gain realised on the subsequent disposal of your New Iron Mountain Securities, the acquisition time for your New Iron Mountain Securities will be, where scrip for scrip roll-over relief:

- is available in respect of the Scheme and is chosen by you – the original acquisition time of your former Recall Shares; or
- is either not available in respect of the Scheme, or is available but is not chosen by you – the Implementation Date.

Section 13.2.2 contains a summary of the US tax implications of disposals of New Iron Mountain Securities by non-US Holders.

(iv) Holding New Iron Mountain Securities

Dividends paid by Iron Mountain to holders of New Iron Mountain Securities will be included in the assessable income of Australian resident shareholders. However, no franking credits will be attached to such dividends because Iron Mountain is not an Australian company.

Section 13.2.2 contains a summary of the US withholding tax implications of non-US Holders holding New Iron Mountain Securities. To the extent that dividends paid by Iron Mountain are subject to US dividend withholding tax then the gross amount of those dividends (i.e. before the deduction of dividend withholding tax) will be included in your assessable income. However, you may be able to be reduce the amount of Australian tax payable by you in respect of that assessable income by claiming a foreign income tax offset for some or all of the US dividend withholding tax that was deducted. You should your own independent professional taxation advice in relation to the amount of the foreign income tax offset that you can claim in these circumstances.

As a shareholder in Iron Mountain, you may be required to complete and submit certain US tax declarations to Iron Mountain (or its agent) so that it can determine its tax withholding obligations in respect of payments it makes to you. These are discussed further under Section 13.2.4.

13.1.2 Scheme Shareholders that are not residents of Australia

If you are a Scheme Shareholder who:

- is not a resident of Australia;
- has not held, with associates, 10% or more of the shares in Recall; and
- has not, at any time, used your Recall Shares in carrying on a business through a permanent establishment in Australia,

you can disregard a capital gain or capital loss you make from the disposal of your Recall Shares under the Scheme.

However, if at any time you have used your Recall Shares in carrying on a business through a permanent establishment in Australia and you realise a capital gain from the disposal of your Recall Shares under the Scheme, then partial scrip for scrip rollover relief will only be available to you if you also use the New Iron Mountain Securities that you receive in carrying on a business through a permanent establishment in Australia.

13.1.3 Australian stamp duty

Scheme Shareholders will not be liable to pay Australian stamp duty on the disposal of their Recall Shares or on the transfer to them of the New Iron Mountain Securities pursuant to the Scheme.

13.1.4 Australian goods and services tax

Scheme Shareholders will not be liable for (nor be required to pay) goods and services tax on the disposal of their Recall Shares or on the transfer to them of the New Iron Mountain Securities, or any other payments received by them in connection with the Scheme.

13.2 US TAXATION IMPLICATIONS

The following is a general summary of the US federal tax implications of the Scheme for Scheme Shareholders who are US Holders who hold their Recall Shares as 'capital assets' (that is, for investment purposes) and certain non-US Holders of Recall Shares. This summary does not apply to US Holders that may be subject to special rules under the Code, including expatriates, financial institutions, insurance companies, brokers or dealers in securities, or US Holders that hold Recall Shares or New Iron Mountain Securities as part of a hedging or other risk-reduction transaction.

The following description has been prepared on the basis of US federal taxation law and administrative practice as at the date of this Booklet.

For further details of the material US tax considerations relating to the acquisition, ownership and disposition of New Iron Mountain Securities, please see the Tax Disclosure.

In this summary, a ***US Holder*** is a person who is a beneficial owner of the Recall Shares and is:

- a citizen or individual resident of the US;
- a corporation (or other entity taxable as a corporation for US federal income tax purposes) created or organised under the laws of the US, any state thereof or the District of Columbia;
- an estate, the income of which is subject to US federal income taxation regardless of the source; or
- a trust, if a court within the US is able to exercise primary supervision over the trust's administration and one or more US persons have the authority to control all of its substantial decisions, or if a valid election to be treated as a US person is in effect with respect to such trust.

A ***non-US Holder*** is a beneficial owner of the Recall Shares, other than an entity classified as a partnership for US federal income tax purposes, who is not a US Holder. If a partnership holds the Recall Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership.

13.2.1 US Holders

- *Recall Shares:* the exchange of Recall Shares pursuant to the Scheme for cash and/or New Iron Mountain Securities will be treated as a fully taxable disposal of such Recall Shares. The amount of gain or loss realised and recognised by a US Holder will generally be equal to the difference, if any, between the amount realised (i.e., the cash purchase price and/or the fair market value of the New Iron Mountain Securities received) and the US Holder's tax basis in those Recall Shares (generally, the costs of acquiring those shares). If the US Holder has held its Recall Shares for more than one year before disposal, any gain realised and recognised will be a long-term capital gain.
- *New Iron Mountain Securities:* to the extent a US Holder receives New Iron Mountain Securities in exchange for the disposal of its Recall Shares, the US Holder will have a tax basis in those New Iron Mountain Securities equal to the fair market value of those New Iron Mountain Securities at the time of the exchange. The holding period for those New Iron Mountain Securities will commence on the day after the day on which those New Iron Mountain Securities are received.

Iron Mountain's distributions of REIT taxable income to its stockholders are generally treated as ordinary dividend income. Because Iron Mountain as a REIT is generally not subject to US federal income tax on the portion of its 'real estate investment trust taxable income' distributed to its stockholders, dividends on its stock are generally ineligible for a variety of preferences that apply to the dividends paid by non-REIT corporations. Accordingly, distributions on New Iron Mountain Securities generally will not qualify for the preferential tax rates on qualified dividend income for non-corporate US taxpayers and will not qualify for the dividends received deduction for corporate taxpayers.

However, any distribution of 'C corporation' earnings and profits, taxed built-in gain items (including depreciation recapture income that is subject to this tax), and recognised dividend income in respect of foreign earnings and profits from qualifying TRSs will potentially be eligible for the preferential tax rate on qualified dividend income for non-corporate US taxpayers, and these exceptions are operative and are expected to be operative, including on account of the combination with Recall and the subsequent restructuring, through Iron Mountain's 2020 taxable year and perhaps thereafter.

13.2.2 Non-US Holders

In general, a non-US Holder will be subject to regular United States federal income tax in the same manner as a US Holder with respect to the exchange of Recall Shares pursuant to the Scheme and with respect to the ownership and disposition of New Iron Mountain Securities if the non-US Holder's ownership of Recall Shares or of New Iron Mountain Securities is effectively connected with the non-US Holder's conduct of a trade or business in the US, or, if an applicable income tax treaty so requires, is attributable to a permanent establishment maintained by the non-US Holder in the US. If the non-US Holder is a non-US corporation, the 'branch profits tax' may also apply. For all other non-US Holders:

- *Recall Shares*: a non-US Holder is generally not subject to US federal income tax upon the exchange of Recall Shares pursuant to the Scheme for cash and/or New Iron Mountain Securities unless the non-US Holder is an individual present in the US for 183 days or more in the tax year in which the exchange of Recall Shares pursuant to the Scheme occurs and certain other conditions are met.
- *New Iron Mountain Securities*: a non-US Holder is generally not subject to US federal income tax in respect of its New Iron Mountain Securities (including its disposal of its New Iron Mountain Securities) except for the following cases:
  - a non-US Holder's gain on the sale of New Iron Mountain Securities may be subject to a 30% tax if the non-US Holder is an individual present in the US for 183 days or more in the tax year in which the sale occurs and certain other conditions are met;

- if Iron Mountain is treated as a US real property holding corporation (within the meaning of the Code) and a non-US Holder disposes of its New Iron Mountain Securities after having owned at any time during its holding period ending on the date of the disposition of its New Iron Mountain Securities more than 5% of the New Iron Mountain Securities, the disposal may be subject to US federal tax at a rate of 35% (assuming, for this purpose, that Iron Mountain is not a 'domestically controlled REIT' at the time of disposal);
- if Iron Mountain pays a distribution to a non-US Holder, the distribution may be subject to a 30% US federal withholding tax. This tax rate may be reduced by operation of an applicable income tax treaty between the US and the home country of the non-US Holder, provided that the non-US Holder provides Iron Mountain with the applicable US tax forms. For example, the income tax treaty between the US and Australia generally reduces US withholding tax on dividends paid by a REIT to Australian shareholders eligible for treaty benefits to 15%;
- if certain distributions are paid by Iron Mountain to a non-US Holder that are attributable to gains from Iron Mountain's sale or exchange of US real property interests (within the meaning of the Code), those distributions may be subject to a 35% US federal withholding tax, provided that the non-US Holder owns more than 5% of the New Iron Mountain Securities during the one year period, ending on the date of the distribution; and
- the US income tax treatment of distributions and gain on the sale of New Iron Mountain Securities may be subject to additional special rules for non-US Holders who hold or have held more than 5% of New Iron Mountain Securities, all as described in the Tax Disclosure.

A non-US Holder may seek a refund of amounts withheld in excess of the non-US Holder's US tax liability. The rules governing the US federal income taxation of non-US Holders are complex. If you are a non-US Holder, you are urged to consult with your own tax adviser to determine the impact of US federal, state, local and non-US tax laws, including any tax return filing and other reporting requirements, with respect to your ownership of New Iron Mountain Securities.

13.2.3 US federal estate tax for Non-US Holders

New Iron Mountain Securities held or treated as held by an individual who, at the time of death, is not a citizen or resident of the US (as specifically defined for US federal estate tax purposes) will be included in such holder's gross estate for US federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

13.2.4 US information reporting

As a US Holder or non-US Holder you are subject to certain US tax information reporting requirements, which are typically satisfied by providing certain customary tax forms. If you do not provide these tax forms, you may be subject to withholding taxes (including under FATCA). Information provided to a tax authority may be shared with another tax authority from another country on the basis of an applicable tax treaty between such countries.

13.3 UNITED KINGDOM TAXATION IMPLICATIONS

The following is a general summary of the United Kingdom tax implications of the Scheme for Scheme Shareholders who:

- are United Kingdom resident Scheme Shareholders;
- hold their Recall Shares beneficially as an investment (other than under a personal equity plan or an individual savings account); and
- have not (and are not deemed to have) acquired their Recall Shares by virtue of an office or employment.

The following description has been prepared on the basis of United Kingdom taxation law and published tax authority practice as at the date of this Booklet.

In this summary, references to ***United Kingdom resident Scheme Shareholders*** are to Scheme Shareholders who are residents of the United Kingdom for United Kingdom taxation purposes, and references to ***Scheme Shareholders that are not residents of the United Kingdom*** are to Scheme Shareholders who are not residents of the United Kingdom for United Kingdom taxation purposes.

This summary assumes that there is no United Kingdom resident Scheme Shareholder, who, either alone or together with connected persons, holds more than 5% of the securities of Recall.

13.3.1 United Kingdom taxation of chargeable gains

(i) Cash

Subject to any United Kingdom resident Scheme Shareholders being liable to a charge to income tax on a disposal and subject to Section 13.3.1(ii) below, where a United Kingdom resident Scheme Shareholder receives consideration in the form of cash under the terms of the Scheme, the receipt of the cash will constitute a disposal of its Recall Shares for the purposes of United Kingdom taxation of chargeable gains which may, depending on the Scheme Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to United Kingdom taxation of chargeable gains or an allowable loss.

(ii) Cash plus New Iron Mountain Securities [77]

Where a United Kingdom resident Scheme Shareholder receives consideration in the form of a mixture of cash and New Iron Mountain Securities and the amount of cash received is 'small' as compared with the value of the Recall Shares held by that Scheme Shareholder, the receipt of the cash will not generally trigger a taxable disposal at that time. Instead a disposal will be triggered only when the New Iron Mountain Securities are disposed of. Current HM Revenue & Customs practice is to regard a sum as 'small' for these purposes if either:

- 5% or less of the value of the Recall Shares held by the Scheme Shareholder; or
- it is £3,000 or less, regardless of whether it satisfies the 5% test.

Where a United Kingdom resident Scheme Shareholder receives consideration in the form of a mixture of cash and New Iron Mountain Securities and the amount of cash is not 'small', the taxation treatment in respect of those Recall Shares for which that Scheme Shareholder receives cash should be the same as described in Section 13.3.1(i).

In respect of those Recall Shares for which that United Kingdom resident Scheme Shareholder receives New Iron Mountain Securities, the Scheme Shareholder should not be treated as having made a disposal of its Recall Shares for the purposes of United Kingdom taxation of chargeable gains. Any gain or loss which would otherwise have arisen on a disposal of Recall Shares by the Scheme Shareholder should be 'rolled-over' into the New Iron Mountain Securities and the New Iron Mountain Securities should be treated as the same asset as the Recall Shares, acquired at the same time as the Recall Shares and for the same acquisition cost.

(iii) Consequences of a future disposal of New Iron Mountain Securities [78]

A subsequent disposal of any of the New Iron Mountain Securities may, depending on the particular circumstances of the holder, give rise to a liability to United Kingdom taxation of chargeable gains, calculated by reference to the holder's acquisition cost in the New Iron Mountain Securities.

A future disposal of New Iron Mountain Securities by a United Kingdom resident Scheme Shareholder may, subject to the holder's circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of chargeable gains.

For holders subject to United Kingdom corporation tax on chargeable gains, indexation allowance should be available to reduce the amount of chargeable gain realised on a disposal of New Iron Mountain Securities (but not to create or increase any loss).

Scheme Shareholders that are not residents of the United Kingdom will not be subject to United Kingdom tax on a gain arising on a disposal of New Iron Mountain Securities unless:

- they carry on a trade, profession or vocation in the United Kingdom through a branch, agency or permanent establishment and, broadly, hold New Iron Mountain Securities for the purposes of the trade, profession, vocation, branch, agency or permanent establishment; or
- they fall within the anti-avoidance rules applying to individuals who are temporarily not resident in the United Kingdom.

77 This Section 13.3.1(ii) is only applicable to United Kingdom resident Scheme Shareholders who certify to the reasonable satisfaction of Iron Mountain that they are UK Qualified Investors, as they are the only United Kingdom resident Scheme Shareholders eligible to receive New Iron Mountain Securities under the Scheme.

78 This Section 13.3.1(iii) is only applicable to United Kingdom resident Scheme Shareholders who certify to the reasonable satisfaction of Iron Mountain that they are UK Qualified Investors, as they are the only United Kingdom resident Scheme Shareholders eligible to receive New Iron Mountain Securities under the Scheme.

13.3.2 SDRT and stamp duty

No SDRT will be payable by Scheme Shareholders, nor will any liability to stamp duty arise for Scheme Shareholders, on the transfer of Scheme Shares to Iron Mountain under the Scheme or as a result of the receipt by Scheme Shareholders of the Scheme Consideration.

13.3.3 Dividends in respect of New Iron Mountain Securities [79]

Dividends received by an individual United Kingdom resident Scheme Shareholder will be subject to United Kingdom income tax. The dividend is taxable in the tax year when the dividend is payable. The tax is charged on the gross amount of any dividend paid as increased for any United Kingdom tax credit available as described below (***gross dividend***). The amount of any foreign tax withheld (which cannot otherwise be refunded) from the dividend payment must be included in the gross dividend even though the holder does not in fact receive it.

An individual United Kingdom resident Scheme Shareholder who receives a dividend will be entitled to a tax credit, which may be set off against the holder's total income tax liability. The tax credit will be equal to one-ninth of the amount of the dividend received including any foreign tax withheld (or 10% of the aggregate of that dividend and tax credit). The United Kingdom income tax regime applies progressive rates of tax according to the amount of an individual's taxable income. Dividends are treated as the top slice of an individual's income.

An individual United Kingdom resident Scheme Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the gross dividend at the rate of 10% and will therefore have no United Kingdom income tax liability to pay. Where the tax credit exceeds the holder's tax liability, the holder cannot claim repayment of the tax credit from HM Revenue & Customs.

An individual United Kingdom resident Scheme Shareholder who is subject to income tax at the higher rate or the additional rate will be liable to income tax on the gross dividend at the rate of 32.5% or 37.5%, respectively to the extent that the gross dividend, when treated as the top slice of the holder's income, falls above the threshold for higher rate or additional rate income tax. After taking into account the 10% tax credit, a higher rate taxpayer will be liable to additional income tax of 22.5% of the gross dividend, which is equal to 25% of the dividend ignoring the United Kingdom tax credit. After taking into account the 10% tax credit, an additional rate taxpayer will be liable to additional income tax of 27.5% of the gross dividend, which is equal to approximately 30.6% of the dividend ignoring the United Kingdom tax credit.

United Kingdom resident Scheme Shareholders should note that the United Kingdom government recently announced that the United Kingdom Finance Bill 2016 will contain provisions to reform the United Kingdom taxation of dividends. The proposed reforms are expected to take effect as from April 2016 and are expected to result in the current tax credit system being abolished and being replaced with a new tax-free £5,000 allowance, with dividend income in excess of the £5,000 allowance being subject to income tax at 7.5% (for basic rate taxpayers), 32.5% (for higher rate taxpayers) and 38.1% (for additional rate taxpayers).

United Kingdom resident Scheme Shareholders who are subject to United Kingdom corporation tax will be subject to corporation tax on dividends, unless (subject to special rules for shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Such shareholders should note that the United Kingdom government recently announced that there will be public consultation in Autumn 2015 on the taxation of corporate distributions generally.

79 This Section 13.3.3 is only applicable to United Kingdom resident Scheme Shareholders who certify to the reasonable satisfaction of Iron Mountain that they are UK Qualified Investors, as they are the only United Kingdom resident Scheme Shareholders eligible to receive New Iron Mountain Securities under the Scheme.

14 Comparison of Relevant Australian and US Laws

14.1 BACKGROUND

Recall is a public company limited by shares and registered in New South Wales under Australian law. Recall Shares are quoted on ASX.

Iron Mountain is incorporated in the US, under the laws of the State of Delaware. Iron Mountain Shares are listed on the NYSE.

If the Scheme is implemented, the rights of Recall Shareholders in respect of New Iron Mountain Shares or New Iron Mountain CDIs will be primarily governed by the DGCL, US federal securities laws, NYSE listing standards and Iron Mountain's certificate of incorporation and bylaws.

In addition, as it is intended that Iron Mountain will apply for a Foreign Exempt Listing on ASX (as opposed to a full listing), the rights of Recall Shareholders who receive New Iron Mountain CDIs will also be governed by the terms of the New Iron Mountain CDIs and the Listing Rules relating to transfers and issues of securities and certain other procedural and administrative matters. However, once listed on ASX as a Foreign Exempt Listing, Iron Mountain (as the parent company of the Combined Group) will be exempt from complying with most of the Listing Rules (see Section 11.5 for more information).

A comparison of some of the material provisions of Australian law and Delaware law as they relate to Recall and Iron Mountain respectively is set out below, along with a description of certain securities laws and stock exchange rules where applicable.

References to ***Australian law*** where they appear in this Section 14 are references to the Corporations Act, Listing Rules, ASX Settlement Operating Rules and Australian common law, as applicable. References to ***Delaware law*** where they appear in this Section 14 are references to Delaware common law.

Since the terms of Iron Mountain's certificate of incorporation, bylaws and Delaware law are more detailed than the general information provided below, you should rely on the actual provisions of those documents. If you would like to read Iron Mountain's certificate of incorporation or bylaws, these documents are available for inspection at Iron Mountain's principal executive office and are filed with the SEC.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. You should seek your own independent professional legal advice if you require further information.

14.2 SHAREHOLDER MEETINGS

14.2.1 Requirement for annual meetings; ability to call special meetings

Recall

Under Australian law, the annual general meeting of Recall is required to be held at least once in each calendar year, and within five months after the end of its financial year.

A general meeting of Recall Shareholders may be called from time to time by the Recall Board, individual directors or by shareholders in the circumstances set out below:

- when requested to do so by Recall Shareholders holding at least 5% of the votes that may be cast at the meeting, Recall Directors must call a general meeting within 21 days after the request is given to Recall, and the meeting must be held not later than two months after the request is given; or
- alternatively, Recall Shareholders holding at least 5% of the votes that may be cast at the meeting may themselves call, and arrange to hold, a general meeting of Recall.

Iron Mountain

Under NYSE listing standards, Iron Mountain is required to hold an annual meeting of stockholders during each fiscal year.

Iron Mountain's bylaws permit special meetings of stockholders for any purposes prescribed in the notice of meeting to be called at any time by the Chairman, President, CEO or a majority of the Iron Mountain Board.

Under the DGCL, a director or stockholder may petition the Delaware Court of Chancery for an order compelling the holding of an annual meeting if no annual meeting has been held (or action by written consent to elect directors in lieu of an annual meeting has been taken) for a period of 30 days after the date designated for the annual meeting, or if no date for an annual meeting has been designated, for a period of 13 months after the latest to occur of the corporation's:

- incorporation; or
- last annual meeting (or the last action by written consent to elect directors in lieu of an annual meeting).

14.2.2 Notice of meeting

Recall

As Recall is listed on ASX, notice of a general meeting of Recall must be given at least 28 days before the date of the meeting. Recall is required to give notice only to Recall Shareholders entitled to vote at the meeting, as well as Recall Directors and Recall's auditor(s).

Iron Mountain

The DGCL and Iron Mountain's bylaws provide that notice of a stockholders' meeting must be given not less than ten days nor more than 60 days before the meeting to each stockholder of record entitled to vote at such meeting, except as otherwise provided in Iron Mountain's certificate of incorporation or as required by the DGCL. The notice shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

14.2.3 Quorum requirements

Recall

The quorum for a meeting under the Recall constitution is three Recall Shareholders. If within 30 minutes after the time appointed for a meeting, a quorum is not present, the meeting:

- if convened by a Recall Director, or at the request of Recall Shareholders, is dissolved; and
- in any other case, stands adjourned to the same day in the next week and the same time and place or to such other day, time and place as the Recall Directors appoint by notice to the Recall Shareholders and others entitled to notice of the meeting.

At any adjourned meeting, two shareholders are a quorum. If no quorum is present at any adjourned meeting within 30 minutes after the time for the meeting, the meeting is dissolved.

Iron Mountain

Iron Mountain's bylaws provide that the presence of the holders of issued and outstanding shares of capital stock representing a majority of the votes entitled to be cast at a stockholders' meeting, present in person or represented by proxy, constitutes a quorum for the transaction of business at a stockholders' meeting, except as otherwise provided in Iron Mountain's certificate of incorporation or as required by the DGCL.

14.2.4 Voting requirements

Recall

Unless the Corporations Act or a company's constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by Recall Shareholders if not less than 28 days' notice of a general meeting is given, specifying the intention to propose the special resolution and stating the resolution. In order to pass, a special resolution requires approval of at least 75% of the votes cast by shareholders entitled to vote. The Corporations Act requires certain matters to be resolved by a company by special resolution, including:

- the change of name of the company;
- a selective reduction of capital or selective share buy back;
- the conversion of ordinary shares into preference shares; and
- a decision to wind up the company voluntarily.

Under the Corporations Act, a special resolution is also required to modify or repeal the Recall constitution. The Recall constitution stipulates the following matters be resolved by special resolution:

- matters relating to the winding-up of Recall, including distribution of assets and power of the liquidator to vest property; and
- variation or cancellation of rights attaching to any preference shares on issue.

Each Recall Share confers a right to vote at all general meetings. On a show of hands, each Recall Shareholder present in person, or by proxy, attorney or body corporate representative, has one vote. If a poll is held, Recall Shareholders present in person or by their proxy, attorney or body corporate representative will have one vote for every Recall Share held at the voting record date.

Iron Mountain

Under the DGCL, each stockholder is entitled to one vote for each share of capital stock held by the stockholder unless the certificate of incorporation provides otherwise. Iron Mountain's certificate of incorporation does not alter the voting rights of holders of the shares in Iron Mountain, except that the number of authorised shares of preferred stock may be increased or decreased by the affirmative vote of the holders of a majority of the stock of Iron Mountain entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL. Iron Mountain's certificate of incorporation designates a series of preferred stock with special rights, including special voting rights, but currently there are no shares of the preferred stock outstanding.

The DGCL provides that certain corporate actions, including the dissolution of the corporation, amendments to the corporation's certificate of incorporation, and most mergers and consolidations, must be approved by a majority of all shares of stock outstanding and entitled to be voted on. The DGCL provides that, unless the certificate of incorporation or bylaws of a corporation sets out a different standard, directors shall be elected on a single winner or first past the post system (also called a 'simple plurality of votes'; the single winner is the person with the most votes) by reference to the votes of shares present in person or represented by proxy and entitled to vote on the election of directors. Any other matter shall be determined by a majority of shares present in person or represented by proxy, and entitled to vote on the matter.

Under Iron Mountain's certificate of incorporation and bylaws, in an uncontested election at which a quorum is present, any election of directors shall be determined by a majority of the votes properly cast on the question. In a contested election, any election of directors shall be determined by a plurality of the votes cast.

14.2.5 Shareholders' rights to bring a resolution before a meeting

Recall

Under the Corporations Act, Recall Shareholders holding at least 5% of the votes that may be cast at a general meeting, may by written notice to Recall propose a resolution for consideration at the next general meeting occurring more than two months after the date of the notice.

Iron Mountain

Iron Mountain's bylaws provide that in order for business to be properly brought before a stockholders' meeting by stockholders, the business must relate to a proper subject matter for stockholder action and the stockholder must have given timely notice thereof in writing to the secretary of Iron Mountain. To be timely, a stockholder notice must be delivered to, or mailed and received at, the principal executive offices of Iron Mountain:

- in the case of an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the immediately preceding annual meeting of stockholders, not less than 90 nor more than 120 days prior to the first anniversary of the date on which the previous year's annual meeting of stockholders was held; and
- in the case of an annual meeting that is called for a date that is not within 30 days before or after the anniversary date of the immediately preceding annual meeting, not later than the later of:
  - the 120th day prior to such annual meeting; or
  - the close of business on the 10th day following the day on which public disclosure of the date of the meeting was first made by Iron Mountain.

In addition, the notice must contain certain required information, including a brief description of the business to be conducted, the reasons for conducting the business, the text of the proposed business, the identity of the proposing stockholder, the class and number of shares owned by such stockholder and any material interest of the stockholder in such business. In addition, any proposal that a stockholder desires to be included in the proxy statement for Iron Mountain's annual meeting must comply with the requirements of the US Securities Exchange Act of 1934, as amended, and the corresponding rules and regulations.

14.3 DIRECTORS

14.3.1 Directors' management of the business of the company

Recall

Under the Recall constitution, the business of Recall is to be managed by or under the direction of the Recall Board. The Recall Directors may exercise all the powers of the company except any powers that the Corporations Act or the Recall constitution requires the company to exercise in a general meeting.

Iron Mountain

Under the DGCL, a corporation's business and affairs are to be managed by or under the direction of the board of directors, which may exercise all such powers of the corporation except as otherwise provided in the DGCL or the certificate of incorporation.

14.3.2 Number and election of directors

Recall

Under the Recall constitution, Recall must have no less than three nor more than:

- a maximum number of ten directors; or
- any lesser number than ten determined as the 'board limit' by the Recall Directors in accordance with the Corporations Act and approved by an ordinary resolution of Recall Shareholders in general meeting.

The Recall Directors may, at any time, appoint any person as a Recall Director, either to fill a casual vacancy or as an addition to the existing Recall Directors (provided the total number of Recall Directors does not at any time exceed the maximum number of directors described above).

A Recall Director may not hold office, without re-election:

- for a continuous period in excess of three years; or
- past the third annual general meeting following the director's appointment or last election,

whichever is the longer. Recall's CEO is exempt from the retirement and election by rotation procedures under the Recall constitution.

Iron Mountain

Iron Mountain's certificate of incorporation provides that the number of directors of Iron Mountain initially shall be 11, but will be increased or decreased solely by resolution of the Iron Mountain Board, provided, however, that no such increase or decrease shall result in Iron Mountain having fewer than three directors.

Iron Mountain's bylaws provide that the number of directors shall be fixed by the Iron Mountain Board (and not by the stockholders) from time to time provided that the number of directors shall not be less than three. No decrease in the number of directors shall affect the term of any director then in office. Each director shall hold office until his or her successor is elected and qualified or until the director's earlier resignation or removal.

Iron Mountain's bylaws provide that directors may be nominated either by or at the direction of the Iron Mountain Board or by a stockholder entitled to vote for the election of directors who complies in a timely manner with the notice procedures set out in the bylaws. The bylaws contain detailed provisions regarding the timing and content of such notice. To be timely, a stockholder notice must be delivered to, or mailed and received at, the principal executive offices of Iron Mountain:

- in the case of an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the immediately preceding annual meeting of stockholders, not less than 90 nor more than 120 days prior to the first anniversary of the date on which the previous year's annual meeting of stockholders was held; and
- in the case of an annual meeting that is called for a date that is not within 30 days before or after the anniversary date of the immediately preceding annual meeting, or in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the later of:
  - the 120th day prior to such meeting; or
  - the close of business on the 10th day following the day on which public disclosure of the date of the meeting was first made by Iron Mountain.

Each notice must include:

- as to each person whom the stockholder proposes to nominate, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the US Securities Exchange Act of 1934, as amended; and
- as to the stockholder giving the notice, such stockholder's name and address and the class and number of shares which are beneficially owned by such stockholder.

14.3.3 Removal of directors

Recall
The Recall Shareholders may (without cause) remove a Recall Director before their period of office ends by passing a resolution to do so at a general meeting. The resolution must be passed by a majority of the votes cast by Recall Shareholders present and voting. Under the Corporations Act, Recall Directors cannot themselves remove a Recall Director from their office or require a Recall Director to vacate their office.

Iron Mountain
Under the certificate of incorporation and the bylaws, any Iron Mountain Director, or the entire Iron Mountain Board, may be removed, with or without cause, by holders of a majority of the common stock then entitled to vote at an election of directors.

14.4 AMENDMENTS TO CONSTITUENT DOCUMENTS

Recall
Any amendment to the Recall constitution must be approved by a special resolution passed by Recall Shareholders present and voting on the resolution. As set out in Section 14.2.4, a Special Resolution requires approval of at least 75% of the votes cast by Shareholders entitled to vote.

Iron Mountain
Iron Mountain's constituent documents consist of its certificate of incorporation and bylaws. Under Delaware law, the certificate of incorporation is the base constituent document of a company and may set out details such as the company's name, the classes and number of shares the company is authorised to issue (and, where applicable, the rights, privileges, restrictions and conditions attaching to each class or series of shares), any restrictions on transfer of the company's shares and the minimum and maximum number of directors. Subject to Delaware law, the bylaws will regulate the business and affairs of Iron Mountain and provide for matters including meetings, elections of the board of directors and appointment of officers, filling of vacancies, notices, types and duties of officers, committees and other routine conduct.

Under the DGCL, unless the certificate of incorporation requires a greater vote, an amendment to the certificate of incorporation requires:

- the approval and recommendation of the Iron Mountain Board;
- the affirmative vote of a majority of the outstanding shares entitled to vote on the amendment; and
- the affirmative vote of a majority of the outstanding shares of each class entitled to vote on the amendment as a class.

The bylaws of Iron Mountain provide that the Iron Mountain Board and the stockholders each have the power to adopt, alter, amend and repeal the bylaws at any meeting at which a quorum is present.

14.5 ISSUE OF NEW SHARES

Recall

Subject to specified exceptions (e.g. for pro rata issues), the Listing Rules apply to restrict Recall from issuing, or agreeing to issue, more equity securities (including shares and options), than the number calculated as follows in any 12 month period without the approval of Recall Shareholders:

- 15% of the total of:
  - the number of Recall Shares on issue 12 months before the date of the issue or agreement; plus
  - the number of Recall Shares issued in the 12 months under a specified exception; plus
  - the number of partly paid ordinary shares that became fully paid in the 12 months; plus
  - the number of Recall Shares issued in the 12 months with shareholder approval; less
  - the number of Recall Shares cancelled in the 12 months; less
  - the number of equity securities issued or agreed to be issued in the 12 months before the date of issue or agreement to issue but not under a specified exception or with Recall Shareholder approval.

Subject to certain exceptions, the Listing Rules require the approval of Recall Shareholders by ordinary resolution in order for Recall to issue shares or options to Recall Directors. Under the Recall constitution, the Recall Directors may issue shares, subject to the Corporations Act, the Listing Rules, and any special rights conferred on the holders of any shares or class of shares.

Iron Mountain

According to Iron Mountain's certificate of incorporation, Iron Mountain is currently authorised to issue 410 million shares, consisting of 400 million shares of common stock and 10 million shares of preferred stock.

Before the Second Court Date, a proposal will be put to Iron Mountain stockholders to approve the issue of New Iron Mountain Shares in connection with the Scheme by the requisite majority under NYSE listing standards to allow the issue of the New Iron Mountain Shares.

Under NYSE listing standards, stockholder approval is required for certain significant issuances of Iron Mountain securities, including an issuance:

- in connection with new or materially amended equity compensation plans, subject to certain exceptions;
- to:
  (i) a director, officer or substantial security holder of the company (each a Related Party);
  (ii) a subsidiary, affiliate or other closely-related person of a Related Party; or
  (iii) any company or entity in which a Related Party has a substantial direct or indirect interest, subject to certain exceptions;
- in any transaction or series of related transactions if:
  (i) the common stock has, or will have upon issuance, voting power equal to or in excess of 20% of the voting power outstanding before the issuance of such stock or of securities convertible into or exercisable for common stock; or
  (ii) the number of shares of common stock to be issued is, or will be upon issuance, equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the common stock or of securities convertible into or exercisable for common stock, unless, in either case, the issuance is involving:
    (A) any public offering for cash; or
    (B) any bona fide private financing, if such financing involves a sale of:
      (1) common stock, for cash, at a price at least as great as each of the book and market value of the issuer's common stock; or
      (2) securities convertible into or exercisable for common stock, for cash, if the conversion or exercise price is at least as great as each of the book and market value of the issuer's common stock; or
- that will result in a change of control of the issuer.

Delaware law also recognises the concept of treasury stock. Treasury stock is stock that is reacquired by a corporation after it has been issued. Treasury stock is considered 'issued' but not 'outstanding' and are therefore not counted for a stockholder vote. If the stock is retired, then they cease to be treasury stock and resume the status of authorised but unissued stock. Treasury stock may be disposed of by a corporation for such consideration as its board of directors determines.

14.6 VARIATION OF CLASS RIGHTS

Recall

Under the Recall constitution, rights attaching to a preference share in Recall may only be varied or cancelled:

- by a special resolution passed at a meeting of the preference shareholders entitled to vote and holding shares in that class; or
- with the written consent of Recall Shareholders with at least 75% of the votes in the class.

Iron Mountain

Under the DGCL, any change to the rights of holders of shares in Iron Mountain or preferred stock, if any were to be issued, would require an amendment to the Iron Mountain certificate of incorporation. The holders of the outstanding shares of a class are entitled to vote as a class upon a proposed amendment to the certificate of incorporation if the amendment will:

- increase or decrease the authorised number of shares of the class;
- increase or decrease the par value of the shares of the class; or
- alter or change the powers, preferences or special rights of the shares of the class so as to affect them adversely.

A proposal to approve such amendments requires approval of a majority of the outstanding shares of each class entitled to vote on the resolution. Currently, Iron Mountain has only one class of stock outstanding, being Iron Mountain's common stock.

14.7 PROTECTION OF MINORITY SHAREHOLDERS AND THE OPPRESSION REMEDY

Recall

Under the Corporations Act, any Recall Shareholder can bring an action in cases of conduct which is contrary to the interests of Recall Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Recall Shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former Recall Shareholders can also bring an action if it relates to the circumstances in which they ceased to be a Recall Shareholder.

A statutory derivative action may also be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder, of Recall. In all cases, leave of the Court is required. Such leave will be granted if the Court is satisfied that:

- it is probable that Recall will not itself bring the proceedings or properly take responsibility for them or for the steps in them;
- the applicant is acting in good faith;
- it is in the best interests of Recall that the applicant be granted leave;
- if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and
- either, at least 14 days before making the application, the applicant gave written notice to Recall of the intention to apply for leave or the reasons for applying, or it is otherwise appropriate to grant leave.

Iron Mountain

Under Delaware law, a stockholder may bring a derivative action on behalf of the corporation where those in control of the corporation have failed to assert a claim belonging to the corporation (and to the stockholders collectively).

Under Delaware law, a stockholder who wishes to bring a derivative action must meet certain eligibility and standing requirements, including that the plaintiff:

- was a stockholder of the corporation at the time of the act of which the plaintiff complains or that the plaintiff's shares there after devolved on the plaintiff by operation of law; and
- maintains their status as a stockholder throughout the course of the litigation. In addition, a derivative plaintiff must make a demand on the directors of the corporation to assert the corporate claim, unless that demand would be futile.

Settlement or dismissal of a derivative action requires the approval of the court and notice to stockholders of the proposed dismissal.

An individual may also commence a class action suit on their own behalf and on behalf of other similarly situated stockholders to enforce an obligation owed to the shareholders directly where the requirements for maintaining a class action under Delaware law have been met.

14.8 SOURCE AND PAYMENT OF DIVIDENDS

Recall

Under the Corporations Act, Recall must not pay a dividend unless:

- Recall's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to Recall Shareholders as a whole; and
- the payment of the dividend does not materially prejudice Recall's ability to pay creditors.

Subject to the Corporations Act, the Recall constitution and the terms of issue or rights of any shares with special rights to dividends, the Recall Directors may declare or determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by Recall to, or at the direction of, each Recall Shareholder entitled to that dividend.

Iron Mountain

Under the DGCL, the Iron Mountain Board may declare and pay dividends to stockholders either out of the corporation's surplus (which is defined as the excess of net assets over amounts determined to be capital under the DGCL) or, if no surplus exists, then out of the net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. If the capital of Iron Mountain is less than the aggregate amount of the capital represented by Iron Mountain's issued and outstanding shares of all classes having a preference on distribution of assets, the Iron Mountain Board may not declare and pay any dividends until such deficiency is repaired.

14.9 REMUNERATION OF DIRECTORS AND OFFICERS

Recall

Under the Listing Rules, the maximum amount to be paid to Recall Directors for their services as Recall Directors (other than the salary of an executive director) is not to exceed the amount approved by Recall Shareholders in general meeting. As at the date of this Booklet, the latest approval was at Recall's 2014 annual general meeting, at which Recall Shareholders approved aggregate remuneration for non-executive directors of US$1.7 million per annum.

Recall's annual report includes a Remuneration report within the directors' report. This remuneration report is required to include a discussion of the Recall Board's policy in relation to remuneration of key management personnel of Recall.

Under the Corporations Act, a listed company (such as Recall) must put its remuneration report to a shareholder vote at its annual general meeting. If in two consecutive annual general meetings, 25% or more of the votes cast on the resolution vote against adopting the remuneration report, a 'spill resolution' must then be put to shareholders. A spill resolution is a resolution that a spill meeting be held and all directors (other than a managing director who is exempt from the retirement by rotation requirements) cease to hold office immediately before the end of the spill meeting. If the spill resolution is approved by the majority of votes cast on the resolution, a spill meeting will be held within 90 days at which directors wishing to remain directors must stand for re-election.

Iron Mountain

Iron Mountain's bylaws provide that by resolution of the Iron Mountain Board, the directors, as such, may receive compensation for their services, and may be allowed a fixed sum and expenses for attendance at meetings.

14.10 RETIREMENT BENEFITS

Recall

Under the Recall constitution, subject to the Listing Rules and Corporations Act, Recall may pay a former Recall Director, or the personal representative of a Recall Director who dies in office, a retirement benefit in recognition of past services of an amount determined by the Recall Directors.

The Corporations Act provides that, in respect of termination benefits payable to a company director, senior executive or key management personnel under employment contracts entered into, renewed or varied on or after 24 November 2009, shareholder approval is required if the total value of the benefits exceed one year of that person's base salary.

Iron Mountain

Neither Delaware law, nor Iron Mountain's certificate of incorporation or bylaws, nor NYSE listing standards place a limit on, or require stockholder approval for, payment of any termination or retirement benefits to directors and officers.

14.11 FIDUCIARY DUTIES OF DIRECTORS AND OFFICERS

Recall

Under Australian law, the directors and officers of Recall are subject to a range of duties including duties to:

- act in good faith in the best interests of the company;
- act for a proper purpose;
- not fetter their discretion (in the case of directors only);
- exercise care and diligence in the performance of their duties;
- avoid conflicts of interest;
- not use their position to gain advantage for themselves or someone else, or to cause detriment to the company;
- not misuse information which they have gained through their position to gain advantage for themselves or someone else, or to cause detriment to the company; and
- otherwise act in accordance with the Corporations Act and, subject to the provisions of the Corporations Act, Recall's constitution.

Iron Mountain

Under Delaware law, directors have fiduciary obligations, including the duty of care and the duty of loyalty. The duty of care generally requires directors to inform themselves of all reasonably available information before making business decisions on behalf of the corporation and to act with requisite care in discharging their duties to the corporation. The duty of loyalty generally requires directors to act in good faith and in the corporation's best interests.

14.12 RELEASE FROM LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

Recall

Under Australian law, Recall cannot:

- exempt an officer or auditor from liability to Recall incurred in their capacity as an officer or auditor;
- indemnify an officer or auditor against a liability owed to Recall or a Related Body Corporate; or
- indemnify an officer or auditor against the legal costs incurred in defending certain legal proceedings, including proceedings in which the person is found liable to Recall or a Related Body Corporate.

The Recall constitution contains a provision permitting Recall (to the maximum extent permitted by law) to indemnify any current or former Recall Director or secretary, or officer or senior manager of Recall or a Subsidiary of Recall out of the property of Recall, against, among other things, any liability incurred by that person in their capacity as Recall Director, secretary, officer or senior manager (as applicable).

Iron Mountain

The DGCL provides that a corporation may include, in its certificate of incorporation, a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. However, the provision may not eliminate or limit the liability of a director for:

- breach of the duty of loyalty;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends, or unlawful share repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Iron Mountain's certificate of incorporation contains a provision limiting the personal liability of a director for monetary damages for breach of fiduciary duty as a director, subject to the limitations described above.

The DGCL provides that a corporation may indemnify any person made a party, or threatened to be made a party, to an action, suit or proceeding by reason of the fact that such person was a director, officer, employee or agent of the corporation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such individual. However, the individual must have acted in good faith and in a manner the individual reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal proceeding, had no reason to believe the conduct was unlawful.

For actions or suits brought by or in the name of the corporation, a corporation may indemnify a director, or officer, employee or agent against expenses incurred if the individual acted in good faith and in a manner the individual reasonably believed to be in, or not opposed to, the best interests of the corporation. However, if the individual is adjudged to be liable to the corporation, the individual can be indemnified if and only to the extent that a court determines that despite the adjudication of liability, the individual is fairly and reasonably entitled to indemnity.

Iron Mountain's bylaws provide that it will indemnify, to the fullest extent permitted by applicable law, any person made a party, or threatened to be made a party, to any action, suit or proceeding by reason of the fact that such person was a director or officer of Iron Mountain, or serving as a director, officer, partner, employee or trustee of another entity at Iron Mountain's request. The Iron Mountain Board may, in its discretion, authorise Iron Mountain to indemnify employees and agents of Iron Mountain. In each case, the indemnified person must have acted in good faith and in a manner actually and reasonably believed to be in the best interests of Iron Mountain.

The person asserting a right to indemnification must notify Iron Mountain of the action, suit or proceeding as soon as practicable, after which Iron Mountain will be entitled to participate in the action or assume the defence of the action. Iron Mountain is not required to indemnify a person for amounts paid in settlement without its prior written consent.

Iron Mountain's bylaws provide that expenses (including attorneys' fees) incurred by an officer or director in defending any pending or threatened civil, criminal, administrative or investigative action, suit or proceeding will be paid by Iron Mountain in advance of the final disposition of any action, suit or proceeding upon receipt of an undertaking by or on behalf of any such officer or director to repay such amount, if it shall ultimately be determined that he or she is not entitled to be indemnified by Iron Mountain as authorised in Iron Mountain's bylaws.

14.13 TRANSACTIONS INVOLVING DIRECTORS, OFFICERS OR OTHER RELATED PARTIES

Recall

The Corporations Act prohibits a public company such as Recall from giving a related party a financial benefit unless it:

- obtains the approval of shareholders and gives the benefit within 15 months after receipt of such approval; or
- the financial benefit is exempt.

A related party is defined by the Corporations Act to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms.

The Listing Rules prohibit a listed entity such as Recall from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the entity, unless it obtains the approval of shareholders. The related parties include directors, persons who have or have had (in aggregate with any of their associates) in the prior six month period an interest in 10% or more of the shares in the company and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's length terms.

The Listing Rules also prohibit a listed entity such as Recall from issuing or agreeing to issue shares to a director unless it obtains the approval of shareholders or the share issue is exempt. Exempt share issues include issues made pro rata to all shareholders, under an underwriting agreement in relation to a pro rata issue, under certain dividend or distribution plans or under an approved employee incentive plan.

The Corporations Act generally requires a Recall Director who has a material personal interest in a matter that relates to the affairs of Recall to give the other Recall Directors notice of that interest. That Recall Director must not be present at a meeting where the matter is being considered or vote on the matter unless the other Recall Directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of a Recall Director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of a contract in which the Recall Director has an interest. Recall Directors, when entering into transactions with Recall, are subject to the common law and statutory duties to avoid conflicts of interest.

Iron Mountain
The DGCL provides that a contract or transaction between a corporation and one or more of its directors or officers will not be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board of directors or committee which authorises the contract or transaction, or solely because that director's or officer's votes are counted for this purpose, if:

- the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorises the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors may be less than a quorum;
- the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote on the matter, and the contract or transaction is specifically approved in good faith by a vote of the stockholders; or
- the contract or transaction is fair as to the corporation as of the time it is authorised, approved or ratified, by the board of directors, a committee or the stockholders.

The DGCL further provides that interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorised the contract or transaction.

14.14 DISCLOSURE OF SUBSTANTIAL SHAREHOLDINGS

Recall
A person who obtains voting power in 5% or more of an ASX listed company is required to publicly disclose that fact within two business days via the filing of a substantial holding notice. A person's voting power consists of their own 'relevant interest' in shares plus the relevant interests of their associates. A further notice needs to be filed within two business days after each subsequent voting power change of 1% or more, and after the person ceases to have voting power of 5% or more. The notice must attach all documents which contributed to the voting power the person obtained, or provide a written description of arrangements which are not in writing.

Iron Mountain
A person or group of persons who acquires beneficial ownership of more than 5% of a voting class of a company's equity securities registered under section 12 of the US Securities Exchange Act of 1934, as amended, is required to file a schedule 13D with the SEC. (Depending upon the facts and circumstances, the person or group of persons may be eligible to file the more abbreviated schedule 13G in lieu of schedule 13D.) Schedule 13D reports the acquisition and other information within ten days after the purchase. The schedule is filed with the SEC and is provided to the company that issued the securities and each exchange where the security is traded. Any material changes in the facts contained in the schedule (including a material increase or decrease in the percentage of the class of equity securities that are beneficially owned by the person making the filing) require a prompt amendment.

Note that the above applies in respect of Iron Mountain Shares and Iron Mountain CDIs, as Iron Mountain CDIs constitute beneficial ownership of Iron Mountain Shares. As an Foreign Exempt Listing, Iron Mountain will be required to provide to ASX a copy of any Schedule 13D that is filed with NYSE for public release. However, the provisions of the Corporations Act dealing with disclosures of substantial holdings do not apply to entities established outside Australia such as Iron Mountain.

14.15 TAKEOVERS

14.15.1 Takeover requirements

Recall

Australian law places restrictions on a person acquiring interests in the voting shares of Recall where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Exceptions to this restriction include an acquisition of no more than 3% of the voting shares in the company within a six month period, an acquisition made with shareholder approval, an acquisition made under a takeover bid conducted in accordance with Australian law or an acquisition that results from a Court-approved compromise or arrangement (such as the Scheme). Takeover bids must treat all shareholders alike and must not involve any collateral benefits. Various restrictions about conditional offers exist and there are also restrictions concerning the withdrawal and suspension of offers.

Iron Mountain

The DGCL provides that, if a person acquires 15% or more of a corporation's voting shares, then the corporation may not engage in a broad range of business combinations with such interested stockholder for three years following the time the stockholder became an interested stockholder unless:

- the board of directors of the corporation has approved, prior to the acquisition date, either the business combination or the transaction that resulted in the person becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the corporation's voting shares (excluding shares owned by directors who are officers and shares owned by employee share plans in which participants do not have the right to determine confidentially whether shares will be tendered in a tender or exchange offer); or
- the business combination is approved by the board of directors and authorised by the vote of at least two-thirds of the outstanding voting shares not owned by the interested stockholder.

These restrictions on interested stockholders do not apply under some circumstances, including if the corporation, by action of its stockholders, adopts an amendment to its certificate of incorporation or bylaws expressly electing not to be governed by these provisions of the DGCL. The amendment will be effective 12 months after its adoption.

The DGCL requires approval of mergers or consolidations by a majority of the shares issued and outstanding and entitled to vote on the matter, unless the corporation's certificate of incorporation specifies a greater percentage.

Certain provisions of Iron Mountain's certificate of incorporation and bylaws may have the effect of restricting takeovers, such as those provisions:

- authorising the board of directors to issue from time to time any series of preferred stock and to fix the designations, powers, preferences and rights of the shares of such series of preferred stock;
- requiring advance notice of a stockholder's intention to nominate candidates to serve as directors or submit proposals for consideration at a stockholders' meeting; and
- prohibiting stockholders from calling a special meeting of stockholders.

The certificate of incorporation and bylaws of Iron Mountain may be amended in the future in accordance with their terms and Delaware law to authorise additional takeover defence mechanisms.

There are extensive disclosure requirements associated with takeover bids under US securities laws.

14.15.2 Takeover defence mechanisms

Recall

Under Australian takeovers legislation and policy, boards of target companies are limited in the defensive mechanisms that they can put in place to discourage or defeat a takeover bid. For example, it is likely that the adoption of a shareholders' rights plan (or so-called 'poison pill') would give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel if it had that effect.

Iron Mountain

Under Delaware law, there are a number of defensive mechanisms available to protect the corporation and its stockholders against hostile takeover bids. In particular, rights plans, which have been generally upheld by the Delaware courts, can protect a corporation and its stockholders from non-negotiated hostile takeover attempts made at unfair or inadequate prices or by coercive or unfair tactics. Unlike Australian law, Delaware law permits the accumulation of unlimited amounts of the corporation's shares except that accumulations above certain thresholds must be disclosed under US federal securities laws.

14.16 RIGHT TO INSPECT CORPORATE BOOKS AND RECORDS

Recall

Under the Corporations Act, a shareholder must obtain a court order to obtain access to the corporate books. The applicant must be acting in good faith and be making the inspection for a proper purpose.

Iron Mountain

Iron Mountain's certificate of incorporation is on file with the Secretary of State of Delaware and the SEC. Iron Mountain's bylaws are on file with the SEC.

The DGCL provides that any stockholder shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's share ledger, stockholder list and certain books and records, and to make copies or extracts of those documents. If the corporation refuses to permit the stockholder's inspection or does not reply to the stockholder's written demand within five Business Days, the stockholder may seek remedy in the Delaware Court of Chancery.

14.17 RIGHT TO INSPECT REGISTER OF SHAREHOLDERS

Recall

Under Australian law, the register of shareholders of a company is usually kept at the registered office or principal place of business in Australia and must be available for inspection to shareholders free of charge at all times when the registered office is open to the public. If a person asks Recall for a copy of the Recall Share Register (or any part of the Recall Share Register) and pays the requested fee (up to a prescribed amount), Recall must give that person the copy within seven days of the date on which Recall receives such payment.

Iron Mountain

Delaware law and Iron Mountain's bylaws provide that, for at least ten days before every stockholder meeting, a complete list of the stockholders entitled to vote at the meeting must be made and be open to examination by any stockholder.

The list must be produced at the meeting and be subject at all times during the meeting to the inspection of any stockholder present.

14.18 WINDING-UP

Recall

Under Australian law, an insolvent company may be wound up by a liquidator appointed either by creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors as a dividend. The shareholders rank behind the creditors and are, therefore, unlikely to receive any dividend in an insolvent liquidation.

Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.

The Recall constitution provides that on winding-up, the liquidator may, with the sanction of a special resolution of Recall Shareholders, divide among Recall Shareholders in kind the whole or any part of Recall's property and may for that purpose set the value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Recall Shareholders or different classes of Recall Shareholders.

Iron Mountain

Under the DGCL, a corporation may be dissolved if:

- a majority of the directors in office adopt a resolution to approve dissolution at a board meeting called for that purpose and thereafter a notice of a meeting of stockholders to take action on the matter is mailed to each stockholder entitled to vote thereon; and
- holders of a majority of the issued and outstanding shares entitled to vote on the matter adopt a resolution to approve dissolution at the stockholders' meeting called for that purpose, and a certificate of dissolution is thereafter filed with the Delaware Secretary of State.

The DGCL also permits stockholders to authorise the dissolution of the corporation without board action if all of the stockholders entitled to vote on the matter provide written consent to dissolution and a certificate of dissolution is filed with the Delaware Secretary of State.

15 Implementation of the Scheme

15.1 STEPS IN IMPLEMENTING THE SCHEME

15.1.1 Scheme Implementation Deed

On 8 June 2015, Recall and Iron Mountain entered into a Scheme Implementation Deed under which Recall agreed to propose the Scheme to Recall Shareholders.

A summary of the terms of the Scheme Implementation Deed is set out in Section 15.13. A copy of the Scheme Implementation Deed was released to ASX alongside Recall's announcement on 9 June 2015.

15.1.2 Iron Mountain Deed Poll

On 19 October 2015, Iron Mountain and Iron Mountain Sub executed the Iron Mountain Deed Poll, pursuant to which Iron Mountain and Iron Mountain Sub have agreed to perform their respective obligations under the Scheme, including the obligation to provide Scheme Consideration to Scheme Shareholders, subject to the Scheme becoming Effective.

A copy of the Iron Mountain Deed Poll is attached as Appendix 3.

15.2 FORMS OF SCHEME CONSIDERATION

15.2.1 Deciding whether to receive the Standard Consideration or to make a Cash Election

The decision whether to receive the Standard Consideration or to make a Cash Election will depend on your individual circumstances. If you are in any doubt as to whether to receive the Standard Consideration or to make a Cash Election, you should seek advice from independent and appropriately licensed financial, legal and taxation advisers.

Further details of the advantages, disadvantages and risks associated with a shareholding in the Combined Group are set out in Sections 8 and 10, and in the Independent Expert's Report in Appendix 1.

15.2.2 How to receive the Standard Consideration

Scheme Shareholders who want to receive the Standard Consideration do not need to make a Cash Election or submit the Election Form. The Standard Consideration will be issued and paid to such Scheme Shareholders without any action on their part, provided that they hold Recall Shares at the Record Date.

15.2.3 How to make a Cash Election

A Scheme Shareholder (other than a Scheme Shareholder to whom the payment of the Cash Alternative under the Scheme is prevented or prohibited by any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency) may make a Cash Election by submitting the Election Form.

If you wish to submit the Election Form, it must be completed in accordance with the instructions set out in the Election Form.

Subject to the Scale Back Mechanism, under the terms of the Scheme, a Cash Election by a Scheme Shareholder will be deemed to apply in respect of their entire registered holding of Recall Shares at the Record Date, even if that holding is smaller or larger than the Scheme Shareholder's holding at the time it made the Cash Election.

An Election Form that is not submitted in accordance with the instructions specified in this Booklet and in the Election Form (including if the Election Form is not received by the Recall Registry prior to 5.00pm (Sydney time) on the Election Date) will not be a Cash Election for the purpose of the Scheme, and will not be recognised by Recall or Iron Mountain for any purpose. In addition, Recall may, with the agreement of Iron Mountain, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any Cash Election, and any such decision will be conclusive and binding on the relevant Recall Shareholder.

15.2.4 Time for receipt of Election Forms

Scheme Shareholders must submit a validly completed Election Form so that it is received by the Recall Registry by the Election Date.

Election Forms received after the Election Date will not be recognised by Recall or Iron Mountain for any purpose and will be disregarded.

A Scheme Shareholder who does not submit an Election Form, or whose Election Form is invalid, or whose Election Form is received after the Election Date, will receive the Standard Consideration in respect of each Scheme Share held.

For the avoidance of doubt, a Scheme Shareholder may validly make a Cash Election by complying with the procedure in this Section 15.2, even though it has validly withdrawn one or more prior such Cash Elections.

15.2.5 Separate Cash Elections by Nominee Shareholders

Subject to the conditions below, a Nominee Shareholder who holds a parcel of Recall Shares on behalf of an underlying beneficial owner of the shares may make a separate Cash Election in respect of that parcel, so that the parcel is treated as though it were held by a separate Scheme Shareholder (although, as discussed below, this may not include preferential access to the Cash Alternative in respect of that parcel). A Nominee Shareholder holding parcels on behalf of multiple underlying beneficial owners may make separate Cash Elections in respect of each such parcel (again, subject to the conditions below).

To make a separate Cash Election in respect of such a parcel, the Nominee Shareholder must submit to the Recall Registry by the Election Date:

- an Election Form in respect of that parcel;
- a duly completed schedule in respect of that parcel (***Nominee Schedule***), which includes:
  - registration details of the Nominee Shareholder, including their name, shareholding balance and Shareholder Reference Number or Holder Identification Number;
  - the name of the underlying beneficial owner of that parcel; and
  - whether such person was the underlying beneficial owner of that parcel as at 11 June 2015 and has continued to beneficially own that parcel until the Election Date.

The Nominee Schedule can be requested via email to Link Market Services Limited at capitalmarkets@linkmarketservices.com.au. The completed Nominee Schedule must be posted to Link Market Services Limited at Locked Bag A14, Sydney South NSW 1235 plus a scanned PDF copy and an electronic spreadsheet emailed to capitalmarkets@linkmarketservices.com.au.

The Nominee Shareholder must submit an updated electronic spreadsheet of the Nominee Schedule again on the Record Date which includes the beneficial owner's underlying holding as at the Record Date.

A Cash Election made in respect of any underlying parcel of Recall Shares, or an omission to make a Cash Election in respect of any underlying parcel of Recall Shares, will not be taken to extend to any other underlying parcels.

Nominee Shareholders who wish to make a separate Cash Election in respect of an underlying parcel of Recall Shares should note that Recall has discretion as whether or not to accept such separate Cash Election, and, if it does accept such separate Cash Election, whether or not to allow preferential access to the Cash Alternative for the first 5,000 Scheme Shares in such parcel.

If Recall does exercise its discretion to accept a separate Cash Election from a Nominee Shareholder in respect of an underlying parcel of Recall Shares, Recall only intends to allow preferential access to the Cash Alternative for the first 5,000 Scheme Shares in such parcel if:

- Recall is satisfied that the underlying beneficial owner of such parcel was the underlying beneficial owner of that parcel as at 11 June 2015 and continued to be the underlying beneficial owner of that parcel until the Record Date; and
- by allowing preferential access to the Cash Alternative for the first 5,000 Scheme Shares in respect of all parcels of Recall Shares which are the subject of separate Cash Elections from all Nominee Shareholders (including such parcel) would not, after taking into account the preferential access being granted to holders of Scheme Shares, cause the Cash Pool of A$225 million to be exceeded.

A Nominee Shareholder who wishes to make a Cash Election on behalf of underlying beneficial holders should either call the Recall Shareholder Information Line on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday, or email capitalmarkets@linkmarketservices.com.au for further information, or to obtain additional copies of the Election Form and the Nominee Schedule.

15.2.6 Changing a Cash Election

Scheme Shareholders may change their Cash Election by lodging a replacement Election Form, provided the replacement Election Form is received by the Recall Registry prior to 5.00pm (Sydney time) on the Election Date.

Scheme Shareholders can obtain additional copies of the Election Form by contacting the Recall Shareholder Information Line on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm (Sydney time), Monday to Friday.

Scheme Shareholders can submit a replacement Election Form in the same manner as the initial Election Form (see Section 15.2.3).

Replacement Election Forms received after the Election Date will be disregarded and the Scheme Consideration received by Scheme Shareholders will be determined in accordance with the Cash Election on their original Election Form.

15.3 NEW IRON MOUNTAIN SECURITIES

If you receive New Iron Mountain Securities as Scheme Consideration, you will receive either New Iron Mountain Shares or New Iron Mountain CDIs, as determined by your registered address. [80]

The following subsections of this Section 15.13 provide information on key features of, and principal differences between, New Iron Mountain Shares and New Iron Mountain CDIs.

15.3.1 New Iron Mountain Shares

New Iron Mountain Shares will be common shares in the share capital of Iron Mountain (common shares are the equivalent of 'ordinary shares' in Australian companies), ranking equally in all respects with all other Iron Mountain Shares on issue. New Iron Mountain Shares will be listed and traded on NYSE. They will not be quoted or traded on ASX. Accordingly, investors who wish to trade Iron Mountain Shares on the open market must do so on NYSE. Such trades must be undertaken through a broker entitled to trade on NYSE. Not all Australian brokers are able to trade securities on NYSE.

As trading in New Iron Mountain Shares on NYSE will be in US dollars, the Australian dollar value of the New Iron Mountain Shares will depend on the AUD/USD exchange rate.

80 Unless they request otherwise, Scheme Shareholders whose address on the Recall Share Register is within Australia will receive New Iron Mountain CDIs, which are tradeable on ASX, and are described in detail in this Booklet. Recall Shareholders whose address on the Recall Share Register is outside Australia, and who are not Ineligible Foreign Shareholders, will receive New Iron Mountain Shares tradeable on NYSE. For further details on making a request to receive New Iron Mountain Securities other than in the form determined by reference to a Scheme Shareholder's registered address, see Section 15.4.

15.3.2 New Iron Mountain CDIs

A CDI is a financial product quoted on ASX. CDIs represent an interest in the underlying security of a foreign company. This allows investors to trade interests in foreign securities by trading the relevant CDIs on ASX.

In the case of the New Iron Mountain CDIs provided as Scheme Consideration, each New Iron Mountain CDI will represent one Iron Mountain Share and will confer a beneficial interest in that Iron Mountain Share.

The Iron Mountain Shares to which the New Iron Mountain CDIs relate will be issued by Iron Mountain to a depositary nominee which will hold legal title to those shares on behalf of the holders of the Iron Mountain CDIs. It is Iron Mountain's current intention to appoint CDI Nominee, a wholly-owned Subsidiary of ASX, as its depositary nominee.

New Iron Mountain CDIs will be quoted and traded on ASX in Australian dollars under the symbol INM. They will not be quoted or traded on NYSE.

15.3.3 Key features of Iron Mountain CDIs

(i) General

Except for certain differences noted below, the rights attaching to Iron Mountain CDIs are economically equivalent to the rights attaching to Iron Mountain Shares, and Iron Mountain will generally be required to treat holders of Iron Mountain CDIs as if they were the holders of the Iron Mountain Shares represented by those Iron Mountain CDIs. This means that economic benefits such as dividends, bonus issues and rights issues will generally flow through to holders of Iron Mountain CDIs as if they were the registered holders of the underlying Iron Mountain Shares.

In accordance with clause 4.7 of the Scheme Implementation Deed, all New Iron Mountain Shares, including those issued to the CDI Nominee in connection with the New Iron Mountain CDIs, will rank equally in all respects with all existing Iron Mountain Shares.

(ii) Ratio

Each Iron Mountain CDI will represent one Iron Mountain Share held by the CDI Nominee.

(iii) Voting

Holders of Iron Mountain CDIs will be sent notices of general meetings of Iron Mountain stockholders at the same time as they are sent to Iron Mountain stockholders. As holders of Iron Mountain CDIs are not the registered holders of the Iron Mountain Shares represented by Iron Mountain CDIs, they will not be automatically entitled to vote in person at a general meeting of Iron Mountain stockholders.

However, the holder of an Iron Mountain CDI can direct the CDI Nominee to cast votes in a particular manner on their behalf or they can require the CDI Nominee to appoint the holder (or a person nominated by the holder) as proxy to exercise the votes attaching to the Iron Mountain Shares represented by the holder's Iron Mountain CDIs. In the latter case, a holder of an Iron Mountain CDI may, as proxy, attend and vote in person at a general meeting of Iron Mountain stockholders.

Except as mentioned in this paragraph, if a holder of an Iron Mountain CDI wishes to attend and vote in person at a general meeting of Iron Mountain stockholders, the holder must first convert their Iron Mountain CDIs into the underlying Iron Mountain Shares in sufficient time before the record date for the meeting.

(iv) Takeovers

The CDI Nominee must not accept a takeover offer in respect of any Iron Mountain Shares representing Iron Mountain CDIs unless otherwise authorised by holders of Iron Mountain CDIs to accept the offer. It is the CDI Nominee's responsibility to ensure that the bidder processes those acceptances.

(v) Communications from Iron Mountain

Iron Mountain will communicate directly with holders of Iron Mountain CDIs with respect to corporate actions and will send notices and other documents (e.g. notices of meetings) to holders of Iron Mountain CDIs at the same time as they are sent to Iron Mountain stockholders.

(vi) Trading

Following the listing of Iron Mountain CDIs on ASX, Iron Mountain CDIs can be traded on ASX. They will not be tradeable on NYSE. If a holder of Iron Mountain CDIs wishes to trade on NYSE, they must convert the Iron Mountain CDIs into Iron Mountain Shares (see Section 15.3.3(ix)).

(vii) Dividends

In accordance with the ASX Settlement Operating Rules, Iron Mountain will distribute any dividend declared on Iron Mountain Shares to holders of Iron Mountain CDIs.

Dividend record and payment dates will be the same for Iron Mountain Shares and Iron Mountain CDIs.

See Section 11.4.7 for further details on Iron Mountain's intentions in relation to dividends.

(viii) Evidence of ownership

If Iron Mountain CDIs are issued to you under the Scheme, you will receive a holding statement in respect of your Iron Mountain CDIs rather than a holding statement or share certificate for the underlying Iron Mountain Shares.

Revised holding statements will be provided on a periodic basis if there is a change in the number of Iron Mountain CDIs held by you. Iron Mountain CDIs may be held on an issuer sponsored subregister or on a CHESS subregister.

New Iron Mountain CDIs will be received:

- on the Iron Mountain CDI issuer sponsored subregister, to the extent they are issued for Recall Shares held on the Recall issuer sponsored subregister; and
- on the Iron Mountain CDI CHESS subregister, to the extent they are issued for Recall Shares held on the Recall CHESS subregister.

(ix) Conversion of New Iron Mountain CDIs into Iron Mountain Shares

Holders of New Iron Mountain CDIs may at any time convert their New Iron Mountain CDIs into Iron Mountain Shares listed on the NYSE by contacting:

- the Iron Mountain CDI subregistry (to be established prior to implementation of the Scheme), if their New Iron Mountain CDIs are held on the Iron Mountain CDI issuer sponsored subregister; or
- their broker, if their New Iron Mountain CDIs are held on the Iron Mountain CDI CHESS subregister.

Requests for conversion will ordinarily be processed within one to three Business Days although the time for conversion may take longer. Conversion is achieved by transferring the underlying Iron Mountain Shares from the CDI Nominee to the holder of the New Iron Mountain CDIs.

No trading of the underlying Iron Mountain Shares can take place on NYSE until the conversion process has been completed.

The decision whether to convert New Iron Mountain CDIs to Iron Mountain Shares will depend on your individual circumstances. You should seek advice from your own independent and appropriately licensed financial, legal and taxation advisers before deciding whether to convert New Iron Mountain CDIs to Iron Mountain Shares.

(x) Conversion of New Iron Mountain Shares into Iron Mountain CDIs

Recall Shareholders that receive New Iron Mountain Shares instead of Iron Mountain CDIs, may at any time convert them into Iron Mountain CDIs by contacting Iron Mountain's transfer agent after implementation of the Scheme. The identity and contact details of Iron Mountain's transfer agent will be announced prior to implementation of the Scheme.

The decision whether to convert New Iron Mountain Shares to Iron Mountain CDIs will depend on your individual circumstances. You should seek advice from your own independent and appropriately licensed financial, legal and taxation adviser before deciding whether to convert New Iron Mountain Shares to Iron Mountain CDIs.

15.3.4 Principal differences between holding Iron Mountain CDIs and Iron Mountain Shares

The principal difference between holding an Iron Mountain CDI and holding an Iron Mountain Share is that the holder of an Iron Mountain CDI has, through the CDI Nominee, an indirect, beneficial interest in the Iron Mountain Share underlying their Iron Mountain CDI instead of directly owning that Iron Mountain Share. This means that the holder of the Iron Mountain CDI is not the registered holder of the underlying Iron Mountain Share and therefore:

- cannot directly trade the underlying Iron Mountain Share; and
- is a beneficial holder (rather than registered legal holder) of the underlying Iron Mountain Share.

Other differences:

Exercise of shareholder rights

As holders of Iron Mountain CDIs are not registered stockholders of Iron Mountain, the rights attaching to Iron Mountain Shares which underlie their Iron Mountain CDIs must be exercised by the CDI Nominee. A holder of Iron Mountain CDIs may instruct the CDI Nominee to exercise those rights on their behalf. In contrast, a registered holder of Iron Mountain Shares can directly exercise the rights attaching to their Iron Mountain Shares in such manner as they choose.

For example, as mentioned in Section 15.3.3(iii), a holder of an Iron Mountain CDI cannot attend an Iron Mountain meeting as an Iron Mountain stockholder but can direct the CDI Nominee how to vote, or to appoint the holder as proxy, at that Iron Mountain stockholder meeting.

Iron Mountain CDIs will be quoted on ASX and Iron Mountain Shares will be quoted on NYSE

Iron Mountain CDIs will be tradeable on ASX only. This has the advantage that Iron Mountain CDIs can be traded during Australian business hours using Australian brokers in prices quoted in Australian dollars.

See Section 12 for further discussion of the liquidity of the market for Iron Mountain CDIs and the potential risk that they may trade at a discount to Iron Mountain Shares on NYSE.

15.3.5 Restrictions on ownership and transfer of Iron Mountain Shares and Iron Mountain CDIs

Iron Mountain's certificate of incorporation contains restrictions on stock ownership and stock transfers to facilitate Iron Mountain's ongoing qualification as a REIT.

Specifically, no person may beneficially or constructively own more than 9.8% in value of the aggregate of outstanding shares of Iron Mountain stock, or more than 9.8% in value or number (whichever is more restrictive) of the outstanding shares of any class or series of stock.

Iron Mountain intends that the ownership limitations will apply to holdings of both Iron Mountain Shares and Iron Mountain CDIs.

For further details on such limitations, see Section 10.19.

15.3.6 Foreign Exempt Listing

Iron Mountain intends to apply for admission to the official list of ASX as a Foreign Exempt Listing, conditional on the Scheme being implemented. Once listed on ASX as a Foreign Exempt Listing, Iron Mountain (as the parent company of the Combined Group) will be exempt from complying with most of the Listing Rules. For further details on this Foreign Exempt Listing, see Section 11.5.

15.3.7 Potential adjustment to the New Iron Mountain Securities

If Iron Mountain:

- issues any Iron Mountain Shares prior to the First Court Date as part of an Event Driven Equity Financing, up to a maximum number of 21,056,034; or
- declares, pays or distributes any dividend (payable in the form of Iron Mountain Shares) that Iron Mountain is required to pay in order to maintain compliance with its REIT status obligations or that is necessary to avoid the imposition on Iron Mountain of:
  - US federal income tax or any state or local income, franchise or other tax imposed on or measured by net or taxable income; or
  - any US federal, state or local excise tax,

but issues those Iron Mountain Shares at a price per share which is less than the VWAP of an Iron Mountain Share over the 10 consecutive trading days on NYSE ending on the trading day on NYSE before the date of issue (***Current Market Price per Share***), the exchange ratio of 0.1722 of a New Iron Mountain Securities for each Scheme Share will be adjusted by multiplying 0.1722 (or the exchange ratio which applies by virtue of an earlier application of this adjustment) by the following fraction:

$A \div (B + C)$

where:

- A is the number of Iron Mountain Shares on issue immediately after the issue of such additional Iron Mountain Shares;
- B is the number of Iron Mountain Shares on issue immediately before the issue of such additional Iron Mountain Shares; and
- C is the number of Iron Mountain Shares which the aggregate consideration (if any) received for the issue of such additional Iron Mountain Shares would purchase at the Current Market Price per Share.

The terms of the Scheme will not be adjusted for any ordinary dividends that Recall or Iron Mountain pay between the date of this Booklet and implementation of the Scheme in an amount consistent with the existing dividend policy or any dividends that Iron Mountain is required to pay to maintain compliance with its REIT status obligations.

15.4 FORM OF NEW IRON MOUNTAIN SECURITIES RECEIVED

To the extent a Scheme Shareholder is to receive New Iron Mountain Securities, unless they request otherwise, the Scheme Shareholder's address in the Recall Registry as at the Record Date will determine whether the Scheme Shareholder receives their New Iron Mountain Securities in the form of New Iron Mountain Shares or New Iron Mountain CDIs.[81]

If the address of a Scheme Shareholder in the Recall Share Register is:

- inside Australia and Recall in its discretion, following a written request from that Scheme Shareholder prior to the Record Date, determines to do so, any Scheme Consideration which would otherwise be provided to that Scheme Shareholder in the form of New Iron Mountain CDIs is to be provided in the form of New Iron Mountain Shares (or partly in the form of New Iron Mountain Shares and partly in the form of New Iron Mountain CDIs); or
- if the address of a Scheme Shareholder in the Recall Share Register is outside Australia and Recall in its discretion, following a written request from that Scheme Shareholder prior to the Record Date, determines to do so, any Scheme Consideration which would otherwise be provided to that Scheme Shareholder in the form of New Iron Mountain Shares is to be provided in the form of New Iron Mountain CDIs (or partly in the form of New Iron Mountain CDIs and partly in the form of New Iron Mountain Shares).

If you want to receive any New Iron Mountain Securities to be issued to you as part of your Scheme Consideration other than in the form determined by reference to your registered address (as described above), please contact the Recall Registry.

81 Unless they request otherwise, Scheme Shareholders whose address on the Recall Share Register is within Australia will receive New Iron Mountain CDIs, which are tradeable on ASX, and are described in detail in this Booklet. Recall Shareholders whose address on the Recall Share Register is outside Australia, and who are not Ineligible Foreign Shareholders, will receive New Iron Mountain Shares tradeable on NYSE.

15.5 SALE FACILITY IN RESPECT OF INELIGIBLE FOREIGN SHAREHOLDERS

As discussed in Section 7.4, Ineligible Foreign Shareholders will not be issued New Iron Mountain Shares under the Scheme. Any New Iron Mountain Shares that would otherwise be issued to Ineligible Foreign Shareholders will be dealt with under the Sale Facility.

15.5.1 Sale Facility mechanics

Iron Mountain will establish the Sale Facility and appoint the Sale Agent to sell any New Iron Mountain Shares that would otherwise be issued to Ineligible Foreign Shareholders.

If the Scheme becomes Effective, the New Iron Mountain Shares referred to above will be issued by Iron Mountain to the Sale Agent on the Implementation Date.

Within 20 Business Days after the Implementation Date, the Sale Agent, in consultation with Iron Mountain, must sell or procure the sale (including on an aggregated or partially aggregated basis), in the ordinary course of trading on NYSE, of all the New Iron Mountain Shares issued to the Sale Agent on behalf of the Ineligible Foreign Shareholders. The Sale Agent must remit to Iron Mountain the proceeds of those sales (after deduction of any applicable brokerage, stamp duty and other costs, taxes and charges) (***Sale Facility Proceeds***).

Iron Mountain must, within 25 Business Days after the Implementation Date, pay, or procure the payment, in US dollars, to each Ineligible Foreign Shareholder of their pro rata proportion of the Sale Facility Proceeds, calculated in accordance with the following formula and rounded down to the nearest cent:

w= (B ÷ C) x D

where:

- A is the amount to be paid to the Ineligible Foreign Shareholder;
- B is the number of New Iron Mountain Shares attributable to, and that would otherwise have been issued to, that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which are instead issued to the Sale Agent;
- C is the total number of New Iron Mountain Shares attributable to, and which would otherwise have been issued to, all Ineligible Foreign Shareholders collectively and which are instead issued to the Sale Agent; and
- D is the Sale Facility Proceeds.

15.5.2 Value of the Sale Facility Proceeds

The cash amount received by Ineligible Foreign Shareholders will depend on the price at which the New Iron Mountain Shares can be sold under the Sale Facility by the Sale Agent at the relevant time and the amount of any taxes and charges (excluding brokerage) incurred by the Sale Agent in connection with sales under the Sale Facility.

The cash amount received by an Ineligible Foreign Shareholder under the Sale Facility may be more or less than the value of the New Iron Mountain Shares that the shareholder would have received had they not been an Ineligible Foreign Shareholder.

None of Recall, Iron Mountain or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Iron Mountain Shares by the Sale Agent under the Sale Facility.

For further information regarding payment of the Sale Facility Proceeds, including the timing for receipt of that payment, see Section 15.10.3.

15.6 COMMENCEMENT OF TRADING OF NEW IRON MOUNTAIN SECURITIES

Deferred settlement trading of New Iron Mountain CDIs is expected to be available on ASX from the Election Date (which is currently expected to be 18 December 2015).

Trading on ASX of New Iron Mountain CDIs is expected to commence on a normal settlement basis on 5 January 2016. Trading on NYSE of New Iron Mountain Shares is expected to commence immediately upon issuing those New Iron Mountain Shares on the Implementation Date (which is currently expected to be 4 January 2016).

15.7 DELISTING OF RECALL

After the Implementation Date, Recall will apply for the termination of the official quotation of Recall Shares on ASX and to have itself removed from the official list of ASX. The date on which delisting will occur will be determined by Iron Mountain.

15.8 SCHEME MEETING

15.8.1 Time and date of Scheme Meeting

In accordance with an order of the Court dated 22 October 2015, Recall has convened the Scheme Meeting to be held on 3 December 2015 at Museum of Sydney, Corner Phillip Street & Bridge Street, Sydney NSW 2000, commencing at 10.00am. The notice convening the Scheme Meeting is set out in Appendix 5 and the terms of the Scheme are set out in Appendix 4. The purpose of the Scheme Meeting is for Recall Shareholders to consider whether to approve the Scheme.

The fact that the Court has ordered the Scheme Meeting does not mean that the Court has formed any view as to the merits of the Scheme or as to how Recall Shareholders should vote on the Scheme. On these matters, Recall Shareholders must reach their own decision.

15.8.2 Scheme Resolution

At the Scheme Meeting, Recall Shareholders will be asked to consider and, if thought fit, to pass the Scheme Resolution to approve the Scheme.

15.8.3 Majorities required to pass resolution

For the Scheme to proceed, the Scheme Resolution must be passed by:

- more than 50% in number of Recall Shareholders who are present and voting, either in person or by proxy, by attorney or, in the case of a corporation, by its duly appointed corporate representative, at the Scheme Meeting; and
- at least 75% of the total number of votes cast on the Scheme Resolution.

15.8.4 Entitlement to vote

Each Recall Shareholder who is on the Recall Share Register at 7.00pm (Sydney time) on 1 December 2015 is entitled to attend and vote at the Scheme Meeting.

15.8.5 Court approving the Scheme

If the Scheme is approved by the requisite majorities of Recall Shareholders, and all other Conditions Precedent (other than approval by the Court) have been satisfied or waived (if applicable), Recall will apply to the Court for orders approving the Scheme at the Second Court Hearing.

The Court has a broad discretion whether or not to approve the Scheme under section 411(4)(b) of the Corporations Act.

The Second Court Hearing is currently expected to be 16 December 2015. Any change to this date will be announced through ASX and will be available on Recall's website, www.recall.com. Further details regarding the Second Court Hearing will be advertised in a prominently published newspaper that is circulated generally throughout Australia (e.g. The Australian Financial Review).

Any Recall Shareholder, or with the Court's permission, any other interested person may appear at the Second Court Hearing in person or through counsel to support or oppose the approval by the Court of the Scheme or make representations to the Court in relation to the Scheme.

15.8.6 Receipt of Court orders – Effective Date

If the Court makes orders approving the Scheme, Recall will lodge a copy of those orders with ASIC under section 411(10) of the Corporations Act. As soon as the copies of the Court orders approving the Scheme are lodged with ASIC, the Scheme will become Effective. This is expected to occur on the Business Day following the issue of the Court orders approving the Scheme (currently expected to be 17 December 2015).

If the Scheme becomes Effective, Recall and Iron Mountain will become bound to implement the Scheme in accordance with the terms of the Scheme and the Iron Mountain Deed Poll.

Only Recall Shareholders who qualify as Scheme Shareholders will be bound by and have the benefit of the Scheme. Section 15.9 describes the principles for determining the identity of Scheme Shareholders.

15.8.7 Suspension of trading of Recall Shares

If the Court approves the Scheme, Recall will notify ASX of that approval on the day it is received (expected to be 16 December 2015).

It is expected that suspension of trading in Recall Shares on ASX will occur from the close of trading on the Effective Date.

Recall Shareholders are able to sell Recall Shares on market in the usual manner on or before the Effective Date. For the purpose of determining entitlements under the Scheme, Recall will not accept for registration or recognise any transfer or transmission application in respect of Recall Shares received after the Record Date.

15.8.8 Implementation Date – transfer and registration of Recall Shares

The Implementation Date is expected to be 4 January 2016.

On the Implementation Date, Iron Mountain must:

- issue New Iron Mountain Securities to each Scheme Shareholder entitled to them as the Scheme Consideration and cause their names and addresses to be entered in the Iron Mountain register. As soon as practicable after the Implementation Date, Iron Mountain must send a certificate or holding statement (or equivalent document) to each Scheme Shareholder representing the number of New Iron Mountain Securities issued to the Scheme Shareholder pursuant to the Scheme; and
- as applicable, pay the Cash Supplement Amount[82] and the Cash Base Amount (totalling A$8.50) per Scheme Share to each Scheme Shareholder entitled to that cash as Scheme Consideration.

For further information regarding payment of the Scheme Consideration, see Section 15.10 and clause 4.9 of the Scheme set out in Appendix 4.

82 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

Under the Scheme, each Scheme Shareholder is deemed to have warranted to Recall and Iron Mountain, and appointed and authorised Recall as their attorney and agent to warrant to Iron Mountain, that:

- all of their Recall Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be:
  - fully paid; and
  - free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind including any security interest within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth) (whether legal or otherwise) and restrictions on transfer of any kind); and
- they have full power and capacity to transfer their Recall Shares to Iron Mountain together with any rights attaching to those shares.

Recall undertakes to each Scheme Shareholder that it will provide such warranty to Iron Mountain on behalf of the Scheme Shareholder. Recall Shareholders should be aware that, to the extent that this warranty is untrue in respect of their Recall Shares, and their Recall Shares are not transferred under the Scheme free of third party interests, they may be liable to compensate Iron Mountain or Iron Mountain Sub for any damage caused to those parties resulting from such encumbrance.

Under the Scheme, each Scheme Shareholder is also deemed to have consented to Recall and Iron Mountain doing all things necessary or incidental to the implementation of the Scheme.

If the Scheme is approved by Recall Shareholders and the Court:

- the Scheme will become Effective on the Effective Date, currently expected to be 17 December 2015;
- at the close of trading on the Effective Date, Recall Shares will cease trading on ASX;
- on the Implementation Date, all of the Recall Shares held by Scheme Shareholders as at the Record Date will be transferred to Iron Mountain Sub, without any need for action by Scheme Shareholders; and
- the Scheme Consideration will be issued to Scheme Shareholders on the Implementation Date.

As a result of the implementation of the Scheme, Scheme Shareholders will cease to hold Recall Shares and Recall will become a wholly-owned Australian Subsidiary of Iron Mountain and will be delisted from ASX.

15.9 ENTITLEMENT TO PARTICIPATE IN THE SCHEME

Scheme Shareholders will be entitled to participate in the Scheme.

For the purpose of determining which Recall Shareholders are eligible to participate in the Scheme, dealings in Recall Shares will be recognised only if:

- in the case of dealings of the type to be effected using CHESS, the transferee is on the Recall Share Register as the holder of the relevant Recall Shares as at the Record Date; or
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received by the Recall Registry on or before 5.00pm on the Record Date (and the transferee remains registered as at the Record Date).

Subject to the Corporations Act, Listing Rules and the Recall constitution, Recall must register registrable transmission applications or transfers of the kind recognised above by no later than 5.00pm on the Record Date.

For the purpose of determining entitlements under the Scheme, Recall will not accept for registration or recognise any transfer or transmission applications in respect of Recall Shares received after 5.00pm on the Record Date or received prior to that time but not in registrable form.

Recall will, until the Scheme Consideration has been paid to the Scheme Shareholders and Iron Mountain Sub has been registered as the holder of the Scheme Shares, maintain the Recall Share Register, subject to the comments above, in its form as at the Record Date. The Recall Share Register in this form will solely determine entitlements to the Scheme Consideration.

From the Record Date, except as evidence of entitlement to the Scheme Consideration in respect of the Recall Shares relating to that entry:

- all statements of holding in respect of Recall Shares cease to have effect as documents of title in respect of such Recall Shares; and
- each entry on the Recall Share Register will cease to be of any effect except as evidence of entitlement to the Scheme Consideration in respect of Recall Shares relating to that entry.

15.10 PAYING THE SCHEME CONSIDERATION

Iron Mountain and Iron Mountain Sub have entered into the Iron Mountain Deed Poll under which Iron Mountain and Iron Mountain Sub have covenanted in favour of Scheme Shareholders at the Record Date to provide the Scheme Consideration in accordance with the Scheme.

15.10.1 Payment of any New Iron Mountain Securities

If the Scheme becomes Effective, any New Iron Mountain Securities to be issued to a Scheme Shareholder under the Scheme will be issued by Iron Mountain on the Implementation Date. This includes any New Iron Mountain Securities issued as a result of the operation of the Scale Back Mechanism.

The name and address of such Scheme Shareholders will be recorded in:

- the Iron Mountain Share register in respect of those New Iron Mountain Shares that are issued on the Implementation Date, and share certificates for those New Iron Mountain Shares will be sent to those Scheme Shareholders;

- the Iron Mountain CDI CHESS subregister in respect of those New Iron Mountain CDIs that are issued on the Implementation Date, and statements of beneficial ownership for those New Iron Mountain CDIs will be sent to those Scheme Shareholders; or
- the Iron Mountain issuer sponsored CDI subregister, in respect of those New Iron Mountain CDIs that are issued for Recall Shares held on the Recall issuer sponsored subregister on the Implementation Date, and holding statements for those New Iron Mountain CDIs will be sent to those Scheme Shareholders.

15.10.2 Payment of the Cash Supplement Amount and any Cash Base Amounts

If the Scheme becomes Effective, the Scheme Consideration that is required to be paid to Scheme Shareholders, being:

- US$0.50 [83] in respect of each Scheme Share; and
- A$8.50 minus the US$0.50 [84] to be paid in respect of those Scheme Shares the subject of a Cash Election (including Ineligible Foreign Shareholders), subject to the operation of the Scale Back Mechanism,

will be paid by Iron Mountain to Recall as trustee for the Scheme Shareholders. Recall will then make or procure the payment out of the relevant trust account to Scheme Shareholders who have:

- currently elected to receive dividends paid by Recall by electronic funds transfer, by electronic funds transfer paid to the bank account they have nominated to the Recall Registry for the payment of dividends; or
- not elected to receive dividends paid by Recall by electronic funds transfer, by cheque. In the case of Scheme Shares held in joint names, any cheque required to be paid will be payable to the joint holders and sent to the holder whose name appears first in the Recall Share Register.

Scheme Shareholders who have not elected to receive dividends paid by Recall by electronic funds transfer, but who want to receive their cash by that method, should contact the Recall Registry on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia). In order for changes to apply to the payment of any cash, they must be notified to the Recall Registry prior to the Record Date.

15.10.3 Payment of Sale Facility Proceeds to Ineligible Foreign Shareholders

Iron Mountain will, within 25 Business Days after the Implementation Date, pay or procure the payment in US dollars, to each Ineligible Foreign Shareholder who is entitled to any Sale Facility Proceeds from the sale of the New Iron Mountain Securities that they would have been entitled to via the Sale Facility. The Sale Agent must complete sales under the Sale Facility within 20 Business Days after the Implementation Date.

The Sale Facility Proceeds will be paid to Ineligible Foreign Shareholders who have:

- currently elected to receive dividends paid by Recall by electronic funds transfer, by electronic funds transfer in US dollars paid to the bank account they have nominated to the Recall Registry for the payment of dividends; or
- not elected to receive dividends paid by Recall by electronic funds transfer, by cheque in US dollars. In the case of Scheme Shares held in joint names, any cheque required to be paid will be payable to the joint holders and sent to the holder whose name appears first in the Recall Share Register.

Ineligible Foreign Shareholders who have not elected to receive dividends paid by Recall by electronic funds transfer, but who want to receive their proportion of the Sale Facility Proceeds by that method, should contact the Recall Registry on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia). In order for changes to apply to the payment of their proportion of the Sale Facility Proceeds, they must be notified to the Recall Registry prior to the Record Date.

15.11 FRACTIONAL ENTITLEMENTS AND SHAREHOLDING SPLITTING OR DIVISION

15.11.1 Fractional entitlements

If the number of Scheme Shares held by a Scheme Shareholder at the Record Date is such that the aggregate entitlement of the Scheme Shareholder to the Scheme Consideration includes a fractional entitlement to a New Iron Mountain Share or New Iron Mountain CDI, then the entitlement of that Scheme Shareholder must be rounded up or down, with any such fractional entitlement of:

- less than 0.5 being rounded down to the nearest whole number of New Iron Mountain Securities; and
- 0.5 or more being rounded up to the nearest whole number of New Iron Mountain Securities.

Where the calculation of the aggregate cash consideration payable to a particular Scheme Shareholder would result in the payment of a fraction of a cent, the amount will be rounded:

- if the fractional entitlement is less than 0.5 – down to the nearest cent; and
- otherwise – up to the nearest cent.

83 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

84 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

15.11.2 Shareholding splitting or division

If Recall and Iron Mountain are of the opinion that two or more Scheme Shareholders have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain an unfair advantage by reference to such rounding, Recall may give notice to those Scheme Shareholders:

- setting out their names and registered addresses as shown in the Recall Share Register;
- stating that opinion; and
- attributing to one of them specifically identified in the notice the Scheme Shares held by all of them.

After such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares.

See also Section 7.3.4 in respect of the consequences of shareholding splitting or division in an attempt to obtain an advantage in terms of the Cash Base Amount to be received in accordance with the Scale Back Mechanism.

15.12 FOREIGN SELLING RESTRICTIONS

15.12.1 Canada

If the Scheme is approved by the requisite majority of Recall Shareholders, the distribution of New Iron Mountain Shares or New Iron Mountain CDIs in Canada will be exempt from the requirement that Iron Mountain prepare and file a prospectus with the relevant securities regulatory authorities in Canada. Accordingly, any resale of Iron Mountain Shares or Iron Mountain CDIs must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with prospectus and registration requirements or exemptions from the prospectus and registration requirements in Canada. These resale restrictions may, under certain circumstances, apply to resales of the Iron Mountain Shares or Iron Mountain CDIs outside Canada. Recall, Iron Mountain and their respective directors and officers are not in any manner responsible for ensuring compliance by Canadian security holders with any resale restrictions. Holders of Iron Mountain Shares or Iron Mountain CDIs in Canada are advised and strongly urged to seek legal advice prior to any resale of Iron Mountain Shares or Iron Mountain CDIs.

Without limiting in any way the disclaimer above, it is noted that the prospectus requirements under Canadian provincial securities laws do not apply to the first trade of a security distributed under an exemption from the prospectus requirements if:

- the issuer of the security:
  - was not a reporting issuer in any jurisdiction of Canada at the distribution date; or
  - is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
- at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as a part of the same distribution as the security, residents in Canada:
  - did not own directly or indirectly more than 10% of the outstanding securities of the class or series; and
  - did not represent in number more than 10% of the total number of owners directly or indirectly of securities of the class or series; and
- the trade is made:
  - through an exchange, or a market, outside Canada; or
  - to a person or company outside Canada.

15.12.2 Hong Kong

The content of this document has not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the content of this document, you should obtain independent professional advice.

No offer of New Iron Mountain Shares has been or will be made in Hong Kong except (a) to professional investors (as defined in the Securities and Futures Ordinance of Hong Kong) or (b) to fewer than 50 persons (other than professional investors (as defined in the legislation aforesaid)).

15.12.3 New Zealand

This document does not constitute a New Zealand product disclosure statement, prospectus or investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Securities Act 1978 (NZ) or the Financial Markets Conduct Act 2013 (NZ). The disclosure materials are being distributed in New Zealand only to persons to whom securities may be offered in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013 (or any replacement of that notice).

The offer of the New Iron Mountain Securities will comply with the laws of the US and Australia applicable to the offer of the New Iron Mountain Shares and New Iron Mountain CDIs. Further, it is a term of the Scheme that the Iron Mountain Shares and Iron Mountain CDIs will be quoted on NYSE and ASX respectively at the time of their allotment.

The taxation treatment of US and Australian securities is not the same as for New Zealand securities. The offer of New Iron Mountain Shares and New Iron Mountain CDIs may involve a currency exchange risk as they will be quoted on NYSE in US dollars and ASX in Australian dollars, respectively.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

15.12.4 Singapore

This Booklet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Booklet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares may not be circulated or distributed, nor may shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore, save for section 280 of the Securities and Futures Act, Chapter 289 of Singapore.

15.12.5 United Kingdom

The delivery or distribution of this Booklet in or to persons in certain jurisdictions may be restricted by law, and persons into whose possession this Booklet comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction. This Booklet is not a prospectus in relation to Iron Mountain prepared in accordance with the European Union Prospectus Directive (2003/71/EC, as amended) and the information in this Booklet has not been delivered for approval to the Financial Conduct Authority in the United Kingdom or by any other regulator in the European Union.

15.12.6 US

This Booklet is neither an offer to sell nor a solicitation of an offer to buy securities as such terms are defined under the Securities Act. The New Iron Mountain Securities have not been and will not be registered under the Securities Act.

Recall and Iron Mountain intend to rely on an exemption from the registration requirements of the Securities Act provided by section 3(a)(10) of the Securities Act in connection with the implementation of the Scheme and the issue of Iron Mountain Shares. Approval of the Scheme by the Court will be relied upon by Recall and Iron Mountain for the purpose of qualifying for the section 3(a)(10) exemption.

None of the SEC, any US state securities commission or any other US regulatory authority has passed comment upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of this Booklet. Any representation to the contrary may be a criminal offence.

15.13 SCHEME IMPLEMENTATION DEED

The Scheme Implementation Deed sets out the steps required to be taken by Recall and Iron Mountain to implement the Scheme. A copy of the Scheme Implementation Deed is available on the ASX and via Recall's website at www.recall.com. The key terms of the Scheme Implementation Deed are summarised below.

15.13.1 Conditions Precedent

Implementation of the Scheme is subject to the Conditions Precedent, which are summarised in Section 15.14. Clause 3.5 of the Scheme Implementation Deed sets out which party can waive each of the Conditions Precedent.

Recall and Iron Mountain have agreed to use reasonable endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent (as applicable).

If any of the Conditions Precedent are not satisfied or waived (if applicable) by the time specified for their satisfaction, or if any event occurs which would, or in fact does, prevent any of the Conditions Precedent (other than the Conditions Precedent described in item 7 of Section 15.14) from being satisfied prior to the End Date, then Recall and Iron Mountain must, prior to the termination of the Scheme Implementation Deed, consult in good faith to consider and if agreed:

- determine whether the Scheme may proceed by way of alternative means or methods;
- change the date of the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed to in writing by Iron Mountain and Recall (being a date no later than five Business Days before the End Date); or
- extend the End Date.

Subject to the exception applicable to the Condition Precedent regarding Recall Shareholder approval (as described below), if Recall and Iron Mountain are unable to reach agreement within:

- 10 Business Days after becoming aware of the relevant occurrence; or
- by the End Date,

then unless the relevant Condition Precedent is waived by Iron Mountain or Recall in accordance with the Scheme Implementation Deed, then either party may terminate the Scheme Implementation Deed without any liability to the other party because of that termination (except in respect of a Break Fee or the Iron Mountain Antitrust Approval Reimbursement Fee), unless the relevant occurrence or the failure of the Condition Precedent to be satisfied, or the failure of the Scheme to become Effective, arises out of a breach by the terminating party of the Scheme Implementation Deed.

If the Condition Precedent regarding Recall Shareholder approval is not satisfied only because of a failure to obtain more than 50% in number of Recall Shareholders who are present and voting, then either party may (by written notice within three Business Days after the date of the Scheme Meeting) require the approval of the Court be sought to exercise its discretion to waive that majority requirement, provided the party has in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable.

15.13.2 No shop restriction

During the Exclusivity Period:

- Recall has agreed that it will not, and must ensure that none of its Representatives, directly or indirectly solicit or invite enquiries, discussions or proposals with any third party in relation to, or that may reasonably be expected to lead to, a Competing Proposal or Recall abandoning or not proceeding with the Scheme, or communicate to any person any intention to do any of those things; and
- Iron Mountain has agreed that it will not, and must ensure that none of its Representatives, directly or indirectly solicit or invite enquiries, discussions or proposals with any third party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate to any person any intention to do any of those things.

15.13.3 No talk restriction

- During the Exclusivity Period, Recall has agreed that it will not, and must ensure that none of its Representatives:
  - directly or indirectly participate in or continue any discussions or negotiations with any third party in relation to, or which may reasonably be expected to lead to, a Competing Proposal for Recall or Recall abandoning or not proceeding with the Scheme;
  - provide or make available any information to a third party in connection with the formulation, development or finalisation of a Competing Proposal for Recall (including information and access to perform due diligence on the Recall Group);
  - enter into any agreement, arrangement or understanding with any third party in relation to, or which may reasonably be expected to lead to, a Competing Proposal for Recall or Recall abandoning or not proceeding with the Scheme; or
  - communicate to any person any intention to do any of the things contemplated in the paragraphs above.

  This restriction does not apply to certain Competing Proposals for Recall to the extent that the Competing Proposal was not solicited by Recall or any of its Representatives and the Recall Board has determined, in good faith, and in consultation with its financial and external legal advisers, that:

  - the proposed Competing Proposal constitutes, or would reasonably be expected to result in a Superior Proposal; and
  - failing to respond to a bona fide Competing Proposal would be likely to be inconsistent with the directors' duties owed by Recall Directors under applicable law, or it would otherwise be unlawful not to take that action.
- During the Exclusivity Period, Iron Mountain has agreed that it will not, and must ensure that none of its Representatives:
  - directly or indirectly participate in or continue any discussions or negotiations with any third party in relation to, or which may reasonably be expected to lead to, a Competing Proposal for Iron Mountain;
  - provide or make available any information to a third party in connection with the formulation, development or finalisation of a Competing Proposal for Iron Mountain (including information and access to perform due diligence on the Iron Mountain Group);
  - enter into any agreement, arrangement or understanding with any third party in relation to, or which may reasonably be expected to lead to, a Competing Proposal for Iron Mountain; or
  - communicate to any person any intention to do any of the things contemplated in the paragraphs above.

  This restriction does not apply to certain Competing Proposals for Iron Mountain to the extent that the Competing Proposal was not solicited by Iron Mountain or any of its Representatives, or by breach of its no talk and no shop obligations or by a breach of its obligation to notify Recall (as discussed in Section 15.13.5), where the Iron Mountain Board has determined, in good faith, and in consultation with its legal advisers, that:

  - not undertaking that action would likely be inconsistent with the directors' duties owed by Iron Mountain Directors under applicable law; and
  - it would otherwise be unlawful to fail to respond.

15.13.4 Provision of information to Iron Mountain

During the Exclusivity Period, if:

- Recall (or any of its Related Bodies Corporate or any of their respective Representatives), provides or makes available any information to any third party in connection with the formulation, development or finalisation of a Competing Proposal for Recall; and
- at that time Recall and the relevant third party recipient are not party to an applicable confidentiality agreement,

then Recall must provide Iron Mountain with the same information provided to the relevant third party recipient.

15.13.5 Notification

During the Exclusivity Period, Recall has agreed to notify Iron Mountain as soon as practicable if it, or any member of the Recall Group, becomes aware of any:

- proposal (or update to a previous proposal) in connection with a Competing Proposal (or a proposed or potential Competing Proposal, whether unsolicited or otherwise) for Recall; or
- provision by Recall or its Representatives of any information relating to Recall or any of its subsidiaries or any of their businesses or operations to any person in connection with a current or future Competing Proposal for Recall.

If any event requiring notification by Recall to Iron Mountain occurs, Recall has agreed to provide Iron Mountain a notice specifying all material terms of any such proposal, including (if known) details of the proposed price or implied value of proposed non cash consideration, conditions, timing and break fee (if any), but such notice does not need to include details of the party making the proposal.

During the Exclusivity Period, Iron Mountain has agreed to notify Recall as soon as practicable in writing if it, any of its subsidiaries or any of its or its subsidiaries' Representatives, becomes aware of any:

- proposal (or update to a previous proposal) in connection with a Competing Proposal (or a proposed or potential Competing Proposal, whether unsolicited or otherwise) for Iron Mountain; or
- provision by Iron Mountain, its subsidiaries or their Representatives of any information relating to Iron Mountain or any of its subsidiaries or any of their businesses or operations to any person in connection with a current or future Competing Proposal for Iron Mountain.

If any event requiring notification by Iron Mountain to Recall occurs, Iron Mountain has agreed to provide Recall a notice specifying all material terms of any such proposal, including (if known) details of the proposed price or implied value of proposed non cash consideration, conditions, timing and break fee (if any), but such notice does not need to include details of the party making the proposal.

15.13.6 Matching rights

During the Exclusivity Period, Recall must:

- not enter into any legally binding agreement or understanding to undertake a Competing Proposal for Recall; or
- use its reasonable endeavours to ensure that none of the Recall Directors change their recommendation in favour of the Scheme or publicly recommend a Competing Proposal for Recall,

unless, among other things, the Recall Board, acting in good faith, after consultation with its financial and legal advisers, determines that failure to take such action would likely be inconsistent with the directors' fiduciary duties under applicable law.

15.13.7 Break Fees

Payment of Break Fee by Recall

Recall must pay Iron Mountain the Break Fee in the following circumstances:

- a Competing Proposal of any kind for Recall is announced prior to the End Date and within nine months after the date the Scheme Implementation Deed is terminated, a Competing Proposal for Recall is consummated or entered into and subsequently consummated;
- prior to the earlier of the Effective Date or the End Date, the Recall Board recommends or supports a Competing Proposal for Recall;
- prior to the earlier of the Effective Date or the End Date, the Recall Board withdraws or adversely modifies its recommendation that Recall Shareholders vote in favour of the Scheme, other than as the result of:
  - the Independent Expert (including any update, revision or amendment to the Independent Expert's Report) concluding that the Scheme is not in the best interests of Scheme Shareholders (other than where the reason for that opinion is a Competing Proposal for Recall);
  - any matter or thing giving Recall the right to terminate under certain provisions of the Scheme Implementation Deed; or
  - a failure of a Condition Precedent (other than as a result of breach by Recall); or
- Iron Mountain terminates the Scheme Implementation Deed due to Recall materially breaching certain provisions of the Scheme Implementation Deed.

The Break Fee will not be payable by Recall merely because the Scheme is not approved by the requisite majorities of Recall Shareholders at the Scheme Meeting.

Recall must reimburse Iron Mountain for reasonable, documented out of pocket expenses incurred in connection with the Scheme up to US$5 million, if the Recall Board withdraws or adversely modifies its recommendation as a result of the Independent Expert's conclusion (including any update, revision or amendment to the Independent Expert's Report) that the Scheme is not in the best interests of Scheme Shareholders (other than where the reason for that conclusion is a Competing Proposal for Recall), and the Scheme Implementation Deed is terminated prior to the Scheme Meeting.

Payment of Break Fee by Iron Mountain

Iron Mountain must pay Recall the Break Fee in the following circumstances:

- Recall terminates the Scheme Implementation Deed due to Iron Mountain materially breaching certain provisions of the Scheme Implementation Deed and the Scheme is not implemented; or
- prior to the earlier of the Effective Date or the End Date, the Iron Mountain Board withdraws or adversely modifies its recommendation that Iron Mountain stockholders vote in favour of the Scheme, other than as a result of:
  - any matter or thing giving Iron Mountain the right to terminate under certain provisions of the Scheme Implementation Deed; or
  - failure of a Condition Precedent, other than as a result of certain breaches by Iron Mountain.

15.13.8 Iron Mountain Antitrust Approval Reimbursement Fee

Iron Mountain must pay the Iron Mountain Antitrust Approval Reimbursement Fee to Recall if:

- the Scheme Implementation Deed is terminated because of the failure to obtain the HSR/Antitrust Approval or the failure to obtain any other Competition Approval; or
- where the Scheme cannot proceed due to any action taken by a Competition Authority,

in each case in circumstances where all of the other applicable Conditions Precedent have been satisfied or waived (as applicable).

In addition, Iron Mountain has entered into undertakings that it will make limited divestments in the US and Canada and uncapped divestments in the rest of the world, in each case, if required for the purpose of obtaining Competition Approval.

15.13.9 Termination rights

Either Recall or Iron Mountain may terminate the Scheme Implementation Deed by written notice to the other:

- at any time before 8.00am on the Second Court Date, if the other party has materially breached a provision of the Scheme Implementation Deed (subject to certain exceptions), the party wishing to terminate gives the appropriate written notice, and the relevant circumstances continue to exist for 20 Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Date) from the time the notice is given;
- at any time before 8.00am on the Second Court Date, if the other party has breached any of its respective representations or warranties under the Scheme Implementation Deed such that the Conditions Precedent applicable to representations and warranties could not be satisfied prior to the End Date, the party wishing to terminate gives the appropriate written notice, and the relevant circumstances continue to exist for 20 Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Date) from the time the notice is given; or
- if a Condition Precedent is not satisfied, and that Condition Precedent is not waived by Recall or Iron Mountain, if applicable, and after consulting in good faith the parties are unable to reach an agreement to implement the Scheme by alternative means, change the date of the application made to the Court to approve the Scheme, or extend the End Date.

Recall may terminate the Scheme Implementation Deed by written notice to Iron Mountain if:

- the Recall Board has changed, withdrawn or modified its recommendation of the Scheme in accordance with the Scheme Implementation Deed; or
- the Iron Mountain Board has changed, withdrawn or adversely modified its recommendation in favour of issuing the New Iron Mountain Securities to Recall Shareholders.

Iron Mountain may terminate the Scheme Implementation Deed by written notice to Recall if:

- the Iron Mountain Board has changed, withdrawn or modified its recommendation of the Scheme in accordance with the Scheme Implementation Deed;
- the Recall Board withdraws or adversely modifies its recommendation that Recall Shareholders vote in favour of the Scheme; or
- the Recall Board recommends or supports any Competing Proposal for Recall.

15.14 CONDITIONS PRECEDENT

The Scheme will not proceed unless all of the Conditions Precedent are satisfied or waived (if applicable) in accordance with the Scheme Implementation Deed. It is important to note that some of these conditions may not be satisfied even if the Scheme is approved at the Scheme Meeting (for example, the Court may refuse to grant the Second Court Order referred to in condition 5 below). As at the date of this Booklet, Recall and Iron Mountain are not aware of any circumstances which would cause these conditions to not be satisfied.

NO.	CONDITION PRECEDENT	STATUS
1	**Competition Approvals:** approvals from all the relevant Competition Authorities required for the Scheme.	As at the date of this Booklet, the necessary Competition Approvals from the ACCC, DOJ, CMA and CCB are yet to be obtained.
2	**Other regulatory approvals:** approvals from all the relevant regulatory bodies, including FIRB, NZ OIO, ASX and NYSE required for the Scheme.	As at the date of this Booklet, all other regulatory approvals have been obtained but for FIRB and NZ OIO approval.
3	**Recall Shareholder approval:** Recall Shareholders approve the Scheme Resolution.	The Scheme Meeting to consider the Scheme Resolution will be held at Museum of Sydney, Corner Phillip Street & Bridge Street, Sydney NSW 2000 commencing at 10.00am on 3 December 2015.
4	**Iron Mountain Stockholder Approval:** Iron Mountain stockholders approve the issue of New Iron Mountain Securities in connection with the Scheme.	The outcome of the vote by Iron Mountain stockholders will be known prior to the Scheme Meeting and will be announced by Recall via ASX.
5	**Court approval:** Court approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act.	As at the date of this Booklet, the Second Court Hearing is scheduled for 16 December 2015.

6	**Other prescribed events:** the following do not occur between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date: • no applicable law enacted and no final and non-appealable order which prevents, makes illegal or prohibits the Scheme; • no Iron Mountain Material Adverse Change; • no Recall Material Adverse Change; • no Recall Prescribed Occurrence; or • no Iron Mountain Prescribed Occurrence.	As at the date of this Booklet, neither Iron Mountain nor Recall is aware of anything that will cause these Conditions Precedent not to be satisfied.
7	**Representations and warranties:** the representations and warranties given by each of Recall and Iron Mountain are true and correct as required under the Scheme Implementation Deed.	As at the date of this Booklet, neither Recall nor Iron Mountain is aware of any breach of this Condition Precedent.
8	**Tax matters:** a Distribution Tax Opinion (as defined in the Tax Matters Agreement) and a Supplementary Canadian Tax Opinion (as defined in the Demerger Deed) have been delivered in accordance and in compliance with the Tax Matters Agreement and the Demerger Deed, respectively.	As at the date of this Booklet, the Distribution Tax Opinion and the Supplementary Canadian Tax Opinion are yet to be provided. However, Recall is not aware of anything that will cause this Condition Precedent not to be satisfied.
9	**Australian tax ruling:** before 8.00am on the Second Court Date, Recall has received confirmation from the ATO that it is prepared to issue a class ruling confirming that Recall Shareholders will be eligible to choose roll-over relief under the *Income Tax Assessment Act 1997* (Cth) to the extent to which they receive New Iron Mountain Securities.	The application for that class ruling has been lodged with the ATO, and Recall's and Iron Mountain's tax advisers have met with the ATO to discuss that application. Recall considers that the ATO should provide this confirmation prior to the Second Court Date.

15.14.1 Regulatory approvals

(i) FIRB

Iron Mountain and Iron Mountain Sub have applied to FIRB for all necessary approvals to implement the Scheme. Iron Mountain expects its application to be dealt with prior to the date of the Scheme Meeting. Recall and Iron Mountain will make an ASX announcement once the outcome of Iron Mountain's FIRB application is known.

(ii) NZ OIO

Iron Mountain applied to the NZ OIO on 25 August 2015 for all necessary approvals to implement the Scheme. Iron Mountain expects its application to be dealt with prior to the date of the Scheme Meeting. Recall and Iron Mountain will make an ASX announcement once the outcome of Iron Mountain's NZ OIO application is known.

(iii) Competition Approvals

Under the Scheme Implementation Deed, the Scheme will not proceed unless the Competition Approvals have been obtained.

Iron Mountain and Recall have agreed to use reasonable endeavours and to work in good faith with one another to ensure that these Competition Approvals are obtained, and must not take actions which would materially increase the risk or materially delay the Competition Approvals being obtained. The parties have agreed to various obligations in order to obtain these Competition Approvals, including complying promptly with any information requests from a Competition Authority.

Iron Mountain has also entered into undertakings that it will make limited divestments in the US and Canada, and make uncapped divestments in the rest of the world, in each case, if required for the purpose of obtaining the Competition Approvals. The obligations on Iron Mountain to make divestments in the US and Canada are limited to the extent that they would require the disposition of any assets of the records management business of Iron Mountain, Recall or any of their respective subsidiaries in the US and Canada that, in the aggregate, generated more than US$30 million of revenue during the 12 month period prior to the date of the Scheme Implementation Deed.

Iron Mountain must pay the Iron Mountain Antitrust Approval Reimbursement Fee to Recall if the Scheme does not proceed because of the failure to obtain any Competition Approvals. For further information regarding the Iron Mountain Antitrust Approval Reimbursement Fee, see Section 15.13.8.

Certain notices and/or filings under competition, antitrust or fair trade laws in certain jurisdictions have been lodged, including with the ACCC in Australia, the DOJ in the US, the CMA in the United Kingdom and the CCB in Canada.

As at the date of this Booklet:

- in Australia, Iron Mountain filed an application for informal clearance with the ACCC on 13 August 2015. The necessary Competition Approval from the ACCC is yet to be obtained. The ACCC is considering Iron Mountain's application for informal clearance. On 28 August 2015, the ACCC issued a market inquiries letter, marking commencement of its phase 1 review. The ACCC has published a provisional date for either announcing a decision or releasing a Statement of Issues, being 5 November 2015. It is possible that the ACCC will require divestments as a condition of clearance, and as noted above, Iron Mountain has committed to making any divestments required to obtain Competition Approvals in Australia, without any cap;
- in the US, Iron Mountain and Recall submitted notifications under the HSR Act with the DOJ antitrust division and the FTC on 22 June 2015. With Recall's prior consent, Iron Mountain withdrew its HSR Act notification voluntarily effective as of 22 July 2015 and re-filed its notification on 24 July 2015. The DOJ is reviewing the transaction. On 24 August 2015, the DOJ issued a request for additional information and documentary materials (***Second Request***) to each of the parties seeking additional information and documentary material. The effect of the Second Request is to extend the waiting period imposed by the HSR Act until 30 days after Iron Mountain and Recall have substantially complied with the Second Request, unless that period is extended voluntarily by the parties or terminated sooner by the DOJ. The Second Request was expected, and Iron Mountain and Recall intend to cooperate fully with this request. At the completion of its review, the DOJ could attempt to take action under the antitrust laws, including seeking to prevent the transaction, or to conditionally approve the completion of the transaction upon the divestiture of assets of Iron Mountain and Recall. The necessary Competition Approval from the DOJ is yet to be obtained;
- in the United Kingdom, Iron Mountain submitted a draft merger notice with the CMA on 23 September 2015 with a view to filing a final merger notice in early October. Filing of a final version of the Merger Notice will start the clock on the CMA's 40 working day phase I review period under section 34ZA of the Enterprise Act 2002. If the CMA considers that the transaction risks substantially lessening competition, it may refer the transaction for an in-depth phase II investigation, which could take as much as an additional 24 to 32 weeks under section 39 of the Enterprise Act 2002. For the avoidance of doubt, since the transaction has yet to be formally notified, the necessary Competition Approval from the CMA is yet to be obtained; and
- In Canada, given the size of Recall's operations in Canada, the Scheme is not required to be notified to the Commissioner of the Canadian Competition Bureau (***CCB***) in advance of closing. However, the parties have elected to voluntarily file an application for an advance ruling certificate (***ARC***) under section 102 of the Competition Act. An ARC is issued when the Commissioner is satisfied that he would not have sufficient grounds on which to apply to the Competition Tribunal for an order challenging the transaction. An application for an ARC was filed in connection with the Scheme on 14 September 2015. There is no statutory time period within which the CCB must complete its review of the Scheme, although the non-binding service standard for initial reviews of proposed transactions (i.e. the maximum time within which the Commissioner will endeavour to advise parties of his position in respect of a proposed transaction, assuming cooperation from the parties) is 14 to 45 days from filing, depending on the complexity of the transaction being reviewed. A more in-depth review could be required depending on the complexity of the issues, and lead to a longer review period. In the event that an ARC is not issued, the CCB may at any time up to one year after the closing, seek an order to, among other things, prevent implementation of the Scheme, require the disposition of the assets or shares acquired in the event that the Scheme is implemented, or conditionally permit the completion of the transaction upon the divestiture of certain assets. The necessary Competition Approval from the CCB is yet to be obtained.

As discussed above, the Scheme will not proceed to a Second Court Hearing unless the Competition Approvals are obtained. Until these Competition Approvals are obtained, there is a risk that the Second Court Hearing (currently expected to be 16 December 2015) or the Scheme Meeting will be delayed. In addition, the Scheme will not proceed if the Competition Approvals are not obtained by the End Date.

Recall will make a statement regarding the status of the Competition Approvals at the commencement of the Scheme Meeting.

15.14.2 Recall Shareholder approvals

Recall Shareholders will be asked to consider, and if thought fit, pass the Scheme Resolution, being a resolution under section 411(4)(a)(ii) of the Corporations Act to approve the Scheme.

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed by the following requisite majorities:

- more than 50% in number of Recall Shareholders who are present and voting, either in person or by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative, at the Scheme Meeting; and
- at least 75% of the total number of votes cast on the Scheme Resolution.

15.14.3 Iron Mountain Stockholder Approval

As Iron Mountain common stock is listed for trading on NYSE, the issue of Iron Mountain common stock is subject to the NYSE listed company manual. Section 312.03 of the NYSE listed company manual requires stockholder approval for the issue of Iron Mountain common stock in instances where the number of securities issued or issuable in payment of the purchase price in a transaction such as the Scheme exceeds 20% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis.

Because the New Iron Mountain Securities exceed this threshold on a non-diluted basis, Iron Mountain is seeking the Iron Mountain Stockholder Approval at a special meeting of Iron Mountain stockholders.

Iron Mountain currently intends to hold the special meeting of its stockholders to obtain the Iron Mountain Stockholder Approval, on 19 November 2015. Iron Mountain Stockholder Approval will require the affirmative vote of more than 50% of the holders of a majority of the votes cast on the proposals to be considered and voted upon at the special meeting of Iron Mountain stockholders. A quorum must be present for Iron Mountain Stockholder Approval to be obtained, being a majority of votes entitled to be cast at the special meeting.

The Iron Mountain Board has unanimously recommended that Iron Mountain stockholders vote in favour of the proposals to be considered and voted upon at the special meeting.

The outcome of the vote of Iron Mountain stockholders will be known prior to the Scheme Meeting and will be announced by Recall via ASX.

15.14.4 Court approval

If the Scheme Resolution is approved by the requisite majorities of Recall Shareholders at the Scheme Meeting and all other Conditions Precedent have been satisfied or waived (if applicable), Recall will apply to the Court at the Second Court Hearing for approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act.

As a Recall Shareholder, you have the right to appear at the Second Court Hearing.

15.15 REPRESENTATIONS AND WARRANTIES

Each of Recall and Iron Mountain has given representations and warranties to the other which are customary for an agreement of this kind.

15.16 IRON MOUNTAIN DEED POLL

Iron Mountain and Iron Mountain Sub have entered into the Iron Mountain Deed Poll in favour of Scheme Shareholders under which Iron Mountain and Iron Mountain Sub have undertaken to pay or procure payment of the Scheme Consideration in accordance with the Scheme.

The terms of the Iron Mountain Deed Poll are set out in Appendix 3.

15.17 TREATMENT OF RECALL PERFORMANCE RIGHTS AND RECALL RETENTION RIGHTS

Under the terms of the Scheme Implementation Deed, Recall must take such action as is necessary following the Effective Date and prior to the Record Date to ensure that any Recall Performance Rights and Recall Retention Rights which have not already vested, do vest and convert into Recall Shares prior to the Record Date.

The Recall Board will:

- accelerate the exercise period under such Recall Performance Rights and Recall Retention Rights such that all rights convert or are exercised prior to the Record Date; and
- notify holders of such accelerating Recall Performance Rights and Recall Retention Rights prior to the Scheme Meeting.

Prior to the Record Date, Recall will issue the number of Recall Shares required by the terms of those Recall Performance Rights and Recall Retention Rights on such vesting, so that the relevant holders of the former Recall Performance Rights and Recall Retention Rights can participate in the Scheme.[85]

The Recall Shares acquired by participants in the Recall Performance Share Plan will participate in the Scheme on the same basis as all other Recall Shares, provided those Recall Shares were held as at the Record Date.

15.18 DEED OF GUARANTEE FOR DEMERGER DEED AND TAX MATTERS AGREEMENT

Recall is party to the Demerger Deed with Brambles, under which Recall owes certain obligations in favour of Brambles in respect of the Demerger. Further, Recall is party to a Tax Matters Agreement with Brambles USA, Inc (***Brambles USA***), under which Recall owes certain obligations in favour of Brambles USA in respect of tax matters arising from the demerger of Recall from the Brambles corporate group.

On 27 August 2015, Iron Mountain entered into a deed of guarantee with Brambles and Brambles USA (***Deed of Guarantee***) under which Iron Mountain agrees to guarantee to Brambles and Brambles USA the due and punctual performance in full of Recall's obligations under the Demerger Deed and the Tax Matters Agreement. Each of those guarantees takes effect on and from the Implementation Date.

Under the Deed of Guarantee, with effect on and from the Implementation Date, Iron Mountain also indemnifies:

- Brambles against any liability or loss arising from, and any costs it incurs, if an obligation Iron Mountain has guaranteed to Brambles (as described above) is found to be void, voidable or unenforceable, provided that this amount does not exceed what Iron Mountain's liability to Brambles would have been, had that obligation not have been found to be void, voidable or unenforceable; and
- Brambles USA against any liability or loss arising from, and any costs it incurs, if an obligation Iron Mountain has guaranteed to Brambles USA (as described above) is found to be void, voidable or unenforceable, provided that this amount does not exceed what Iron Mountain's liability to Brambles USA would have been, had that obligation not have been found to be void, voidable or unenforceable.

Further, under the Deed of Guarantee, with effect on and from the Implementation Date, Iron Mountain undertakes:

- in favour of Brambles, to ensure that Recall remains capitalised to a sufficient level in order to be able to meet its obligations owing to Brambles under the Demerger Deed and to provide or procure funding to Recall to ensure that it remains sufficiently capitalised to meet those obligations; and
- in favour of Brambles USA, to ensure that Recall remains capitalised to a sufficient level in order to be able to meet its obligations owing to Brambles USA under the Tax Matters Agreement and to provide or procure funding to Recall to ensure that it remains sufficiently capitalised to meet those obligations.

For further details regarding the risks associated with Iron Mountain's guarantee of certain obligations of Recall to Brambles relating to Recall's demerger, see Section 12.3.22.

85 The vesting of 758,447 of the Recall Performance Rights remains subject to determination by the Recall Board at or around the date of the Scheme Meeting. Up to 758,447 Recall Shares will be issued for such rights subject to the Board's determination.

16 Additional Information

This Section 16 sets out additional information that is required to be disclosed to Recall Shareholders but is not otherwise set out in this Booklet.

16.1 CONSENTS AND DISCLAIMERS

The following parties have given and have not before the date of this Booklet withdrawn their written consent to:

- be named in this Booklet in the form and context in which they are named;
- the inclusion of their respective reports or statements noted next to their names or the references to those reports or statements in the form and context in which they are included in this Booklet; and
- the inclusion of other statements in this Booklet which are based on or referable to other statements made by those persons in the form and context in which they are included:

NAME OF PERSON	NAMED AS	REPORTS OR STATEMENTS
Iron Mountain Incorporated	Iron Mountain	Iron Mountain Information
Allens	Australian legal adviser and Australian taxation adviser to Recall	–
Herbert Smith Freehills	Australian legal adviser to the Recall Board	–
Perkins Coie LLP	US legal adviser to the Recall Board	–
Merrill Lynch Markets (Australia) Pty Limited	Financial adviser to Recall	–
UBS AG, Australia Branch	Financial adviser to Recall	–
KPMG Corporate Finance	Independent Expert	Independent Expert's Report set out in Appendix 1
Link Market Services Limited	Recall Registry	–
PricewaterhouseCoopers Securities Ltd	Investigating Accountant	Investigating Accountant's Report set out in Appendix 2
PwC	Auditor of Recall	Statements in relation to its role as auditor of Recall's 2015 financial report, auditor of Recall's financial statements for the year ended 30 June 2014 and comparative financial information for the year ended 30 June 2013
Deloitte & Touche LLP	Independent Registered Public Accounting Firm for Iron Mountain	Statements in relation to its role as Independent Registered Public Accounting Firm of Iron Mountain's financial statements for the years ended 31 December 2014 and 31 December 2013

Each of the above persons:

- does not make, or purport to make, any statement in this Booklet or any statement on which a statement in this Booklet is based, other than a statement or report included in this Booklet with the consent of that party; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Booklet, other than, in the case of:
  - Iron Mountain;
  - the Independent Expert;
  - Deloitte & Touche LLP as Independent Registered Public Accounting Firm of Iron Mountain's financial statements for the years ended 31 December 2014 and 31 December 2013;
  - PricewaterhouseCoopers Securities Ltd as Investigating Accountant; and
  - PwC as auditor of Recall's 2015 financial report, Recall's financial statements for the year ended 30 June 2014 and comparative financial information for the year ended 30 June 2013,

  a statement or report included in this Booklet with the consent of that party.

Iron Mountain has given, and has not withdrawn before the date of this Booklet, its consent to be named in this Booklet in the form and context in which it is named and to the inclusion of the Iron Mountain Information (including that contained in Section 11), on the basis set out in the 'Responsibility for information' statement contained in the 'Important Notices and Disclaimers' included at the start of this Booklet.

16.2 COOLING OFF REGIME

Cooling off rights do not apply to the Scheme.

16.3 REGULATORY CONSENTS

16.3.1 ASX relief

Recall has applied for, and ASX has granted, confirmations in relation to the following Listing Rules as they apply to Recall:

- confirmation under Listing Rule 15.1.3 that ASX does not object to the draft Booklet; and
- confirmation that the timetable for the implementation of the Scheme is acceptable to ASX.

On 13 August 2015, Iron Mountain received an 'in-principle' confirmation from ASX that, on receipt of an application for admission to the official list of ASX, ASX would be likely to grant Iron Mountain the necessary waivers from the Listing Rules to allow Iron Mountain to be listed on ASX as a Foreign Exempt Listing. Iron Mountain intends to submit an application for admission to the official list of ASX as a Foreign Exempt Listing on or around the date of this Booklet, with such listing to be conditional on the Scheme being implemented.

16.3.2 ASIC relief

ASIC has granted relief to Recall from the operation of Regulation 8302(d) of Part 3 of Schedule 8 of the Corporations Regulations, which requires the Booklet to disclose particulars of payments made or benefits given to a Recall Director, secretary or executive officer in relation to their resignation or retirement from office, except where those payments or benefits are made in connection with the implementation of the Scheme.

16.4 CREDITORS

The Recall Directors believe that the Scheme will not materially prejudice Recall's ability to pay its creditors.

16.5 NO UNACCEPTABLE CIRCUMSTANCES

The Recall Board believes that the Scheme does not involve any circumstances in relation to the affairs of Recall that could reasonably be characterised as constituting unacceptable circumstances for the purposes of section 657A of the Corporations Act.

16.6 RECALL DIRECTORS' INTENTIONS REGARDING THE BUSINESS, ASSETS AND EMPLOYEES OF RECALL

If the Scheme is implemented, the existing Recall Board will be reconstituted in accordance with the instructions of Iron Mountain Sub (as the only Recall Shareholder on the Implementation Date). Accordingly, it is not possible for your existing Recall Directors to provide a statement of their intentions regarding:

- the continuation of the business of Recall or how Recall's existing business will be conducted;
- any major changes to be made to the business of Recall, including any redeployment of the fixed assets of Recall; or
- the future employment of the present employees of Recall,

in each case, after the Scheme is implemented.

If the Scheme is implemented, Recall will be a wholly-owned Australian Subsidiary of Iron Mountain. The intentions of Iron Mountain and the Iron Mountain Directors are as set out in Section 11.4.

16.7 DIRECTORS' STATEMENTS

The issue of this Booklet has been unanimously authorised by the Recall Board.

The Recall Board has given (and not withdrawn) its consent to lodgement of this Booklet with ASIC.

16.8 NO OTHER INFORMATION

Except as set out in this Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any of the Recall Directors, or any director of any Related Body Corporate of Recall, which has not been previously disclosed to Recall Shareholders.

16.9 SUPPLEMENTARY INFORMATION

To the extent required by the Listing Rules, the Corporations Act or any other applicable law, Recall will issue a supplementary document if it becomes aware of any of the following between the date of this Booklet and the Effective Date:

- a material statement in this Booklet is or becomes false or misleading;
- a material omission from this Booklet;
- a significant change affecting a matter included in this Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Booklet if it had arisen before the date of this Booklet.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Recall may circulate and publish any supplementary document by:

- placing an advertisement in a prominently published newspaper that is circulated generally throughout Australia (e.g. The Australian Financial Review);
- posting the supplementary document on Recall's website, www.recall.com;
- making an announcement to ASX; or
- issuing a supplementary document.

17 Glossary

The meanings of the terms used in this Booklet are set out below.

TERM	MEANING
1995 Plan	has the meaning given in Section 10.17.3.
1997 Plan	has the meaning given in Section 10.17.3.
2002 Plan	has the meaning given in Section 10.17.
2003 Mimosa Plan	has the meaning given in Section 10.17.3.
2009 Mimosa Plan	has the meaning given in Section 10.17.3.
2014 Plan	has the meaning given in Section 10.17.
5¾% Notes	has the meaning given in Section 10.11.7.
6% Notes	has the meaning given in Section 10.11.7.
6¾% Notes	has the meaning given in Section 10.11.7.
7¾% Notes	has the meaning given in Section 10.11.7.
8⅜% Notes	has the meaning given in Section 10.11.7.
A$	Australian dollars.
AASB	has the meaning given in Section 9.4.2(i).
ACCC	Australian Competition and Consumer Commission.
Accounts Receivable Securitisation Program	has the meaning given in Section 10.11.7(iii).
Adjusted EPS	reported earnings per share from continuing operations, excluding items that do not appropriately reflect underlying operations, such as: • net gains or losses on the disposal or write-down of property, plant and equipment; • impairments of intangibles; • other net income or expenses; • REIT Costs; and • the tax impact of reconciling items and discrete tax items.
Adjusted OIBDA	OIBDA, excluding items that do not appropriately reflect underlying operations such as: • impairment of intangibles; • net gains or losses on disposal of write-down of property, plant and equipment (excluding real estate); and • REIT Costs.
AFFO	Normalised FFO less maintenance or non real estate capital expenditure, non cash rent income and expense, plus depreciation on non real estate assets, amortisation expense and non cash equity compensation costs.
Antitrust Law	• the HSR Act, the Sherman Act of 1890, the Clayton Act, the Federal Trade Commission Act of 1914, and any other US federal or state statutes, rules, regulations, orders, decrees, administrative or judicial doctrines or other laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolisation or restraint of trade; • the Australian Competition and Consumer Act 2010 (Cth); and • any other federal, state or foreign statutes, rules, regulations, orders, decrees, administrative or judicial doctrines or other laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolisation or restraint of trade.
ANZ	Australia and New Zealand.
Appendix	an appendix to this Booklet.
ARC	advance ruling certificate.
ASC 805	has the meaning given in Section 11.9.3.
ASIC	Australian Securities and Investments Commission.

ASX	ASX Limited (ABN 98 008 624 691) or the financial market that it operates (i.e. the Australian Securities Exchange), as the context requires.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532) as a holder of a licence to operate a clearing and settlement facility.
ASX Settlement Operating Rules	the operating rules of the clearing and settlement facility provided by ASX Settlement.
ATO	Australian Taxation Office.
AUD/USD	Australian dollar to US dollar exchange rate.
Awards	has the meaning given in Section 10.17.1.
Booklet	this document dated 23 October 2015, including all of the Appendices to and the forms which accompany this Booklet.
Brambles	Brambles Limited (ABN 89 118 896 021).
Brambles USA	has the meaning given in Section 15.18.
Break Fee	A$25.5 million.
Business Day	a weekday on which trading banks in Sydney and New York are open for trading and ASX and NYSE are open for trading.
CAD Notes	has the meaning given in Section 10.11.7.
Canada Company	has the meaning given in Note 1 of Section 10.11.7.
Cash Alternative	in respect of a Scheme Share, the Cash Supplement Amount [86], plus the Cash Base Amount (subject to the Scale Back Mechanism), as described in Section 7.2.
Cash Base Amount	has the meaning given in Section 7.2(ii).
Cash Election	in respect of a Recall Shareholder, a valid election for the Cash Alternative in respect of all of the Recall Shares held by that shareholder, pursuant to an Election Form and completed and returned in accordance with the instructions specified in this Booklet and in the Election Form.
Cash Pool	the aggregate amount of the Cash Base Amounts available to satisfy Cash Elections, being A$225 million.
Cash Supplement Amount	has the meaning given in Section 7.2(i).
CCB	Canadian Competition Bureau.
CDI	a CHESS depositary interest, being a unit of beneficial interest in shares of a foreign company registered in the name of the CDI Nominee.
CDI Nominee	CHESS Depositary Nominees Pty Limited (ACN 071 346 506).
CEO	chief executive officer.
CFO	chief financial officer.
CGT	capital gains tax.
CHESS	the clearing house electronic subregister system of share transfers operated by ASX Settlement.
Clayton Act	the Clayton Antitrust Act of 1914.
CMA	United Kingdom Competition and Markets Authority.
Code	the US Internal Revenue Code of 1986, as amended.
Combined Group	the combined Recall Group and Iron Mountain Group following implementation of the Scheme.
Combined Group Board	the proposed board of directors of the Combined Group intended to be in place after implementation of the Scheme, as set out in Section 11.6.1.

86 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

Competing Proposal	in respect of Iron Mountain or Recall (being the ***Relevant Entity***), a proposed or possible transaction or arrangement which, if the transaction or arrangement is entered into or completed would result in a third party: (a) acquiring (whether directly or indirectly) or becoming the holder of, or otherwise acquiring, having a right to acquire or having an economic or beneficial interest in, or control of, all or a substantial part of the business and assets of the Relevant Entity Group, taken as a whole; (b) acquiring (whether directly or indirectly), under that transaction or arrangement, the power to exercise, or control the exercise of, the right to vote attached to 30% or more of shares in the Relevant Entity; (c) acquiring control (as determined in accordance with section 50AA of the Corporations Act) of the Relevant Entity; or (d) otherwise acquiring or merging with the Relevant Entity, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction or buy back, sale or purchase of shares or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement.
Competition Approvals	any approval, clearance, filing or expiration or termination of a waiting period required in relation to the Scheme under any Antitrust Law of: • Australia, the United Kingdom or the US; and • any other country or jurisdiction that is required or that Iron Mountain reasonably determines advisable.
Competition Authority	any Government Agency having responsibility for any Antitrust Law.
Conditions Precedent	the conditions precedent to the Scheme set out in Section 15.14.
Corporate Scheme	has the meaning given in Section 10.17.1.
Corporations Act	the Corporations Act 2001 (Cth).
Corporations Regulations	the Corporations Regulations 2001 (Cth).
Court	the Federal Court of Australia, Sydney Registry, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Iron Mountain and Recall.
Credit Agreement	has the meaning given in Section 10.11.7(i).
Current Market Price per Share	has the meaning given in Section 15.3.7.
Deed of Guarantee	has the meaning given in Section 15.18.
Delaware law	common law of the State of Delaware, US.
Demerger	the demerger of Recall from Brambles, such that Recall was separately listed on ASX.
Demerger Deed	the deed effecting the Demerger, dated 22 October 2013.
Demerger Scheme Booklet	the scheme booklet in relation to the Demerger, dated 23 October 2013.
DGCL	the General Corporation Law of the State of Delaware, US.
DMS	has the meaning given in Section 9.1.2(i).
DOJ	US Department of Justice.
DPS	has the meaning given in Section 9.1.2(iii).
EBITDA	earnings before interest, taxation, depreciation and amortisation. EBITDA is defined as operating profit from continuing operations after adding back depreciation and amortisation.
EBITDAR	has the meaning given in Section 10.11.7(i).
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6) of the Corporations Act) in relation to the Scheme.
Effective Date	17 December 2015, which is the date on which the Scheme is currently scheduled to become Effective.
Election Date	the Business Day following the Effective Date.
Election Form	the election form accompanying this Booklet pursuant to which a Scheme Shareholder as at the Record Date may make a Cash Election.

End Date	the latest of: • 8 June 2016, or such other date as may be agreed to in writing by Iron Mountain and Recall; • if, on the date which is seven days prior to the End Date (determined under the above paragraph or a previous application of this paragraph), all of the Conditions Precedent have been satisfied or shall be capable of being satisfied prior to the End Date (other than Conditions Precedent relating to Competition Approvals or Court approval), then either Iron Mountain or Recall may, by notice in writing to the other prior to the End Date (determined under the above paragraph or a previous application of this paragraph), extend the End Date for a specified period of not less than 60 days (provided further that a party cannot extend the End Date under this paragraph if the failure to satisfy the relevant Condition Precedent is primarily the result of a breach by that party of the Scheme Implementation Deed); and • if, but for the operation of clause 5.5 of the Scheme Implementation Deed, the Implementation Date would otherwise have occurred prior to the End Date as determined under paragraphs above, the End Date will be extended to the date which is 30 days after commencement of the next fiscal quarter of Iron Mountain following the End Date as determined under the two paragraphs above. Notwithstanding the foregoing, in no event shall the End Date be extended beyond 30 July 2016.
EPS	earnings per share.
Equity Plans	has the meaning given in Section 10.17.
ESPP	has the meaning given in Section 10.17.
Event Driven Equity Financing	an equity financing, the proceeds of which would predominantly be used (and would be publicly disclosed by Iron Mountain to be so used) by Iron Mountain to finance an acquisition or acquisitions (other than the Scheme) specifically known to Iron Mountain at the time of any such financing, where such acquisition or acquisitions are intended to occur as promptly as practicable, but in no event later than nine months from the closing of any such financing.
Exclusivity Period	the period from and including the date of the Scheme Implementation Deed to the earlier of: • the termination of the Scheme Implementation Deed; and • the End Date.
FATCA	sections 1471 to 1474 of the Code and the Treasury Regulations thereunder.
FFO	net income excluding gains and losses on the sales or write-down of real estate assets plus depreciation on real estate assets.
FIRB	Australian Foreign Investment Review Board.
First Court Date	the first day on which an application made to the Court for an order under section 411(4)(a) of the Corporations Act convening the Scheme Meeting is heard.
Foreign Exempt Listing	the admission of a company to the official list of ASX as an 'ASX Foreign Exempt Listing' pursuant to Listing Rule 1.11.
FTC	US Federal Trade Commission.
FY	financial year ended or ending, in respect of Recall, 30 June, and in respect of Iron Mountain, 31 December.
GAAP	accounting principles generally accepted.
GBP Notes	has the meaning given in Section 10.11.7.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.
HSR Act	the US Hart-Scott-Rodino Antitrust Improvements Act of 1976.
HSR/Antitrust Approval	Competition Approval under the HSR Act.
IFRS	has the meaning given in Section 9.4.2(i).
Implementation Date	the date on which the Scheme is to be implemented, being the date that is the third Business Day after the Record Date, or such other date as Recall and Iron Mountain agree.
Independent Expert	KPMG Corporate Finance.
Independent Expert's Report	the report by the Independent Expert, a copy of which is set out in Appendix 1.

Ineligible Foreign Shareholder	a Scheme Shareholder whose registered address shown in the Recall Share Register is in a place which Iron Mountain reasonably determines is a place that it is unlawful or unduly onerous to issue that Scheme Shareholder with New Iron Mountain Securities when the Scheme becomes Effective (provided that a Scheme Shareholder whose address shown in the Recall Share Register is within Australia and its external territories, New Zealand, the United Kingdom (provided that Scheme Shareholder certifies to the reasonable satisfaction of Iron Mountain that it is a UK Qualified investor), Hong Kong, Singapore, Canada or the US will not be an Ineligible Foreign Shareholder.
Insolvency Event	has the meaning given in the Scheme Implementation Deed.
Investigating Accountant	PricewaterhouseCoopers Securities Ltd (ACN 003 311 617).
Investigating Accountant's Report	the report prepared by the Investigating Accountant dated 23 October 2015 set out in Appendix 2.
Iron Mountain	Iron Mountain Incorporated, incorporated in the US, under the laws of the State of Delaware, whose registered office is at One Federal Street, Boston, Massachusetts 02110.
Iron Mountain Antitrust Approval Reimbursement Fee	A$76.5 million.
Iron Mountain Board	the board of directors of Iron Mountain.
Iron Mountain CDI	a CDI in respect of an Iron Mountain Share.
Iron Mountain Deed Poll	the deed poll dated 19 October 2015 executed by Iron Mountain and Iron Mountain Sub relating to the Scheme, the terms of which are set out in Appendix 3.
Iron Mountain Director	a director of Iron Mountain.
Iron Mountain Group	Iron Mountain and its related bodies corporate (including Iron Mountain Sub and excluding, until implementation of the Scheme, Recall and its subsidiaries).
Iron Mountain Information	information provided by Iron Mountain to Recall in writing for inclusion in the Booklet regarding: • the Iron Mountain Group; • the Combined Group; • the Scheme Consideration; and • Iron Mountain's intentions in relation to Recall Group's business, assets and employees, which includes the information contained in the Letter from the Chairman and President and CEO of Iron Mountain and Sections 7, 8.2.4, 8.2.5, 8.2.6, 10, 11, 12, 14 (to the extent Section 14 relates to Iron Mountain, US laws or Iron Mountain's certificate of incorporation or bylaws), 15.3, 15.6, 15.10, 15.12 and 15.11, but excludes the Recall Information and the Independent Expert's Report or the Investigating Accountant's Report.

Iron Mountain Material Adverse Change	one or more changes, events, occurrences, facts or matters which, whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind, has had or would reasonably be expected to have a material adverse effect on the assets and liabilities (taken as a whole), condition (financial or otherwise), business or results of operations of Iron Mountain and its subsidiaries taken as a whole, other than those changes, events, occurrences or matters: • which are required or permitted by, or arise out of the announcement or pendency of, the Scheme Implementation Deed, the Scheme or the transactions contemplated by them; • which took place with the written consent of Recall; • which Iron Mountain fairly disclosed in an announcement made to NYSE prior to entry into the Scheme Implementation Deed or in Iron Mountain's disclosure letter, or which Recall had actual knowledge of prior to the date of the Scheme Implementation Deed; • which relate to costs and expenses incurred by Iron Mountain associated with the Scheme process including all fees payable to external advisers, to the extent such amounts are fairly disclosed in writing to Recall; • that are or that arise from: ◦ general changes in economic, political or business conditions (including interest rates and exchange rates), or in securities, credit or financial markets; ◦ changes in law, regulation or policy of any Government Agency (including any change in the judicial or administrative interpretation of any law, regulation or policy); ◦ the commencement, occurrence, continuation or escalation of any war, armed hostilities or acts of terrorism; or ◦ the existence, occurrence or continuation of any force majeure events, including any earthquakes, floods, hurricanes, tropical storms, fires or other natural disasters or any national, international or regional calamity, but excluding any change, event, occurrence or matter which has a disproportionate adverse effect on Iron Mountain and its subsidiaries, taken as a whole, as compared to other participants in the principal industries in which Iron Mountain and its subsidiaries operate; • that are or that arise from changes or prospective changes to any generally accepted accounting principles in Australia or US GAAP or the interpretation of any of the foregoing principles by any professional body or Government Agency; • that are or that arise from a change in the market price or trading volume of Iron Mountain Shares (although this exception will not prevent the underlying cause of any such change, if not falling within any other exception in this definition, from being taken into account in determining whether there has been an Iron Mountain Material Adverse Change); or • that are or that arise from a failure by Iron Mountain to meet any internal or public projections, budgets, forecasts or estimates of revenues, earnings or other financial results for any period ending on or after the date of the Scheme Implementation Deed (although this exception will not prevent the underlying cause of such failure, if not falling within any other exception, from being taken into account in determining whether there has been an Iron Mountain Material Adverse Change).
Iron Mountain Parties	Iron Mountain and each member of the Iron Mountain Group and their respective directors, officers, employees and advisers.

Iron Mountain Prescribed Occurrence	the occurrence of any of the following between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date: (a) Iron Mountain converting all or any of its Iron Mountain Shares into a larger or smaller number of shares; (b) any member of the Iron Mountain Group (other than a direct or indirect wholly-owned subsidiary of Iron Mountain) resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares; (c) any member of the Iron Mountain Group (other than a direct or indirect wholly-owned subsidiary of Iron Mountain): (i) entering into a buy back agreement; or (ii) resolving to approve the terms of a buy back agreement; (d) any member of the Iron Mountain Group declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its shareholders (other than such dividend, payment or other distribution paid by a direct or indirect wholly-owned subsidiary of Iron Mountain to Iron Mountain or to any direct or indirect wholly-owned subsidiary of Iron Mountain or Iron Mountain joint venture entity), except for: (i) any ordinary dividend declared or paid in respect of any reporting period, which is consistent with Iron Mountain's existing dividend policy and practice and normalised for currency exchange rate fluctuations (which for the avoidance of doubt, shall include any increase in dividend consistent with earnings growth); and (ii) any dividend that Iron Mountain is required to pay in order to maintain compliance with its REIT status obligations or that is necessary to avoid the imposition on Iron Mountain of: A. US federal income tax or any state or local income, franchise or other tax imposed on or measured by net or taxable income; or B. any US federal, state or local excise tax; (e) any member of the Iron Mountain Group issuing or agreeing to issue any shares or other securities (including any securities convertible into shares or other securities), other than: (i) issuing Iron Mountain Shares prior to the First Court Date as part of an Event Driven Equity Financing, up to a maximum number of 21,056,034; (ii) issuing Iron Mountain Shares issuable pursuant to Iron Mountain's equity awards that: A. are outstanding on the date of the Scheme Implementation Deed pursuant to the terms of the applicable equity plans as in effect immediately prior to the date of the Scheme Implementation Deed; or B. are granted under Iron Mountain's existing equity plans as in effect immediately prior to the date of the Scheme Implementation Deed in the ordinary course and consistent with past practice; (iii) any issue by an Iron Mountain Group Member to Iron Mountain or another direct or indirect wholly-owned subsidiary of Iron Mountain; (iv) any issue of Iron Mountain Shares described in paragraph d(ii) of this definition of Iron Mountain Prescribed Occurrence; (f) Iron Mountain making any change to its certificate of incorporation or bylaws without the consent of Recall; (g) any member of the Iron Mountain Group disposing, or agreeing to dispose, of: (i) the whole, or a substantial part, of the Iron Mountain Group's business representing 5% or more of the Iron Mountain Group's 2014 fiscal year annual revenue; or (ii) property or assets of US$200 million or more; (h) any member of the Iron Mountain Group creating, or agreeing to create, any encumbrance over the whole or a substantial part of the Iron Mountain Group's business or property; (i) any member of the Iron Mountain Group acquiring, or agreeing to acquire, any business, entity or undertaking, where that acquisition, if completed, will or is reasonably likely to have a material adverse effect on the prospects of obtaining any regulatory approval to be sought in relation to the Scheme; or (j) an Insolvency Event occurring in relation to an Iron Mountain Group member.
Iron Mountain Share	a validly issued, fully paid and non-assessable share of Iron Mountain common stock.
Iron Mountain Share Price	the price of Iron Mountain Shares as quoted on NYSE.
Iron Mountain Stockholder Approval	the approval of Iron Mountain stockholders referred to in clause 3.1(c) of the Scheme Implementation Deed, which is required under the NYSE listed company manual to the issue of New Iron Mountain Securities in connection with the Scheme.

Iron Mountain Sub	Iron Mountain Acquisition Holdings Pty Ltd (ACN 608 590 521), being a wholly-owned Australian Subsidiary of Iron Mountain.
IRS	US Internal Revenue Service.
ISOs	has the meaning given in Section 10.17.1.
KPMG Corporate Finance	KPMG Financial Advisory Services (Australia) Pty Ltd (ACN 007 363 215) (of which KPMG Corporate Finance is a division).
Listing Rules	the listing rules of ASX.
Material Adverse Change	a Recall Material Adverse Change or an Iron Mountain Material Adverse Change, as applicable.
New Credit Agreement	has the meaning given in Section 10.11.7(i).
New Iron Mountain CDI	a CDI in respect of a New Iron Mountain Share registered in the name of the CDI Nominee to be issued under the Scheme as Scheme Consideration.
New Iron Mountain Security	a New Iron Mountain Share or New Iron Mountain CDI (as applicable) to be issued as Scheme Consideration.
New Iron Mountain Share	a new Iron Mountain Share to be issued under the terms of the Scheme as Scheme Consideration.
New Revolving Credit Facility	has the meaning given in Section 10.11.7(i).
New Term Loan	has the meaning given in Section 10.11.7(i).
Nominee Shareholder	a Scheme Shareholder who holds Recall Shares as trustee or nominee for, or otherwise on account of, another person.
Normalised FFO	net income excluding gains and losses on the sales or write-down of real estate assets, earnings from non real estate investments, realised and unrealised foreign exchange gains and losses, provisions or benefits from deferred taxes, earnings from discontinued operations, significant one-off costs plus depreciation on real estate assets.
Notice of Scheme Meeting	the notice set out in Appendix 5 to convene the Scheme Meeting.
NSOs	has the meaning given in Section 10.17.1.
NYSE	New York Stock Exchange or such other stock exchange in the US upon which Iron Mountain Shares are listed.
NZ OIO	New Zealand Overseas Investment Office.
OIBDA	operating income before depreciation and amortisation.
Options	has the meaning given in Section 10.17.1.
Participants	has the meaning given in Section 10.17.1.
Preferential Access Shares	has the meaning given in Section 7.3.1(ii).
Pro Forma Historical Balance Sheet	has the meaning given in Section 11.9.1.
Pro Forma Historical Cash Flow Statements	has the meaning given in Section 11.9.1.
Pro Forma Historical Financial Information	has the meaning given in Section 11.9.1.
Pro Forma Historical Income Statements	has the meaning given in Section 11.9.1.
PUs	has the meaning given in Section 10.17.1.
PwC	PricewaterhouseCoopers (ABN 52 780 433 757).
QRS	qualified REIT subsidiary.
Recall	Recall Holdings Limited (ABN 27 116 537 832) and, where the context requires, its subsidiaries from time to time.

Recall Balance Sheet	has the meaning given in Section 9.4.1.
Recall Board	the board of directors of Recall.
Recall Debt Facility	has the meaning given in Section 11.7.
Recall Director	a director of Recall.
Recall Equity Awards	has the meaning given in Note 1 of Section 11.9.3.
Recall Group	Recall and its subsidiaries (excluding, until implementation of the Scheme, any member of the Iron Mountain Group).
Recall Historical Financial Information	has the meaning given in Section 9.4.1.
Recall Information	information regarding the Recall Group provided by Recall for inclusion in this Booklet (which, for the avoidance of doubt, does not include the Iron Mountain Information or the Independent Expert's Report or the Investigating Accountant's Report).
Recall Material Adverse Change	one or more changes, events, occurrences, facts or matters which, whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind, has had or would reasonably be expected to have a material adverse effect on the assets and liabilities (taken as a whole), condition (financial or otherwise), business or results of operations of Recall and its subsidiaries taken as a whole, other than those changes, events, occurrences or matters: ◆ which are required or permitted by, or arise out of the announcement or pendency of, the Scheme Implementation Deed, the Scheme or the transactions contemplated by them; ◆ which took place with the written consent of Iron Mountain; ◆ which Recall fairly disclosed in an announcement made to ASX prior to entry into the Scheme Implementation Deed or in Recall's disclosure letter, or which Iron Mountain had actual knowledge of prior to the date of the Scheme Implementation Deed; ◆ which relate to costs and expenses incurred by Recall associated with the Scheme process including all fees payable to external advisers, to the extent such amounts are fairly disclosed in writing to Iron Mountain; ◆ that are or that arise from: ◇ general changes in economic, political or business conditions (including interest rates and exchange rates), or in securities, credit or financial markets; ◇ changes in law, regulation or policy of any Government Agency (including any change in the judicial or administrative interpretation of any law, regulation or policy); ◇ the commencement, occurrence, continuation or escalation of any war, armed hostilities or acts of terrorism; or ◇ the existence, occurrence or continuation of any force majeure events, including any earthquakes, floods, hurricanes, tropical storms, fires or other natural disasters or any national, international or regional calamity, but excluding any change, event, occurrence or matter which has a disproportionate adverse effect on Recall and its subsidiaries, taken as a whole, as compared to other participants in the principal industries in which Recall and its subsidiaries operate; ◆ that are or that arise from changes or prospective changes to any generally accepted accounting principles in Australia or US GAAP or the interpretation of any of the foregoing principles by any professional body or Government Agency; ◆ that are or that arise from a change in the market price or trading volume of Recall Shares (although this exception will not prevent the underlying cause of any such change, if not falling within any other exception in this definition, from being taken into account in determining whether there has been a Recall Material Adverse Change); or ◆ that are or that arise from a failure by Recall to meet any internal or public projections, budgets, forecasts or estimates of revenues, earnings or other financial results for any period ending on or after the date of the Scheme Implementation Deed (although this exception will not prevent the underlying cause of such failure, if not falling within any other exception, from being taken into account in determining whether there has been a Recall Material Adverse Change).
Recall Parties	Recall and each member of the Recall Group and their respective directors, officers, employees and advisers.
Recall Performance Right	a performance right in respect of a Recall Share granted under the Recall Performance Share Plan.

Recall Performance Share Plan	the Recall Holdings Limited Performance Share Plan dated 24 September 2013, as amended on 24 October 2013.
Recall Prescribed Occurrence	the occurrence of any of the following between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date: • Recall converting all or any of its shares into a larger or smaller number of shares; • any member of the Recall Group (other than a direct or indirect wholly-owned Subsidiary of Recall) resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares; • any member of the Recall Group (other than a direct or indirect wholly-owned Subsidiary of Recall): ◦ entering into a buy back agreement; or ◦ resolving to approve the terms of a buy back agreement under the Corporations Act; • any member of the Recall Group declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its shareholders (other than such dividend, payment or other distribution paid by a direct or indirect wholly-owned Subsidiary of Recall to Recall or to any direct or indirect wholly-owned Subsidiary of Recall), except for any ordinary dividend declared or paid in respect of any reporting period, which is consistent with Recall's existing dividend policy and practice and normalised for currency exchange rate fluctuations (which for the avoidance of doubt, shall include any increase in dividend consistent with earnings growth); • any member of the Recall Group issuing or agreeing to issue any shares or other securities (including any securities convertible into shares or other securities), other than: ◦ Recall issuing Recall Shares in accordance with the terms of any Recall Performance Rights or Recall Retention Rights or any dividend in accordance with this definition or granted pursuant to the below; ◦ Recall issuing any further performance rights or retention rights pursuant to the Recall Performance Share Plan as part of annual award of performance rights and retention rights to employees following release of Recall's financial results for the financial year ending 30 June 2015 or otherwise in the ordinary course of business, in each case, subject to the limitations set out in the Recall disclosure letter; or ◦ any issue by a Recall Group member to Recall or another direct or indirect wholly-owned Subsidiary of Recall, • Recall making any change to its constitution without the consent of Iron Mountain; • any member of the Recall Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the Recall Group's business or property; • any member of the Recall Group creating, or agreeing to create, any encumbrance over the whole or a substantial part of the Recall Group's business or property; • any member of the Recall Group acquiring, or agreeing to acquire, any business, entity or undertaking, where that acquisition, if completed, will or is reasonably likely to have a material adverse effect on the prospects of obtaining any regulatory approval to be sought in relation to the Scheme; or • an Insolvency Event occurring in relation to a Recall Group member, other than: • as required or permitted under the Scheme Implementation Deed, the Scheme or the Iron Mountain Deed Poll; • matters which have been disclosed in any announcement by Recall to ASX prior to the entry into the Scheme Implementation Deed or in the Recall disclosure letter; or • as agreed to in writing by Iron Mountain.

Recall Pro Forma Historical Cash Flow Statements	has the meaning given in Section 9.4.1.
Recall Pro Forma Historical Financial Information	has the meaning given in Section 9.4.1.
Recall Pro Forma Historical Income Statements	has the meaning given in Section 9.4.1.
Recall Registry	the share registry of Recall, being Link Market Services Limited (ACN 083 214 537).
Recall Retention Right	a retention right in respect of a Recall Share granted under the Recall Performance Share Plan.
Recall Share	a fully paid ordinary share in the capital of Recall.
Recall Share Price	the price of Recall Shares as quoted on ASX.
Recall Share Register	the register of members of Recall maintained in accordance with the Corporations Act.
Recall Shareholder	each person who is recorded in the Recall Share Register as the legal holder of a Recall Share.
Recall Shareholder Information Line	the information line set up for the purpose of answering enquiries from Recall Shareholders in relation to the Scheme, being on 1800 209 118 (within Australia), or +61 1800 209 118 (outside Australia), between 8.30am and 5.30pm, Monday to Friday.
Record Date	5.00pm (Sydney time) on the fifth Business Day after the Effective Date, or such later date as may be agreed to in writing by Iron Mountain and Recall, being the time and date which determines the entitlements of Recall Shareholders to Scheme Consideration for implementation of the Scheme.
Regulatory Authorities	include: • ASX and ASIC; • any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity and includes any minister; and • any regulatory organisation established under statute or any stock exchange.
REIT	real estate investment trust for US federal income tax purposes.
REIT Costs	costs associated with Iron Mountain's proxy contest in 2011, the previous work of the former strategic review special committee of the Iron Mountain Board and costs associated with Iron Mountain's conversion to a REIT, but excluding ongoing REIT compliance costs beginning 1 January 2014 which are expected to recur in future periods.
Related Body Corporate	has the meaning given in the Corporations Act.
Related Party	has the meaning given in Section 14.5.
Relevant Entity Group	a Relevant Entity and its subsidiaries.
Relevant Interest	has the meaning given by sections 608 and 609 of the Corporations Act.

Remaining Cash Pool	has the meaning given in Section 7.3.1.
Remaining Shares	has the meaning given in Section 7.3.1.
Representatives	in respect of a party, each of its subsidiaries and each director, officer, employee, contractor, adviser or agent of that party or any of its subsidiaries.
Revolving Credit Facility	has the meaning given in Section 10.11.7(i).
RSUs	has the meaning given in Section 10.17.1.
S&P ASX 200	is a market-capitalisation weighted stock market index of Australian stocks listed on ASX from Standard & Poor's.
Sale Agent	a person appointed by Iron Mountain (after consultation with Recall and with Recall's approval, not to be unreasonably withheld) to sell the New Iron Mountain Shares that are attributable to Ineligible Foreign Shareholders.
Sale Facility	the facility established for the sale of New Iron Mountain Shares on behalf of Ineligible Foreign Shareholders, as described in Section 15.5.
Sale Facility Proceeds	has the meaning given in Section 15.5.1.
Scale Back Mechanism	has the meaning given in Section 7.3.
Scheme	the members' scheme of arrangement under Part 5.1 of the Corporations Act between Recall and the Scheme Shareholders pursuant to which Recall Shareholders will transfer each of their Recall Shares to Iron Mountain Sub in exchange for the Scheme Consideration, substantially in the form set out in Appendix 4 or in such other form as Recall and Iron Mountain agree in writing.
Scheme Consideration	the consideration to be provided by Iron Mountain to Scheme Shareholders under the Scheme for the transfer of each Recall Share held on the Record Date, as more fully described in Section 7.
Scheme Implementation Deed	the implementation deed between Recall and Iron Mountain dated 8 June 2015 relating to the implementation of the Scheme and summarised in Section 15.1.1, a copy of which was released in full to ASX on 9 June 2015.
Scheme Meeting	the scheme meeting of Recall Shareholders to be convened by the Court in relation to the Scheme under section 411(1) of the Corporations Act to be held at Museum of Sydney, Corner Phillip Street & Bridge Street, Sydney NSW 2000 at 10.00am on 3 December 2015.
Scheme Meeting Proxy Form	the proxy form for the Scheme Meeting which forms part of this Booklet.
Scheme Resolution	the resolution to approve the Scheme to be considered by Recall Shareholders at the Scheme Meeting, set out in the Notice of Scheme Meeting contained in Appendix 5.
Scheme Share	a Recall Share held by a Scheme Shareholder as at the Record Date.
Scheme Shareholder	a Recall Shareholder as at the Record Date.
SDRT	stamp duty reserve tax.
SDS	has the meaning given in Section 9.1.2(ii).
SEC	US Securities and Exchange Commission.

Second Court Date	the first day of the Second Court Hearing, or, if the hearing is adjourned for any reason, the first day of the adjourned hearing.
Second Court Hearing	the hearing of an application made to the Court for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Second Request	has the meaning given in Section 15.14.1(iii).
Section	a section of this Booklet.
Securities Act	the US Securities Act of 1933 as amended
SME	small and medium enterprise.
Special Purpose Subsidiaries	has the meaning given in Section 10.11.7(iii).
Standard Consideration	in respect of a Scheme Share, US$0.50[87] in cash, plus 0.1722 New Iron Mountain Securities, as described in Section 7.1.1.
Subsidiary	has the meaning given in section 9 of the Corporations Act.
Superior Proposal	a bona fide Competing Proposal in respect of Recall of the kind referred to in paragraph (a), (c) or (d) of the definition of Competing Proposal, which the Recall Board, acting in good faith and after taking written advice from its legal and financial advisers determines is: ◆ reasonably capable of being valued and reasonably likely to be completed on a timely basis, taking into account all aspects of the Competing Proposal and the person making it (including such person's identity, reputation and financial condition), including without limitation having regard to legal, regulatory and financial matters and any conditions precedent; and ◆ more favourable to Recall Shareholders than the Scheme, taking into account all terms and conditions of the Competing Proposal.
Tax Disclosure	Iron Mountain's disclosure filed with the SEC on 25 August 2015.
Tax Matters Agreement	the Tax Matters Agreement by and between Brambles USA, Inc., a Delaware corporation, and Recall Corporation, a Delaware corporation, dated 25 November 2013.
Term Loan	has the meaning given in Section 10.11.7(i).
Treasurer	the Treasurer of the Commonwealth of Australia.
TRS	taxable REIT subsidiary.
UK Qualified Investor	a 'qualified investor' as defined in Article 2.1(e) of the EU Prospectus Directive.
US	United States of America.
US$	US dollars.
US GAAP	accounting principles generally accepted in the US.
US Holder	has the meaning given in Section 13.2.
Voting Record Date	7.00pm on 1 December 2015, being the time and date for determining eligibility to vote at the Scheme Meeting.
VWAP	the volume weighted average trading price of the relevant securities, calculated by dividing the total value by the total volume of securities traded for the relevant period.

87 To be paid in Australian dollars, based on the AUD/USD exchange rate on the Record Date.

C

APPENDIX 1

Independent Expert's Report

KPMG Corporate Finance
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The Directors
Recall Holdings Limited
Level 2, 170-180 Bourke Road
Alexandria NSW 2015

23 October 2015

Dear Directors

Independent Expert's Report and Financial Services Guide

Part One – Independent Expert's Report

1 Introduction

On 8 June 2015, Recall Holdings Limited (Recall) announced that it had entered into a Scheme Implementation Deed (Scheme Implementation Deed) with Iron Mountain Incorporated (Iron Mountain), under which it is proposed that Iron Mountain will acquire all of the issued capital of Recall, subject to certain shareholder and regulatory approvals and other conditions (the Scheme).

Under the terms of the Scheme, Recall Shareholders (Recall Shareholders) as at the Record Date[1], other than those that elect the Cash Alternative (Cash Alternative) will receive:

- the Australian dollar equivalent of US$0.50[2], plus
- 0.1722 New Iron Mountain Securities (New Iron Mountain Securities)

for each Recall Share (Recall Share) held on the Record Date (the Standard Consideration).

Recall Shareholders may receive New Iron Mountain Securities as either New Iron Mountain Shares or New Iron Mountain CDIs. New Iron Mountain Shares issued under the Scheme will be fully paid common shares in the capital of Iron Mountain and will be listed and traded on the New York Stock Exchange (NYSE) in US dollars. If the Scheme is implemented, Iron Mountain will establish a secondary

[1]Record Date refers to 5.00pm (Sydney time) on the fifth business day after the date on which the Scheme becomes effective (Effective Date), or such later date as may be agreed to in writing by Iron Mountain and Recall, being the date and time which determines the entitlement of Recall Shareholders to Scheme Consideration for implementation of the Scheme (Record Date)

[2] Based on the A$/US$ exchange rate as at the Record Date (the Cash Supplement Amount)

listing on the Australian Securities Exchange (ASX) to allow shareholders to trade New Iron Mountain Shares on the exchange in Australian dollars as New Iron Mountain CDIs. Each New Iron Mountain CDI will represent a beneficial interest in one Iron Mountain Share and will have rights which are economically equivalent to the rights attaching to an Iron Mountain Share. New Iron Mountain CDIs can be converted into Iron Mountain Shares at any time and vice versa.

Recall Shareholders who elect the Cash Alternative will, subject to any scale back, receive a total of A$8.50 cash, comprising:

- the Australian dollar equivalent of US$0.50, plus
- an amount equal to A$8.50 less the Australian dollar equivalent of US$0.50 (the Cash Base Amount)

for each Recall Share held on the Record Date (the Cash Alternative).

The aggregate amount of the Cash Base Amounts available to satisfy elections for the Cash Alternative is subject to a Scale Back Mechanism (Scale Back Mechanism) which is capped at A$225 million (Cash Pool). Further details regarding the operation of the Scale Back Mechanism are set out in Section 5.2 of this report and Section 7.3 of the Scheme Booklet.

Iron Mountain is a global leader in the provision of storage and information management solutions, operating a network of over 65 million square feet of space in 1,000 facilities across 36 countries. It services a high quality, diversified customer base across numerous industries and government organisations. Iron Mountain is listed on the NYSE with a market capitalisation of US$6.6 billion as at 20 October 2015.

Implementation of the Scheme will result in the combination of Recall Group and Iron Mountain Group, to form the Combined Group (Combined Group). The Combined Group will have a pro forma market capitalisation of approximately US$8.2 billion[3], generate US$4.0 billion in annual revenue and operate over 1,300 facilities globally in 42 countries across 5 continents. Post-implementation, Recall Shareholders will hold an aggregate interest of up to approximately 21% in the Combined Group. Pursuant to the Scheme Implementation Deed two Directors of Recall will also join the Board of Iron Mountain.

The Directors of Recall have requested KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (KPMG Corporate Finance) to prepare an Independent Expert's Report (IER) for the benefit of Recall Shareholders setting out whether, in our opinion, the Scheme is in the best interests of Recall Shareholders.

This report sets out the opinion of KPMG Corporate Finance as to the merits or otherwise of the Scheme. This report should be considered in conjunction with and not independently of the information set out in the Scheme Booklet.

The Scheme is subject to the satisfaction of a number of conditions which are outlined in Section 5.3 of this report and described in Section 15.14 of the Scheme Booklet.

[3] Section 11.1.1 of the Scheme Booklet

Further information regarding KPMG Corporate Finance as it pertains to the preparation of this report is set out in Appendix 1.

KPMG Corporate Finance's Financial Services Guide is contained in Part Two of this report.

We note a separate fairness opinion is being prepared for Iron Mountain shareholders to consider the Scheme from Iron Mountain's perspective. This separate fairness opinion has been prepared by Goldman, Sachs & Co.

2 Requirements for our report

Section 411(3) of the Corporations Act (the Act) requires that an explanatory statement issued in relation to a proposed scheme of arrangement under Section 411 of the Act include information that is material to the making of a decision by a member as to whether or not to agree with the relevant proposal. In this regard, the Directors of Recall have requested KPMG Corporate Finance to prepare an IER to satisfy the requirements of Section 411 (although there is no technical requirement for an IER to be prepared in relation to the Scheme).

In undertaking our work, we have referred to guidance provided by the Australian Securities and Investments Commission (ASIC) in its Regulatory Guides, in particular Regulatory Guide 111 'Content of expert reports' (RG 111) which outlines the principles and matters which it expects a person preparing an IER to consider when providing an opinion on whether a transaction is "fair and reasonable, and therefore in the best interests" of Recall Shareholders.

Further details of the relevant technical requirements and the basis of assessment in forming our opinion are set out in Section 6.2 of this report.

3 Opinion

In our opinion, we consider the Scheme **to be in the best interests of Recall Shareholders**, in the absence of a superior proposal.

In arriving at this opinion, we have assessed whether we consider the Scheme to be:

- *fair*, by comparing our assessed value of the Standard Consideration (based on the value of an Iron Mountain Share on a minority interest basis) and the Cash Alternative to our assessed value of a Recall Share on a controlling interest basis. This approach is in accordance with the guidance set out in RG 111
- *reasonable*, by assessing the implications of the Scheme for Recall Shareholders, the alternatives to the Scheme which are available to Recall and Recall Shareholders, and the consequences for Recall Shareholders of not approving the Scheme.

Our assessment has formed the view that the Scheme is fair and reasonable. As such we have consistent with RG 111 concluded that the Scheme is in the best interests of Recall Shareholders.

In forming our view as to the value of Recall and Iron Mountain we have considered a series of factors including their earnings profile, size and market position, growth prospects, foreign currency exposure and operating structure. As required by RG 111 we have valued Recall on a controlling interest basis and

Iron Mountain on a minority interest basis. This is required because Iron Mountain is obtaining control of Recall, and Recall Shareholders are receiving consideration in the form of a share in Iron Mountain, which represents a minority interest.

Driven by its fairly mature and highly fragmented nature, the information management industry has experienced waves of consolidation, as larger industry participants target fold-in acquisitions of smaller participants to enhance scale, growth prospects, asset utilisation and the geographic footprint of their business operations. Iron Mountain is the best evidence of this strategy as it gained a leading global market position through completing over 300 acquisitions since it was established in 1951.

Recall and Iron Mountain have been considered natural transaction parties for some time and speculation of a possible transaction first emerged on 30 September 2014. As a result, trading in the shares of both parties has been impacted by the market's assessment of a possible transaction, as well as a series of result announcements, acquisitions, overall equity market consideration, and other events that have occurred since that date. Whilst our valuation of Recall has been completed on a first principles basis, as if the Scheme had not been proposed, our assessment of the value of a share in Iron Mountain has been complicated by this extended period of 'compromised' trading. Notwithstanding, we have determined the value of the Standard Consideration having regard to the trading value of an Iron Mountain Share, which reflects the nature of the consideration Recall Shareholders will receive.

This analysis indicates that our value range for the Standard Consideration is A$7.53 to A$8.71 with our assessed value range for a Recall Share being A$7.51 to A$8.37. As both the value attributed to the Standard Consideration and the value of the Cash Alternative either fall within or exceed our assessed value range for a Recall Share, we consider the Scheme to be fair. In forming our opinion we have had to make a series of judgements as to future events based on the facts which we currently know. It is inevitable that circumstances will change in the future given the length of time between completion of this report, the voting by Recall Shareholders, receipt of all conditions precedent and the Scheme ultimately being implemented. Any change in circumstances may impact on the trading price of an Iron Mountain Share at the time the Standard Consideration is ultimately paid to Recall Shareholders.

Our analysis of the fairness of the Scheme is detailed further in Section 3.1 below.

In accordance with RG 111, an offer is reasonable if it is fair. As we have assessed the Scheme to be fair, this would imply that the Scheme is reasonable. However, irrespective of the statutory obligation to conclude that the Scheme is reasonable, we have considered a range of other factors which are relevant to assessing the reasonableness of the Scheme which on balance in our opinion support a reasonableness conclusion in isolation of our fairness opinion.

These include:

- the consideration offered under the Scheme represents a substantial premium to the trading price of Recall pre speculation of a transaction
- the value of the Standard Consideration is not certain as the value of an Iron Mountain Share as well as the A$/US$ exchange rate will fluctuate prior to the issue of the Standard Consideration to Recall Shareholders upon implementation of the Scheme

- the Cash Alternative is slightly higher than our value range for a Recall Share, however the Cash Pool available is capped at A$225 million and therefore the Cash Alternative may be subject to scale back
- the combination will create a leading global provider of document storage and information management services, with greater operational and geographical diversification with enhanced financial strength and scale, that is better placed to deal with the significant challenges facing the document management industry
- the material synergies expected to be generated by the Combined Group post implementation and transaction costs, as significant duplicated overhead and sales costs are removed from the business, driving improvement in earnings and dividends supported by Iron Mountain's Real Estate Investment Trust (REIT) structure
- the likelihood of a superior proposal appears to be low, given that no alternative proposal has emerged since speculation of a possible transaction with Iron Mountain first arose in September 2014. Other contributing factors include the level of unique synergies realisable by Iron Mountain and the rights available to Iron Mountain under the Scheme in relation to the possible emergence of alternative proposals
- the risks of the Combined Group will differ to those currently experienced by Recall, including increased gearing, a different geographical diversification, exposure to a REIT structure and changed shareholder rights, as well as a number of material risks that need to be managed as part of the Scheme
- the Combined Group will have a significantly higher level of gearing relative to Recall's current level. However, it is expected that the realisation of synergies and resultant earnings accretion will increase the debt covenants headroom and enable the Combined Group to deleverage over time
- the risk that the shareholder base of New Iron Mountain CDIs will migrate over time to Iron Mountain Shares which may reduce liquidity in the trading of New Iron Mountain CDIs, which in turn may result in New Iron Mountain CDIs trading at a discount to Iron Mountain Shares
- the general tax implications associated with the Scheme, and tax implications of holding Iron Mountain Shares and CDIs regarding future disposals and the treatment of dividends. Specifically, Recall Shareholders resident in Australia for tax purposes may be eligible for CGT roll-over relief in respect of New Iron Mountain Securities received.

There are also other matters which Recall Shareholders should consider, including:

- there are a number of conditions, including regulatory clearance from competition authorities, which if not satisfied will result in the Scheme not being implemented even if the Scheme has been approved by Recall Shareholders. In this case, Recall Shareholders would continue to hold their existing shareholding
- Recall will incur transaction costs relating to adviser, legal, accounting and expert fees, employee payments and other costs associated with the Scheme, irrespective of whether the Scheme is implemented

- in the event that the Scheme is not approved or any conditions precedent prevent the Scheme from being implemented, Recall will continue to operate in its current form and its share price is likely to fall to levels consistent with trading prices prior to the emergence of speculation of a potential transaction, subject to consideration for any company specific changes and broader trends in equity markets.

Our analysis of the reasonableness of the Scheme is detailed further in Section 3.2 below.

The decision to approve the Scheme or not is a matter for individual shareholders based on their views as to value, expectations about future market conditions and their particular circumstances including investment strategy and portfolio, risk profile and tax position. Recall Shareholders should consult their own professional adviser, if in doubt, regarding the action they should take in relation to the Scheme.

3.1 The Scheme is fair

We have valued 100% of the equity in Recall in the range of US$1,772 million to US$1,975 million, which corresponds to a value of A$7.51 to A$8.37 per Recall Share at an exchange rate of 0.73 A$/US$[4]. Our valuation reflects 100% ownership of Recall and therefore incorporates a control premium. Given the inclusion of a control premium, we would expect the valuation to be in excess of the value of Recall implied by its trading price in the absence of a takeover offer. Our valuation is set out in Section 10 of this report and summarised below.

Table 1: Valuation of Recall

US$ million (unless otherwise stated)	Section reference	Value range Low	Value range High
Value of business operations	10.3	2,332	2,535
Less: Net debt	10.4	(560)	(560)
Value of equity		**1,772**	**1,975**
Fully diluted shares on issue (millions)		323.1	323.1
Value per Recall Share (US$)		5.48	6.11
A$/US$ as at 20 Oct 2015		0.73	0.73
Value per Recall Share (A$)		**7.51**	**8.37**

Source: KPMG Corporate Finance analysis
Note: Table may not sum due to rounding

The key factors considered in our assessment of the value of Recall are set out below.

- *Earnings profile*. Recall's operating business, particularly its document management services business, is highly characterised by recurring, contractual revenue streams generated from a diverse customer base which supports a relatively stable earnings profile. Recall's geographical diversification also supports a more stable earnings profile as the relatively lower growth prospects of developed markets are balanced by the relatively higher growth prospects of the emerging markets in which Recall operates

[4] As at 20 October 2015

- *Size and market position*. Recall has leading market positions in most of its regions and is significantly larger in size than most of its peers. This scale provides a number of benefits to Recall, including the ability to compete for and service larger national and/or global clients, the availability of efficiencies from economies of scale and an advantageous funding capacity. However, relative to Iron Mountain, Recall is only approximately one quarter of the size (in terms of market capitalisation) and has a significantly lower EBITDA margin, which is also a reflection of the substantially smaller portion of storage facilities owned by Recall
- *Growth prospects*. Following Recall's demerger from Brambles in December 2013, management has demonstrated its capability to re-position Recall for growth and improve profitability. Key drivers of Recall's earnings growth prospects include:
  - Recall has considerable debt capacity available to fund inorganic growth opportunities given its relatively low levels of gearing. As a result of the maturity of the information management industry, particularly in developed markets, inorganic growth has become a key driver of the financial performance of leading industry participants, and the highly fragmented nature of the industry is expected to provide further opportunity for industry participants to improve growth, scale and efficiency through industry consolidation
  - Recall has introduced two facility optimisation programs and identified further margin improvement initiatives as part of its strategic plan, which are expected to enhance earnings growth prospects. However, there is a general trend to enhance cost control and asset utilisation, particularly in mature developed markets given constraints on organic growth opportunities, as evidenced by the transformation program recently announced by Iron Mountain
  - Recall has a relatively high exposure to emerging markets. Organic growth opportunities in emerging markets are expected to be greater than in developed markets due to higher economic growth rates and increasing trends towards outsourcing of information management solutions supported by increasingly sophisticated regulatory environments
  - Recall has complemented its service offering with digital solutions to mitigate the risks associated with an increased digitisation, allowing it to participate in the opportunities provided by digital information management services.
- *Foreign currency exposure*. Recall's high geographical diversification increases the risk of earnings volatility driven by foreign exchange rate fluctuations. The expected further strengthening of the US Dollar may therefore dilute some of the growth expected to be achieved by Recall on a constant dollar basis
- *Synergies*. Our valuation assumes 100% ownership of Recall and therefore incorporates a control premium. In assessing an appropriate premium for control in accordance with RG 111, we have only considered those synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of Recall. As such, we have not included the value of special benefits that may be unique to Iron Mountain. Whilst it is likely that other industry participants could achieve synergies of a similar nature to Iron Mountain, it is unlikely that they could achieve synergies to the same degree as none of them have the same geographic overlap with Recall

or a REIT structure. Accordingly, our valuation of Recall has been determined without regard to the specific bidder, and any special benefits have been considered separately

- *Industry outlook*. The long term outlook for the information management industry is difficult to predict given the uncertainties associated with the extent and timing of the impact of increased digitisation on the industry, particularly with regard to physical document storage and secure document destruction. However, the current regulatory landscape and uncertainty around technology security are expected to continue to be a key driver of demand for traditional information management services, at least over the medium term. Further, industry participants will continue to complement their service offerings with digital solutions to mitigate the risks associated with increased digitisation. The longer term growth prospects of the industry are also supported by the significant opportunity to increase the penetration of the unvended market. In addition, the highly fragmented nature of the industry will continue to provide inorganic growth opportunities through further industry consolidation.

Under the Scheme, Recall Shareholders will have the option to receive for each Recall Share held on the Record Date either:

- the Standard Consideration, comprising the Australian dollar equivalent of US$0.50 in cash, plus 0.1722 New Iron Mountain Securities; or
- the Cash Alternative of A$8.50, subject to the Cash Pool and the Scale Back Mechanism.

We have attributed a value to the Standard Consideration of A$7.53 to A$8.71 per Recall Share based on a value range for Iron Mountain Shares (on a minority interest basis) of US$29.00 to US$34.00 and an exchange rate of 0.73 A$/US$ as set out in Section 11 of this report and summarised below.

Table 2: Valuation of the Standard Consideration

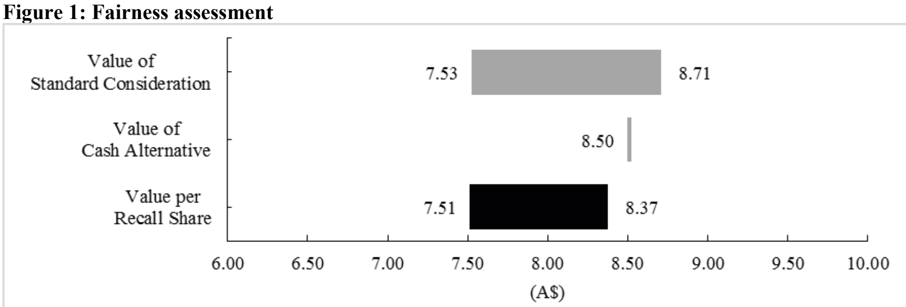
US$ (unless otherwise stated)	Section reference	Value range Low	Value range High
Value per Iron Mountain Share (minority interest basis)	11.3	29.00	34.00
Exchange ratio	5.2	0.1722	0.1722
Value of the scrip component of the Standard Consideration		4.99	5.85
Add: Cash component of the Standard Consideration	5.2	0.50	0.50
Value of Standard Consideration		5.49	6.35
A$/US$ as at 20 Oct 2015		0.73	0.73
Value of Standard Consideration (A$)		**7.53**	**8.71**

Source: KPMG Corporate Finance analysis

The value range we have assessed for Iron Mountain Shares is wider than that for Recall Shares, reflecting the recently increased volatility in the trading price of Iron Mountain and the perceived uncertainties associated with the Scheme, particularly in terms of implementation risks, the timing and value of synergies, and costs of integration.

A comparison of our assessed value per Recall Share on a control basis to the value attributed to the Standard Consideration and the Cash Alternative is illustrated below.

Figure 1: Fairness assessment



Source: KPMG Corporate Finance analysis

According to RG 111, the Scheme should be considered fair if the consideration offered to Recall Shareholders is equal to or higher than our assessed value of a Recall Share. **As both the value attributed to the Standard Consideration and the value of the Cash Alternative either fall within or exceed our assessed value range for a Recall Share, we consider the Scheme to be fair.**

However, the value of the Standard Consideration under the Scheme will vary with movements in the Iron Mountain share price and fluctuations in the A$/US$ exchange rate. Accordingly, until the New Iron Mountain Securities are issued under the Scheme, Recall Shareholders who elect to receive the Standard Consideration, or are subject to the Scale Back Mechanism, are exposed to changes in overall equity market conditions, fluctuations in the A$/US$ exchange rate and company specific events that may affect the Iron Mountain share price. The table below illustrates the sensitivity of the implied value of the Standard Consideration to changes in the Iron Mountain share price and the A$/US$ exchange rate.

Table 3: Sensitivity of the implied value of the Standard Consideration

		Iron Mountain share price (US$)						
		24.00	26.50	29.00	31.50	34.00	36.50	39.00
	0.65	7.13	7.79	8.45	9.11	9.78	10.44	11.10
A$/US$	0.69	6.71	7.34	7.96	8.59	9.21	9.83	10.46
Exchange rate	0.73	6.35	6.94	7.53	8.12	8.71	9.29	9.88
	0.77	6.02	6.58	7.13	7.69	8.25	8.81	9.37
	0.81	5.72	6.25	6.78	7.31	7.85	8.38	8.91

Source: KPMG Corporate Finance analysis

Whilst fluctuations in the A$/US$ exchange rate would impact on the implied value of the Standard Consideration as illustrated under the above analysis, it is important to recognise that the fair value of both Recall and Iron Mountain would remain unchanged as both are determined in US dollars.

In the event that short term volatility in overall equity market conditions drives the implied value of the Standard Consideration below our assessed value range per Recall Share, we would expect the Scheme to remain fair if it is reasonable to believe that trading in Recall Shares in the absence of a takeover offer would have been similarly affected by the changes in overall equity market conditions. Further, short term volatility in trading prices would also need to be assessed against the fundamental longer term prospects of the Combined Entity, as Recall Shareholders who receive and retain New Iron Mountain Securities will be able to participate in the benefits associated with the significant synergies and earnings accretion expected from a combination of Recall and Iron Mountain (as further discussed in the reasonableness section of this report). However, the timing and extent of these benefits will largely depend on the ability of the management of Iron Mountain to successfully integrate Recall in a timely manner.

Finally, in our opinion, the current trading price of Iron Mountain Shares is unlikely to reflect the full value of the net benefits expected from a combination of Recall and Iron Mountain due to the market's assessment of the perceived implementation risks associated with the Scheme, particularly the required regulatory approvals, as well as uncertainty over the timing and cost of realising the expected synergies. Accordingly, the expected market re-rating upon receipt of the required regulatory approvals and implementation of the Scheme will provide support for Iron Mountain Shares and in turn for our fairness assessment.

3.2 The Scheme is reasonable

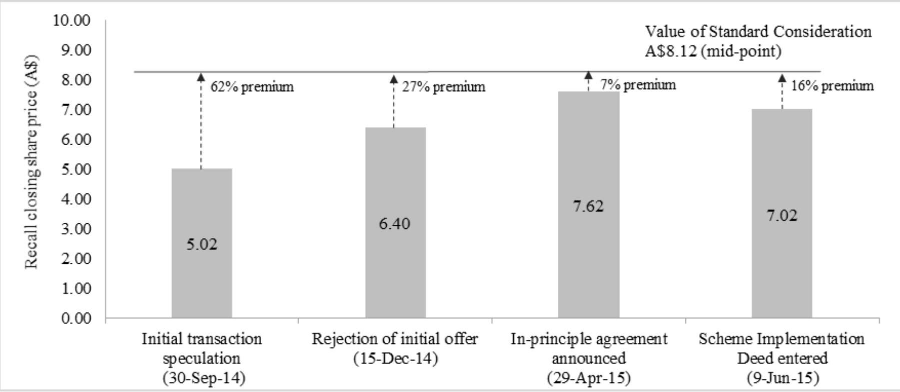
In accordance with RG 111, an offer is reasonable if it is fair. As we have assessed the Scheme to be fair, this would imply that the Scheme is reasonable. However, irrespective of the statutory obligation to conclude the Scheme is reasonable, we have also considered a range of factors as set out below which on balance in our opinion support a reasonableness conclusion in isolation of our fairness opinion.

The consideration offered under the Scheme represents a substantial premium to the trading price of Recall pre speculation of a transaction

The mid-point of our assessed value range of the Standard Consideration represents a substantial premium to the Recall volume weighted average share prices one day prior (61%), one week prior (60%) and one month prior (63%) to 29 September 2014, being the last day prior to the emergence of speculation as to a possible transaction. The premiums are slightly higher when assessed based on the Cash Alternative, as the consideration under the Cash Alternative (A$8.50) is higher than the mid-point of our assessed value range of the Standard Consideration (A$8.12).

Given the time that lapsed since emergence of speculation as to a possible transaction between Recall and Iron Mountain, we have also considered the premium to Recall's closing share price on the trading day prior to the announcement of the rejected takeover offer on 15 December 2014, the in-principle agreement on 29 April 2015, and the Scheme Implementation Deed on 9 June 2015. This analysis is illustrated below.

Figure 2: Premium of assessed value of the Standard Consideration over the Recall share price



Source: *S&P Capital IQ; KPMG Corporate Finance analysis*
Note: *The premiums illustrated above have been calculated based on Recall's closing share price on the trading day prior to when each of the above announcements were made*

With regard to our assessment of the premium implied by the Standard Consideration and the Cash Alternative, we note:

- it is commonly accepted that acquirers of 100% of a business should pay a premium over the value implied by the trading price of a share to reflect their ability to obtain control over the target's strategy and operations, as well as extract synergies from integration. Observations from transaction evidence indicate that takeover premiums concentrate around a range between 20% and 35% for completed takeovers depending on the individual circumstances. In transactions where it was estimated that the combined entity would be able to achieve significant synergies, the takeover premium was frequently estimated to be in excess of this range
- the substantial premium offered by Iron Mountain over Recall's trading price pre takeover speculation reflects in part the unique synergies realisable through a combination of Recall and Iron Mountain, which are unlikely to be replicable by other industry participants due to their lack of size and limited geographic overlap with Recall. In addition, the significant strengthening of the US$ over the last year, which appreciated in value against the A$ by approximately 19.2% between 29 September 2014 and 20 October 2015, has enhanced the premium offered to Recall Shareholders on an A$ basis
- the premium declined over time which is not unexpected as it reflects the market's re-rating of Recall Shares based on the increased likelihood attributed to the possible occurrence of a control transaction. The premium that is observed subsequent to the announcement of the Scheme Implementation Deed reflects the market's assessment of the implementation risks of the Scheme, i.e. we consider it unlikely that the market would attribute the full value of the consideration under the Scheme until acceptable regulatory clearances are obtained

- unlike the premium implied by the Cash Alternative, the value of the Standard Consideration is not certain and the actual premium received upon issuance of the New Iron Mountain Securities under the Scheme could therefore exceed, or be less than, the premium implied by our assessed value range of the Standard Consideration.

The value of the Standard Consideration is not certain

The value of the Standard Consideration under the Scheme will vary with movements in the Iron Mountain share price and fluctuations in the A$/US$ exchange rate. As stated above in Section 3.1 of this report, until the New Iron Mountain Shares are issued under the Scheme, Recall Shareholders who elect to receive the Standard Consideration or are subject to the Scale Back Mechanism are exposed to changes in overall equity market conditions, fluctuations in the A$/US$ exchange rate and company specific events that may affect the Iron Mountain share price. The sensitivity of the implied value of the Standard Consideration to changes in the Iron Mountain share price and the A$/US$ exchange rate was previously illustrated above in Table 3.

Accordingly, the actual value received upon issuance of the New Iron Mountain Securities under the Scheme could therefore exceed, or be less than, our assessed value range per Recall Share. However, in assessing the impact of any change in the trading price of Iron Mountain, consideration should also be given to the potential for market driven factors to also impact our assessment of the value of Recall.

The Cash Alternative provides certainty of price but may be subject to scale back

The Scheme provides the flexibility for Recall Shareholders to elect the A$8.50 Cash Alternative which, unlike the Standard Consideration, provides certainty of price as to the value of the consideration received upon implementation of the Scheme. However, Recall Shareholders who elect to receive the Cash Alternative may be subject to the Scale Back Mechanism as the available Cash Pool is capped at A$225 million. Despite this, preferential access to the Cash Pool is granted under the Scheme for the first 5,000 Recall Shares held by each Recall Shareholder on the Record Date.

At 11 June 2015, approximately 98% of Recall Shareholders held 5,000 Recall Shares or less and would have been able to receive the Cash Alternative for all of their Recall Shares. Where Recall Shareholders are subject to the Scale Back Mechanism they will receive the Standard Consideration instead of the Cash Alternative.

The Combined Group offers greater diversification and enhanced financial strength and scale

The combination of Recall and Iron Mountain has a number of strategic benefits and will create a leading global document storage and information services group. If the Scheme is implemented, Recall Shareholders will own up to approximately 21% of the Combined Group[5].

An overview of the Combined Group is set out in Section 9 of this report and Section 11 of the Scheme Booklet. Relative to Recall, the Combined Group provides the following strategic benefits:

[5] Subject to all Recall Shareholders electing to receive the Standard Consideration

- increased capacity to make strategic investments
- greater diversification and an enhanced global footprint in terms of either country of operation or the scale of operations in countries where both businesses currently operate
- enhanced ability to service customers, which are expected to benefit through an enhanced geographic footprint, operational efficiencies, value-added services and new innovative products
- enhanced capabilities to accelerate the development of new solutions and services in a more efficient manner than on a standalone basis
- a more substantial global real estate portfolio.

Holding Iron Mountain Shares will allow Recall Shareholders to share in significant synergies and accretion expected to be generated by the Combined Group

A key benefit of the proposed acquisition of Recall by Iron Mountain is the potential to realise significant synergies. The level of synergies able to be achieved by participants in the information management industry is largely a function of the degree of geographic overlap and the opportunity to eliminate overhead costs and optimise facility utilisation. Whilst it is likely that other industry participants could achieve synergies of a similar nature to Iron Mountain, it is unlikely that they could achieve synergies to the same degree as none of them have the same geographic overlap with Recall or a REIT structure.

Recall and Iron Mountain have undertaken a detailed review of the potential synergies that could be achieved by the Combined Group. Synergies were identified in relation to real estate, cost of sales, overhead and tax. The identified synergies, if fully realised are expected to amount to US$155 million per annum. One-off costs associated with obtaining these benefits are expected to be US$300 million[6]. Recall Shareholders who receive and retain Iron Mountain Shares have the opportunity to benefit from any value accretion as the synergies are realised over time.

The implementation of the Scheme and realisation of synergies is expected to generate significant earnings accretion for Iron Mountain across all relevant financial metrics, including adjusted Earnings Per Share (EPS), and cash flow measured by normalised Funds From Operations (FFO) and Adjusted Funds From Operations (AFFO), as summarised below.

[6] Refer to Section 9.2 of this report for a more detailed description of the synergies and integration costs

Table 4: Accretion estimates (excluding purchase price accounting adjustments)

Metric	CY16	CY17	CY18	Synergies fully achieved
EPS (adjusted)[1,2]	2%	20%	25%	26%
FFO (normalised)[1,2]	0%	12%	15%	16%
AFFO[1]	(2%)	8%	11%	13%

Source: Scheme Booklet
Note 1: Accretion figures above exclude the one-off costs to achieve and integrate, and therefore are considered 'normalised' accretion estimates
Note 2: The above accretion estimates do not include the impact of additional amortisation and depreciation as a result of the purchase price accounting required on completion of the transaction. Inclusion of these items would reduce EPS and normalised FFO during these periods, however, given that the additional amortisation and depreciation represent expenses for accounting purposes and are non-cash in nature, we consider the above accretion estimates more closely reflect the impact of the Scheme on shareholder value post implementation

In addition, the Scheme may also result in potential for:

- further synergies to be identified during the implementation process
- dividend growth and enhanced share price performance as integration milestones are met and realised synergies deliver the expected earnings accretion.

As Iron Mountain operates as a REIT, Recall Shareholders will also benefit from a higher dividend payout ratio. As a REIT, Iron Mountain must distribute at least 90% of its REIT taxable income. This compares to Recall's current payout ratio of 55% to 70% of underlying profit after finance costs and tax (and after taking into account the future funding needs of the business).

Likelihood for a superior alternative proposal is low

In assessing the merits of the Scheme, we have considered the alternative options available to Recall Shareholders. Speculation in relation to Iron Mountain and a potential takeover offer first commenced in September 2014. Since that date no alternative proposal has been made by any other party.

Further, under the Scheme Implementation Deed, Recall is restricted from either soliciting or entering into discussions with third parties in relation to alternative proposals. Recall is also required to notify Iron Mountain should it become aware of any possible alternative proposal, including all material terms of such a proposal. Further, under certain circumstances associated with an alternative proposal Recall would be required to pay a break fee to Iron Mountain of A$25.5 million. Whilst the likelihood for a superior alternative proposal is impacted by these terms, the Directors of Recall would be required under their fiduciary duties to consider the merits of an alternative proposal should it arise.

Finally, it is unlikely that an alternative proposal could provide a superior value proposition for Recall Shareholders when considering the level of unique synergies that can be realised through a combination of Recall and Iron Mountain.

Material risks will exist within the Iron Mountain business and Recall Shareholders' investment risk profile will change

Those Recall Shareholders who receive Iron Mountain Shares will be subject to a number of material risks. These risks include:

- the implementation of the Scheme triggers review events under Recall's major debt facilities. The impact of these review events is at this stage unknown, but may include an increase in the cost of debt or the need to alter the expected refinancing timetable
- the potential loss of customers through either trigger mechanisms in existing contracts or competitor activity
- the inability to achieve the expected synergies either in quantum, within the expected time period or at the expected cost
- the increased complexity, compliance obligations and reduced flexibility under Iron Mountain's REIT status.

Overall, the investment risk profile for those Recall Shareholders who receive Iron Mountain Shares will change from that of their current investment. These changes include:

- *REIT structure*. Iron Mountain plans to integrate Recall into its existing REIT structure within the first quarter of the Scheme being implemented. The Combined Group will have ongoing requirements to maintain REIT status, including the tests relating to income, assets and distributions as outlined in Section 8.2.2 of this report. These requirements may limit the strategic flexibility of the Combined Group to take advantage of certain opportunities in the future such as, for example, the purchase of non-REIT qualifying operations or assets, the expansion of non-real estate activities, entry into certain hedging transactions, and investments in businesses to be conducted through TRSs. In the event that the Combined Group fails to maintain its REIT status, it will be subject to tax at corporate income tax rates, and will be unable to deduct distributions to shareholders when computing its taxable income, thereby negatively impacting distributions to shareholders
- *Dividend policy*. A key element of Recall's current strategy relates to pursuing inorganic growth options, through acquisitions of customers and businesses, which is funded through a combination of retained earnings and available debt capacity given Recall's relatively low level of gearing. As a REIT, the Combined Group will be required to distribute at least 90% of its REIT taxable income each year to shareholders. Under this structure and given the current gearing level of Iron Mountain, the Combined Group may face more challenges to fund future growth initiatives than Recall on a standalone basis or may require equity injections which is a common feature of REIT structures
- *Geographical diversification*. Recall currently has market leading positions in Australia and parts of Europe, deriving over half of its revenue from these regions, whilst Iron Mountain derives over 70% of its revenue from North America. Formation of the Combined Group will, therefore, result in reduced geographical diversification on a revenue and earnings basis relative to Recall, with the Combined Group having a relatively higher concentration of operations in North America.

- *Shareholder rights*. If the Scheme is implemented, New Iron Mountain Shares received by Recall Shareholders will be primarily governed by the General Corporation Law of the State of Delaware, the US federal securities laws, the NYSE listing rules and Iron Mountain's certificate of incorporation and bylaws. A comparison of some of the material provisions of Australian law and Delaware law as they relate to Recall and Iron Mountain respectively, along with certain securities laws and stock exchange rules (where applicable) are set out in Section 14 of the Scheme Booklet. Further, Recall Shareholders who elect to receive Iron Mountain CDIs as opposed to Iron Mountain Shares will become a beneficial holder (rather than a registered legal holder) of the underlying Iron Mountain Share.

As such, Recall Shareholders should consider whether these changes are appropriate for their risk appetite.

The Combined Group will have a substantially higher gearing than Recall

Implementation of the Scheme will result in Iron Mountain's pro forma gearing[7] at 30 June 2015 declining from approximately 86.6% to 72.2%. Recall had gearing of 50.5% as at 30 June 2015, and therefore the Combined Group will have a substantially higher gearing than Recall Shareholders' previous exposure. This increase in gearing exposes the business to higher interest expenses and additional related risks including:

- a larger portion of cash from operating activities will be required to pay interest expenses
- adverse economic, credit and financial market conditions will more likely have a negative effect given the level of gearing. Refinancing risk of the Combined Group will also be higher than for Recall
- the flexibility to react to changes in the business and industry may be more limited due to the available cash flow remaining after the commitment to pay principal and interest on the debt facilities and to fund dividends required in order to maintain the REIT status
- the Combined Group may face greater challenges to fund future growth initiatives than Recall on a standalone basis or may require equity injections which is a common feature of REIT structures.

However, we do not consider the increase in gearing to be a significant risk to Recall Shareholders for the following reasons:

- although it is an increase in gearing from a Recall Shareholder's perspective, it results in a gearing level for the Combined Group which is within industry levels and meets standard covenant measures
- Iron Mountain had US$631 million in undrawn debt capacity at 30 June 2015.

[7] Gearing is calculated based on net debt divided by net assets plus net debt

CDIs have different characteristics and potentially reduced liquidity relative to Iron Mountain Shares

Recall Shareholders whose address on the Recall Share Register is within Australia at the Record Date, and who receive the Standard Consideration or are subject to the Scale Back Mechanism, will by default receive New Iron Mountain CDIs to be listed on the ASX, unless they request otherwise. In August 2015, these shareholders held approximately 99.3% of Recall's shares. However, this includes many of Recall's non-Australian shareholders who currently hold their shares in Australia, and are expected to elect to receive New Iron Mountain Shares rather than CDIs.

The key differences between New Iron Mountain Shares and New Iron Mountain CDIs are that holders of CDIs cannot trade the underlying share directly and are a beneficial owner rather than a holder of the underlying share.

Economically the rights attaching are financially equivalent such that no practical difference exists as to rights associated with dividends, bonus issues and rights issues, whilst with respect to voting a holder must instruct the nominee to exercise their rights on their behalf. The CDIs have the advantage for Australian resident shareholders in that they will be traded on the ASX during Australian business hours in prices quoted in Australian dollars using local brokers.

In relation to future trading, risks include:

- given the reduced volume of CDIs, there is likely to be less trading liquidity than currently available in Recall Shares, which may reduce further depending on how many Recall Shareholders elect to receive New Iron Mountain Shares or convert over time
- New Iron Mountain CDIs may be less liquid than Iron Mountain Shares, and therefore may trade at a discount to Iron Mountain Shares trading on the NYSE
- there may be higher volatility in the trading prices of the CDIs as a result of foreign exchange rate fluctuations.

Iron Mountain CDIs can be converted into Iron Mountain Shares at any time and vice versa, however, there may be tax consequences associated with any such conversion.

Taxation implications for Recall Shareholders

General tax implications for Recall Shareholders in Australia, UK and the US in respect of the Scheme are outlined in detail in Section 13 of the Scheme Booklet.

Section 13 of the Scheme Booklet also sets out a general description of the Australian, UK and the US tax consequences of holding an Iron Mountain Share having regard to future disposals and the treatment of dividends.

With respect to Recall Shareholders resident in Australia for tax purposes, Recall has sought a Class Ruling from the Australian Taxation Office (ATO) to confirm certain tax matters relating to the availability of CGT roll-over relief for those Recall Shareholders accepting the Standard Consideration. A final ATO ruling has not been received at the date of this report. The final ruling, once received, will be announced on the ASX and published on Recall's website.

We note that Recall Shareholders should consider their individual circumstances, review Section 13 of the Scheme Booklet for further information where it applies to their circumstances and should seek the advice of their own professional adviser.

3.3 Other considerations

In forming our opinion, we have also considered a number of other factors as outlined below. Whilst we do not necessarily consider these to impact our assessment of the reasonableness of the Scheme, we consider it necessary to address these considerations in arriving at our opinion.

The Scheme is subject to the satisfaction of a number of conditions

There are a number of conditions which if not satisfied will result in the Scheme not being implemented. In particular, implementation of the Scheme is contingent upon obtaining regulatory clearance from competition authorities, including anti-trust approval from the US Department of Justice. It is therefore possible that if these competition approvals are not obtained, the Scheme will not be implemented even if the Scheme has been approved by Recall Shareholders.

In this regard we note that Iron Mountain has entered into undertakings that it will make limited divestments in the US and/or Canada and any divestments required in the rest of the world for the purpose of obtaining the relevant competition approvals. If competition approvals cannot be obtained, then Recall will be eligible for an antitrust reimbursement fee from Iron Mountain totalling A$76.5 million.

In this case, Recall Shareholders would continue to hold their existing shareholding.

One-off transaction costs

Recall management has estimated total one-off transaction costs in relation to the Scheme to be approximately US$64.5 million on a pre-tax basis, of which approximately US$24 million will have been paid, or committed, prior to the Scheme Meeting.

One-off transaction costs associated with the Scheme primarily relate to adviser, legal, accounting and expert fees, employee payments and other costs associated with the Scheme.

Iron Mountain will also incur one-off transaction costs in relation to the Scheme which management has estimated to be approximately US$80.0 million. If the Scheme is implemented, these costs will be incurred in addition to the approximately US$300 million of one-off integration-related costs which the Combined Group is anticipated to incur in order to realise the expected synergies.

Ineligible Foreign Shareholders

Restrictions in certain foreign jurisdictions may make it unlawful or unduly onerous to offer or receive shares in those countries, therefore Recall Shareholders with an address outside of Australia and its external territories, New Zealand, the United Kingdom, Hong Kong, Singapore, Canada or the US, have been classified as Ineligible Foreign Shareholders.

Whilst Ineligible Foreign Shareholders will not be entitled to receive New Iron Mountain Shares under the Scheme, it is noted that:

- they can elect to receive the Cash Alternative which may be subject to the Scale Back Mechanism
- New Iron Mountain Shares that would otherwise have been issued to them under the Scheme will be sold on the NYSE under the Sale Facility within 20 business days after the Implementation Date
- their shares will be sold for market value, and they will receive the proceeds of those sales from Iron Mountain (after deduction of any applicable brokerage, stamp duty and other costs), though tax may be payable on any profit on disposal in their country of residence
- if they wish to retain their exposure, they can acquire Iron Mountain Shares through the NYSE.

Ineligible Foreign Shareholders represent approximately 0.03% of Recall's listed capital.

3.4 Consequences if the Scheme does not proceed

In the event that the Scheme is not approved or any conditions precedent prevent the Scheme from being implemented, Recall will continue to operate in its current form and remain listed on the ASX. As a consequence:

- Recall will continue to operate as a standalone entity and execute on its strategy as set out in Section 7.8.1 of this report
- Recall Shareholders will not receive either the Standard Consideration or the Cash Alternative and the implications of the Scheme, as summarised above, will not occur, other than with respect to the one-off transaction costs incurred, or committed to, prior to the Scheme Meeting. Recall would not be liable to pay a break fee, but may be entitled to receive an antitrust reimbursement fee from Iron Mountain totalling A$76.5 million if the Scheme is terminated due to failure of obtaining the required regulatory clearances
- Recall Shareholders will continue to be exposed to the benefits and risks associated with an investment in Recall
- Recall's share price will likely fall. The current share price of Recall reflects the terms of the Scheme and therefore includes a control element, as well as the anticipation of the benefits of the Scheme, given the expected level of synergies. As such, in the absence of the Scheme, an alternative proposal or speculation concerning an alternative proposal, the Recall share price is likely to fall to levels consistent with trading prices prior to the emergence of speculation of a potential transaction, with allowance for any company specific initiatives or financial achievements in the subsequent period which the market may assess as value enhancing, and the impact of trends in broader equity markets.

4 Other matters

In forming our opinion, we have considered the interests of Recall Shareholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of individual Recall Shareholders. It is not practical or possible to assess the implications of the Scheme on individual Recall Shareholders as their financial circumstances are not known. The decision of Recall Shareholders as to whether or not to approve the Scheme is a matter for individuals based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position. Individual Recall Shareholders should therefore

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consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to vote for or against the proposed resolution may be influenced by his or her particular circumstances, we recommend that individual Recall Shareholders including residents of foreign jurisdictions seek their own independent professional advice.

This report has been prepared solely for the purpose of assisting Recall Shareholders in considering the Scheme. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

Neither the whole nor any part of this report or its attachments or any reference thereto may be included in or attached to any document, other than the Scheme Booklet to be sent to Recall Shareholders in relation to the Scheme, without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears. KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it appears in the Scheme Booklet.

Our opinion is based solely on information available as at the date of this report as set out in Appendix 2 of this report. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion. We refer readers to the limitations and reliance on information as set out in Section 6.3 of this report.

Throughout this report, Australian dollars and United States dollars have been referred to as A$ and US$ respectively. References to an Australian financial year (i.e. the 12 months to 30 June) have been abbreviated to FY, and references to calendar years have been abbreviated to CY.

The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully

Ian Jedlin
Authorised Representative

Sean Collins
Authorised Representative

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5 The Scheme

5.1 Overview of the Scheme

On 29 April 2015, Recall announced that it had reached an agreement in principle with Iron Mountain to be acquired by way of a recommended court approved Scheme of Arrangement.

On 8 June 2015, Recall announced that it had entered into a Scheme Implementation Deed with Iron Mountain, under which it is proposed that Iron Mountain will acquire all of the issued capital of Recall, subject to certain shareholder and regulatory approvals and other conditions.

Implementation of the Scheme will result in the combination of Recall and Iron Mountain, to form the Combined Group (Combined Group). Post-implementation, Recall Shareholders will hold an aggregate interest of up to approximately 21% in the Combined Group.

The Combined Group will have a pro forma market capitalisation of approximately US$8.2 billion[8], generate US$4.0 billion in annual revenue and operate over 1,300 facilities globally in 42 countries across 5 continents. Formation of the Combined Group is expected to:

- combine two businesses with complementary market positions across customer segments and geographic regions, and provide a strong platform from which to pursue growth opportunities
- result in material cost savings relative to Recall and Iron Mountain on a stand-alone basis, which is expected to create significant shareholder value, and
- generate significant earnings accretion to shareholders.

The Combined Group is described further in Section 9 of this report and in Section 11 of the Scheme Booklet.

5.2 Terms of the Scheme

Under the terms of the proposed Scheme, Recall Shareholders as at the Record Date, other than those that elect the Cash Alternative will receive the Standard Consideration, comprising:

- the Australian dollar equivalent of US$0.50 in cash, plus
- 0.1722 New Iron Mountain Securities

for each Recall Share held on the Record Date.

Recall Shareholders may receive New Iron Mountain Securities as either New Iron Mountain Shares or New Iron Mountain CDIs. New Iron Mountain Shares issued under the Scheme will be fully paid common shares in the capital of Iron Mountain and will be listed and traded on the NYSE in US dollars. If the Scheme is implemented, Iron Mountain will establish a secondary listing on the ASX to allow shareholders to trade New Iron Mountain Shares on the ASX in Australian dollars as New Iron Mountain

[8] Section 11.1.1 of the Scheme Booklet

CDIs. Each New Iron Mountain CDI will represent a beneficial interest in one Iron Mountain Share and will have rights that are economically equivalent to the rights attaching to an Iron Mountain Share.

Recall Shareholders who elect the Cash Alternative will receive a total of A$8.50 cash, comprising:

- the Australian dollar equivalent of US$0.50, plus
- an amount equal to A$8.50 less the Australian dollar equivalent of US$0.50 (the Cash Base Amount)

for each Recall Share held on the Record Date.

The aggregate amount of the Cash Base Amounts available to satisfy elections for the Cash Alternative is capped at A$225 million (the Cash Pool).

The Cash Alternative is subject to a Scale Back Mechanism which gives preference to the first 5,000[9] Recall Shares of each Recall Shareholder that elects the Cash Alternative and was a Recall Shareholder as at 11 June 2015, with all other shares for which the Cash Alternative is elected will be classified as Remaining Shares (as defined in Section 7.3.1(c). of the Scheme Booklet). The A$/US$ exchange rate impacts the number of Recall Shares that can make an election to receive the Cash Alternative before the Scale Back Mechanism will apply.

If the total number of elections for the Cash Alternative would cause the aggregate of the Cash Base Amounts payable to exceed A$225 million, the Scale Back Mechanism will apply. Further details on the operation of the Scale Back Mechanism are set out in Section 7.3 of the Scheme Booklet.

5.3 Conditions of the Scheme

The Scheme will not proceed unless each of the following conditions precedent is satisfied or waived (if applicable):

- regulatory approvals having been obtained from all relevant regulatory bodies, including the Foreign Investment Review Board (FIRB), New Zealand Overseas Investment Office (NZ OIO), ASX and NYSE
- competition approval having been obtained in the US under the HSR Act, and approval from competition authorities in Australia, the UK, and any other country or jurisdiction that Iron Mountain reasonably determines as advisable
- Recall Shareholders pass the resolution to approve the Scheme, being a resolution under Section 411(4)(a)(ii) of the Act. The resolution must be passed by the following requisite majorities:
  - more than 50% in number of Recall Shareholders who are present and voting (either in person or by proxy) at the Scheme Meeting
  - at least 75% of the total number of votes cast by Recall Shareholders

[9] Or such lower number as determined by the Recall Directors if the number of Preferential Access Shares would cause the Cash Pool to exceed A$225 million. Refer to Section 7.3 of the Scheme Booklet for further details

- Iron Mountain Shareholders approve the issue of New Iron Mountain Shares in connection with the Scheme by the requisite majority under the NYSE Listing Rules
- Court approval of the Scheme is obtained in accordance with Section 411(4)(b) of the Act
- The following do not occur between the date of the Scheme Implementation Deed and the Second Court Date:
  - no applicable law enacted and no final and non-appealable order which makes illegal or prohibits the Scheme
  - no Iron Mountain Material Adverse Change (as defined in Scheme Booklet)
  - no Recall Material Adverse Change (as defined in Scheme Booklet)
  - no Iron Mountain Prescribed Occurrences (as defined in Scheme Booklet)
  - no Recall Prescribed Occurrences (as defined in Scheme Booklet)
- the representations and warranties given by each of Recall and Iron Mountain are true and correct as required under the Scheme Implementation Deed
- a Distribution Tax Opinion (as defined in the Tax Matters Agreement) and a Supplementary Canadian Tax Opinion (as defined in the Demerger Deed) have been delivered in accordance with the Tax Matters Agreement and the Demerger Deed respectively
- Recall has received confirmation from the ATO that it is prepared to issue a class ruling confirming that Recall Shareholders will be eligible to choose roll-over relief under the Income Tax Assessment Act 1997 (Cth) to the extent to which they receive New Iron Mountain Securities.

In the event that any of the conditions precedent outlined above are not met, Recall and Iron Mountain must consult in good faith to consider, and if agreed:

- determine whether the Scheme may proceed by way of alternative means
- change the date of the application made to the Court or adjourn the application to another date, or
- extend the End Date (as defined in Scheme Booklet).

5.4 Transaction costs

Recall management has estimated total one-off transaction costs in relation to the Scheme to be approximately US$64.5 million on a pre-tax basis, of which approximately US$24 million will have been paid, or committed, prior to the Scheme Meeting.

One-off transaction costs associated with the Scheme primarily relate adviser, legal, accounting and expert fees, employee payments and other costs associated with the Scheme.

5.5 Break fees

Should the Scheme not proceed due to certain circumstances, a break fee of A$25.5 million would be payable either by Recall to Iron Mountain or vice versa. The break fee represents compensation for advisory costs, costs of management and directors' time, out-of-pocket expenses and reasonable opportunity costs incurred by the recipient in pursuing the Scheme. The circumstances under which the break fee would be payable by either Recall or Iron Mountain are described in Section 15.13.7 of the Scheme Booklet.

Should the Scheme Implementation Deed be terminated due to failure to obtain any competition approvals, Iron Mountain must pay the Iron Mountain Antitrust Reimbursement Fee of A$76.5 million to Recall. Further information regarding this fee is described in Section 15.13.8 of the Scheme Booklet.

6 Scope of the report

6.1 Purpose

Section 411(3) of the Corporations Act (the Act) requires that an explanatory statement issued in relation to a proposed scheme of arrangement under Section 411 of the Act include information that is material to the making of a decision by a member as to whether or not to agree with the relevant proposal. In this regard, the Directors of Recall have requested KPMG Corporate Finance to prepare an IER to satisfy the requirements of Section 411 (although there is no technical requirement for an IER to be prepared in relation to the Scheme).

6.2 Basis of assessment

RG 111, issued by ASIC, indicates the principles and matters which it expects a person preparing an independent expert's report to consider. RG 111.18 states that where a scheme of arrangement is used as an alternative to a takeover bid, the form of analysis undertaken by the expert should be substantially the same as for a takeover bid. That form of analysis considers whether the transaction is "fair and reasonable" and, as such, incorporates issues as to value. In particular:

- 'fair and reasonable' is not regarded as a compound phrase
- an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the shares subject to the offer
- an offer is 'reasonable' if it is 'fair'
- an offer might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for shareholders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111 provides that an offer is fair if the value of the consideration is equal to or greater than the value of the shares subject to the offer. It is a requirement of RG 111 that the comparison be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash and without regard to the percentage holding of the bidder or its associates in the target prior to the bid. That is, RG 111 requires the value of the target to be assessed as if the bidder was acquiring 100% of the issued equity (i.e. on a controlling interest basis). In addition to the points noted above, RG 111 notes that the weight of judicial authority is that an expert should not reflect 'special value' that might accrue to the acquirer.

Accordingly, when assessing the full underlying value of Recall, we have considered those synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of Recall. As such, we have not included the value of special benefits that may be unique to Iron Mountain. Accordingly, our valuation of Recall has been determined without regard to the specific bidder, and any special benefits have been considered separately.

Reasonableness involves an analysis of other factors that shareholders might consider prior to accepting an offer, such as:

- the bidder's pre-existing shareholding in the target
- other significant shareholdings in the target
- the liquidity of the market in the target's shares
- any special value of the target to the bidder
- the likely market price of the target's shares in the absence of the offer
- the likelihood of an alternative offer being made
- any other advantages, disadvantages and risks associated with accepting the offer.

RG 111.20 states that if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is 'in the best interests' of the members of the company.

6.3 Limitations and reliance on information

In preparing this report and arriving at our opinion, we have considered the information detailed in Appendix 2 of this report. In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying it. Nothing in this report should be taken to imply that KPMG Corporate Finance has in any way carried out an audit of the books of account or other records of Recall or Iron Mountain for the purposes of this report.

Further, we note that an important part of the information base used in forming our opinion comprised the opinions and judgements of management. In addition, we have also had discussions with management of Recall and Iron Mountain in relation to the nature of the respective business operations, specific risks and opportunities, historical results and prospects for the foreseeable future. This type of information has been evaluated through analysis, enquiry and review to the extent practical. We note, however, such information is often not capable of external verification or validation.

Recall has been responsible for ensuring that information provided by it or its representatives is not false or misleading or incomplete. Complete information is deemed to be information which at the time of completing this report should have been made available to KPMG Corporate Finance and would have reasonably been expected to have been made available to KPMG Corporate Finance to enable us to form our opinion.

We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters which an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

The information provided to KPMG Corporate Finance included forecasts and other statements and assumptions about future matters (forward-looking financial information) prepared by the management of Recall. Whilst KPMG Corporate Finance has relied upon this forward-looking financial information in preparing this report, Recall remains responsible for all aspects of this forward-looking financial information. The forecasts and projections as supplied to us are based upon assumptions about events and circumstances which have not yet transpired. We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information, however we have made sufficient enquiries to satisfy ourselves that such information has been prepared on a reasonable basis.

Notwithstanding the above, KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the forecast period. Any variations in the forward looking financial information may affect our valuation and opinion.

It is not the role of the independent expert to undertake the commercial and legal due diligence that a company and its advisers may undertake. The Directors of Recall, together with the Recall's legal advisers, are responsible for conducting due diligence in relation to Iron Mountain. KPMG Corporate Finance provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process, which is outside our control and beyond the scope of this report. We have assumed that the due diligence process has been and is being conducted in an adequate and appropriate manner.

The opinion of KPMG Corporate Finance is based on prevailing market, economic and other conditions at the date of this report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

6.4 Disclosure of information

In preparing this report, KPMG Corporate Finance has had access to all financial information considered necessary in order to provide the required opinion. Recall and Iron Mountain have requested KPMG Corporate Finance limit the disclosure of some commercially sensitive information relating to Recall and Iron Mountain and their respective subsidiaries. This request has been made on the basis of the commercially sensitive and confidential nature of the operational and financial information of Recall and Iron Mountain and their respective subsidiaries. As such the information in this report has been limited to the type of information that is regularly placed into the public domain in by Recall and Iron Mountain.

7 Profile of Recall

7.1 Background

Recall is a leading global provider of information management solutions. The company was established by Brambles Limited (Brambles) in 1999 through the integration of several existing document management businesses, and is headquartered in the Atlanta, Georgia metropolitan area in the US.

In July 2013, Brambles announced its intention to demerge Recall into an independent company. In late 2013, Recall was demerged from Brambles, and on 10 December 2013, the company commenced trading on the ASX.

Table 5: Corporate history

Year	Month	Event
1999	n/a	Recall was established by Brambles through the integration of a number of existing document management businesses
2005	December	Recall acquired Ausdoc Group Pty Ltd for A$250 million
2011	August	Brambles announced its intention to divest Recall through a trade sale process
2012	June	Brambles terminated the trade sale process for Recall, with the Board having concluded that the proposals received did not provide sufficient value to shareholders
2013	July	Brambles announced its intention to demerge Recall into an independent company
2013	December	On 10 December 2013, Recall commenced trading on the ASX, and was fully demerged from Brambles on 18 December 2013
2014	September	Recall entered into an agreement with Rhenus Data Office GmbH to sell its secure destruction services business in Germany. This transaction closed in December 2014. On 30 September 2014, Recall announced that it was not currently in discussions with Iron Mountain or any other potential buyer as response to market speculation regarding a potential transaction between Recall and Iron Mountain
2014	December	Recall announced that it had rejected a non-binding indicative proposal from Iron Mountain to acquire all outstanding Recall Shares for implied consideration of A$7.00 per share (based on combined scrip and cash consideration)
2015	April	Recall and Iron Mountain announced that they had reached an agreement in principle for Iron Mountain to acquire all Recall Shares on issue by way of a recommended court approved Scheme of Arrangement
2015	June	Recall entered into a Scheme Implementation Deed with Iron Mountain

Source: Recall; S&P Capital IQ; KPMG Corporate Finance analysis

Since demerging from Brambles, Recall has undertaken an increased number of acquisitions. Details of the more significant acquisitions made by Recall during this period are outlined in Section 7.3.3 of this report.

7.2 Business operations

7.2.1 Overview

Recall's services include integrated storage, access, backup protection and certified destruction of its customers' information assets across the information media spectrum.

Recall's customer base is highly diversified, including approximately 80% of the Fortune 100 and over 65% of the Fortune 500. In addition to large enterprise customers, Recall also has a significant presence in the small and medium-sized enterprise segment of the information management market. Recall's customer base spans a wide range of sectors, with its largest customers predominantly in the financial services industry.

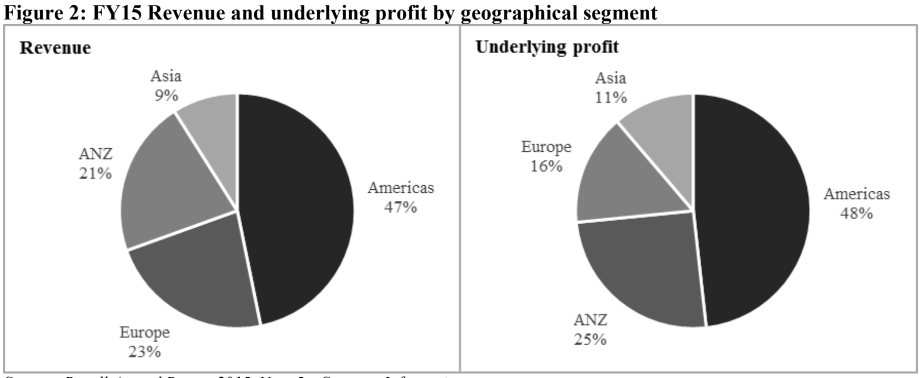
Recall has been able to retain customers over a long period, with 16 of its top 20 customers having been with Recall for over 13 years.

Recall maintains two types of customer contracts. The most common contracts relate to small and medium-sized customers. These contracts contain initial terms which automatically renew unless terminated by one party. For larger customers, Recall often enters into a tailored customer-specific contract, with a typical term of three to five years, and can range up to seven to ten years.

Recall's operations are geographically diverse, with the company managing a global network of 300 dedicated facilities located across 25 countries of operation. Recall's operations are divided into four geographic segments, namely, the Americas (including Canada, the US and Latin America) (163 facilities), Europe (76 facilities), Australia and New Zealand (ANZ) (53 facilities), and Asia (28 facilities).

The composition of Recall's FY15 revenue and underlying profit by geographical segment is illustrated below.

Figure 2: FY15 Revenue and underlying profit by geographical segment



Source: Recall Annual Report 2015, Note 5 – Segment Information

7.2.2 Service lines

Recall has three primary service lines, these include, document management solutions (DMS), secure destruction services (SDS), and data protection services (DPS). Each of Recall's service lines are described below.

Document management solutions

Document management solutions represent Recall's largest service line in terms of revenue and earnings. This service line provides customers with secure document management solutions for both physical and digital documents. Recall stores customer records and provides access to these records through technology enabled information centres, web-based customer interfaces and delivery with secure vehicles. Recall also provides its customers with expert knowledge and consulting on information management and program implementation.

Physical document management solutions

Recall's physical document management solutions provide customers with safe and secure indexing, storage and retrieval of critical physical documents with Recall's radio-frequency identification technology ensuring 99.999% accuracy in its inventory audits and reporting across many locations. Key customer segments include the financial and legal services, healthcare and government sectors.

Recall generates revenues from long-term agreements for the storage of physical information and activity based revenues (such as a fee per transaction and fees for permanent removal and destruction of documents).

Digital document management solutions

Recall's digital document management solutions provide customers with capture, indexing, storage and retrieval of digital information, and the integration of digital information into workflow processes and systems. These services also include the conversion of critical information to digital formats which can be accessed through multiple channels, including online or through mobile devices.

Recall generates activity based revenues from consulting services, set up and processing on a per image or document basis.

Secure destruction services

Secure destruction services provide customers with confidential certified destruction of sensitive documents and other media items, including secure and eco-friendly destruction of digital assets. These services involve the distribution and servicing of bins which are used to collect confidential information, and the secure transportation and destruction of materials onsite or at a Recall facility.

Recall generates recurring revenues by charging customers for the number of bins serviced, and from selling shredded paper from physical destruction into the recycling market (based on volume of paper shredded and market price of recycled paper).

Data protection services

Data protection services provide customers with secure offsite storage, as well as the rotation, protection and recovery of computer backup data which is integral to business continuity planning and disaster recovery. This service line also offers solutions to protect information which requires special handling whilst providing customers with 24/7 access to a secure web-based interface to track and retrieve their information.

Recall generates recurring revenues from long-term agreements for the storage of customer data tapes and other media, and activity based revenues from fees charged for retrieval or access to customer information.

7.2.3 Operating facilities

Recall's property portfolio comprises 300 facilities, with floor space totalling 19.6 million square feet. The majority of these facilities are leased (281), with the remainder being owned (19). The average lease tenure remaining as at 30 June 2015 was 3.8 years, although facility operating leases generally include lease extension options. After including planned lease extensions, the average lease term was 7.7 years.

During FY15, there was a net increase of 14 facilities operated by Recall. This net increase represents the addition of 32 facilities through acquisitions, opening of 10 new facilities, less 28 facilities which were either vacated or closed, including 18 related to Recall's first Facility Optimisation Program (FOP 1).

Facility utilisation is a means by which Recall measures its operating efficiency. Facility utilisation is assessed by reference to racking utilisation[10] and building utilisation[11]. Utilisation during FY14 and FY15 by region is set out below.

Table 6: Facility utilisation

	Racking utilisation (%)			Building utilisation (%)		
Segment	**FY14**	**FY15**	**Change**	**FY14**	**FY15**	**Change**
Americas	90.6	94.2	3.6	82.6	87.4	4.8
ANZ	94.2	92.0	(2.2)	90.3	88.6	(1.7)
Europe	84.5	88.4	3.9	76.5	78.3	1.8
Asia	95.3	96.4	1.1	84.3	84.3	0.0
Total Recall	90.2	92.7	2.5	82.6	85.2	2.6

Source: Recall Annual Report 2015

Recall's facility utilisation rates improved during FY15 in all regions except ANZ. Improvements in the Americas were driven by FOP 1 (outlined below) and the on boarding of significant new customers in Canada and the US. The decrease in ANZ was primarily due to the Access acquisition and the expansion of a facility in Christchurch, New Zealand.

[10] the amount of racking that is being used to store customer materials compared to the capacity of the racking that has been installed

[11] the amount of racking that is being used to store customer materials compared to the capacity of the entire building assuming it was fully racked

Facility optimisation program

On 30 June 2014, Recall announced the commencement of FOP 1 which was intended to increase facility utilisation and decrease real estate costs through the consolidation of existing facilities. The program is due to be completed by December 2016, with the majority of opportunities located in North America.

Through FOP 1, Recall expects to improve building utilisation by approximately three percentage points, resulting in annual cost savings of US$11 million. Recall has stated that after taking into account implementation costs, the program implies an Internal Rate of Return (IRR) of 20%. In June 2015, it was announced that this program was running to schedule, with costs being in line with budget.

On 22 June 2015, Recall announced the implementation of a second Facility Optimisation Program (FOP 2) which builds upon FOP 1. FOP 2 includes exiting 16 facilities, and the development of four new custom built facilities. The program intends to further improve facility utilisation, driving operational efficiencies and reducing real estate costs. FOP 2 is due to be completed by September 2017, and is expected to improve annual EBITDA by over US$6.5 million. After taking into account implementation costs, the program implies an IRR of 20%.

7.3 Financial performance

Due to the corporate restructure leading up to the demerger between Recall and Brambles, not all of Recall's subsidiary companies as at 30 June 2014 were part of the statutory group for the entirety of FY14. The financial information set out below includes pro forma adjustments to reflect the profits for all entities within Recall at 30 June 2014 as if they were Recall subsidiaries for the entirety of FY13 and FY14. The unadjusted financial performance for FY15 and financial performance on a constant currency basis are also set out below.

Table 7: Financial performance

For the year ending US$ million unless otherwise stated	30-Jun-13 Actual	30-Jun-14 Actual	30-Jun-15 Constant FX	30-Jun-15 Actual
Revenue	807.1	836.1	888.7	827.8
Operating costs	(671.6)	(703.0)	(738.3)	(692.1)
Underlying profit (EBIT)	135.4	133.1	150.4	135.7
Depreciation and amortisation	61.4	66.5	73.5	69.8
Underlying EBITDA	**196.8**	**199.6**	**223.9**	**205.5**
Continuing business				
Exclude SDS Germany[1]	n/a	0.5	(3.7)	(2.7)
EBITDA excl. SDS Germany	**n/a**	**200.1**	**220.2**	**202.8**
Results before significant items				
Underlying profit (EBIT)	n/a	133.1	150.4	135.7
Finance costs	n/a	(21.2)	(23.1)	(21.6)
Underlying profit before tax	n/a	**111.9**	**127.3**	**114.1**
Tax expense[2]	n/a	(41.9)	(40.7)	(38.7)
Underlying profit after tax	n/a	**70.0**	**86.6**	**75.4**
Underlying Basic EPS (US cents)	n/a	**22.4**	**27.6**	**24.0**
Statistics				
Revenue growth (%)		*3.6%*	*6.3%*	*(1.0%)*
Underlying profit (EBIT) margin (%)	*16.8%*	*15.9%*	*16.9%*	*16.4%*
Underlying EBITDA growth (%)		*1.4%*	*12.2%*	*3.0%*
Underlying EBITDA margin (%)	*24.4%*	*23.9%*	*25.2%*	*24.8%*
Underlying EBITDA growth excl. SDS Germany (%)			*10.0%*	*1.3%*
Underlying EBITDA margin excl. SDS Germany (%)		*24.3%*	*24.9%*	*24.6%*

Source: Recall Annual Report 2015
Note 1: Recall SDS business in Germany was divested in December 2014, the adjustment includes trading performance and profit on divestment
Note 2: Tax expense of US$38.7 million does not include one-off US$10 million benefit from Australian tax basis reset

In relation to the financial performance of Recall set out above, we note:

- in FY15, revenue on a constant currency basis, increased by 6.3%. After adjusting for the impact on revenue from the sale of SDS Germany, approximately 85% of revenue growth was attributed to acquisitions made during the year, with the remainder derived by organic growth in the existing business
- in FY15, underlying EBITDA on a constant currency basis, increased by 12.2% (10.1% excluding SDS Germany). This increase is greater than the 6.3% increase in revenue, which reflects the operating leverage of Recall's business model
- the general strengthening of the US$ during FY15 negatively impacted reported earnings, resulting in a decline in revenue of 1.0% and growth underlying EBITDA 3.0% (1.3% excluding SDS Germany)
- the increase in operating costs in FY15, on a constant currency basis, is largely due to acquisitions and the full period impact of the re-investment in sales and marketing which was undertaken in FY14, and

- depreciation and amortisation increased due to acquisitions made by Recall which increased the balances of property, plant and equipment and intangible assets.

The composition of significant items excluded by Recall in arriving at the underlying earnings measures is set out below.

Table 8: Significant items

For the year ending US$ million unless otherwise stated	30-Jun-14 Actual	30-Jun-15 Constant FX	30-Jun-15 Actual
Demerger related expenses	16.7	4.9	4.5
Restructuring	17.1	19.2	15.8
Acquisition related expenses	1.9	3.1	2.9
IT asset impairment	3.3	-	-
Iron Mountain transaction expenses	-	5.9	5.8
Significant items - before tax	**39.0**	**33.1**	**29.0**
Reset of tax base	-	(12.4)	(10.1)
Tax effect of other significant items	(13.1)	(9.8)	(8.5)
Significant items - after tax	**25.9**	**10.9**	**10.4**

Source: Recall Annual Report 2015

In relation to the significant items set out above, demerger expenses primarily related to long term management retention scheme costs and professional fees, and restructuring costs primarily related to the facility optimisation programs.

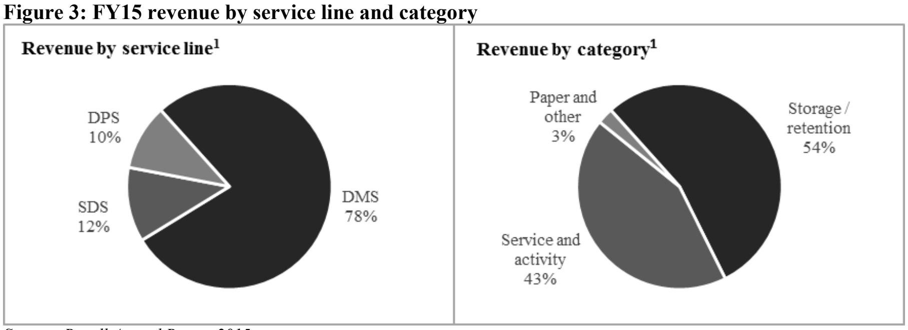
7.3.1 Composition of revenue

Recall's revenue can be categorised in terms of service lines (i.e. DMS, SDS and DPS, and as described in Section 7.2.2 of this report) and by revenue category. Recall's revenue categories include:

- *storage and retention fees*, which represent recurring revenue earned under long term contracts, based on the volume of information under management
- *service and activity fees*, which represent recurring and activity-based revenue earned from the provision of services such as secure destruction services, sorted information retrieval, document and data tape pick up and destruction, customer specific projects, and perm-out fees received when customer agreements are terminated or expire, and
- *paper recycling,* which represents revenue earned from the sale of shredded paper.

The composition of Recall's FY15 revenue by service line and category is illustrated below.

Figure 3: FY15 revenue by service line and category



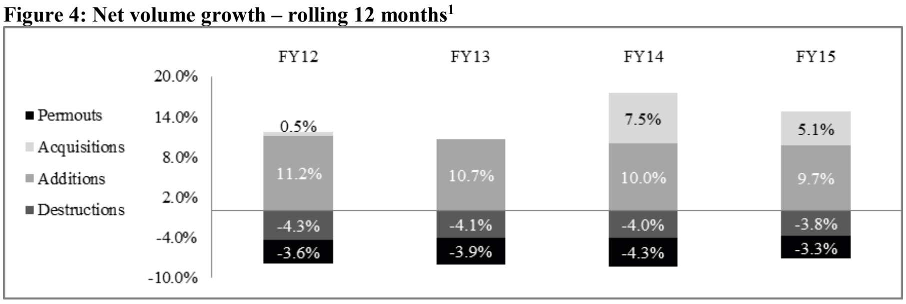
Source: Recall Annual Report 2015
Note 1: Excludes SDS Germany

Approximately two-thirds of Recall's revenue is characterised by stable, recurring, non-cyclical revenue generated from physical document management services.

7.3.2 Net volume growth

The key driver of the DMS service line is the net volume growth in cartons stored. Net volume growth represents new storage volume from both new and existing customers, additional volumes from acquisitions, after subtracting reductions in volume associated with destructions, permanent withdrawals and customer terminations. The composition of Recall's net volume growth during each of the four years to 30 June 2015 is set out below.

Figure 4: Net volume growth – rolling 12 months[1]



	FY12	FY13	FY14	FY15
Net organic carton growth	3.3%	2.7%	1.6%	2.6%
Total net carton growth	3.8%	2.7%	9.2%	7.7%

Source: Recall Annual Reports 2014 & 2015
Note 1: Excludes the impact of one million cartons damaged in Citi storage fire

During the years set out above, Recall's net organic volume growth ranged between 1.6% and 2.7%. In FY15, net organic growth of 2.6% was achieved, which was partially due to additions from new major contracts, and a 100 basis point reduction in permouts[12]. Recall attributes the reduction in permouts to a renewed focus on customer service.

Volume growth from acquisitions made significant contributions to overall growth in FY14 and FY15, being 7.5% and 5.1% respectively.

7.3.3 Recent acquisitions and disposals

The document management industry is a highly fragmented industry with low barriers to entry, providing consolidation opportunities for industry participants to grow and achieve greater operating efficiencies by acquiring businesses or customers from competitors.

Whilst Recall was restricted in its ability to pursue acquisitions under the ownership of Brambles in the years leading up to the demerger due to a combination of factors including a lack of strategic focus during the trade sale process and insufficient capital allocations from Brambles to support inorganic growth opportunities, subsequent to the demerger, Recall demonstrated its ability to identify, execute and integrate highly accretive bolt-on acquisitions which enhanced the growth profile of Recall.

During FY15, Recall completed a total of 12 acquisitions, which contributed US$23.4 million to revenue and are expected to generate annual revenue of US$48.0 million. Consideration paid for these acquisitions totalled US$144.3 million, and the average acquisition EBITDA multiple implied by these transactions, after synergies, was under 6.5 times.

The largest two acquisitions in FY15 related to the acquisition of Business Records Management, a US based records management company, and Access Records Management, an Australian document management solutions company. Consideration paid for these acquisitions was US$77.0 million and US$25.2 million respectively.

In September 2014, Recall announced the sale of its German secure destruction services business for sale proceeds of US$20.4 million (net of cash disposed). Despite reducing FY15 revenue by USD$13.5 million, this sale was expected to be earnings accretive. This transaction closed in December 2014.

Since 30 June 2015, Recall has completed five acquisitions, located in Brazil, New Zealand, US, UK and France. Total consideration paid for these acquisitions was approximately US$33.7 million and the average acquisition EBITDA multiple, after synergies, was under 6.5 times. These acquisitions are expected to contribute US$11.7 million to FY16 revenue.

[12] Represents permanent withdrawals of cartons upon termination of customer contracts

7.4 Financial position

The financial positions of Recall as at 30 June 2014 and 2015 are summarised below.

Table 9: Financial position

As at US$ million	30-Jun-14	30-Jun-15
Current assets		
Cash and cash equivalents	72.1	88.5
Trade and other receivables	177.5	183.2
Inventories	2.5	2.1
Other assets	16.1	19.9
Total current assets	**268.2**	**293.7**
Non-current assets		
Other receivables	7.4	6.7
Investments	0.7	-
Property, plant and equipment	432.3	387.5
Goodwill	651.0	677.2
Intangible assets	107.6	134.8
Deferred tax assets	0.3	4.8
Derivative financial instruments	-	0.1
Other assets	0.5	0.3
Total non-current assets	**1,199.8**	**1,211.4**
Total assets	**1,468.0**	**1,505.1**
Current liabilities		
Trade and other payables	174.5	169.2
Tax payable	8.3	7.5
Provisions	26.3	29.8
Borrowings	-	21.8
Total current liabilities	**209.1**	**228.3**
Non-current liabilities		
Borrowings	552.2	626.7
Derivative financial instruments	0.7	0.8
Provisions	10.1	12.0
Deferred tax liabilities	75.2	68.7
Other liabilities	21.3	19.4
Total non-current liabilities	**659.5**	**727.6**
Total liabilities	**868.6**	**955.9**
Net assets	**599.4**	**549.2**
Statistics		
Book gearing [1]	*44.5%*	*50.5%*
Market gearing [2]	*24.1%*	*20.5%*

Source: Recall Annual Report 2015
Note 1: Book gearing is calculated based on net debt divided by net assets plus net debt
Note 2: Market gearing is calculated based on net debt divided by market capitalisation at the balance date plus net debt

With regard to Recall's financial position, we note:

- property, plant and equipment decreased by US$44.8 million during FY15. This decrease was largely due to the impact of changes in foreign exchange rates which reduced the balance by US$49.7 million, offset by US$4.9 million of net business as usual movements during the year (i.e. additions, acquisitions, less depreciation, write offs and disposals)
- net debt as at 30 June 2015 was US$560.0 million, comprised of total borrowings of US$648.5 million (including capitalised borrowing costs) less cash and cash equivalents of US$88.5 million. This represents an increase from US$480.1 million as at 30 June 2014 due to increased borrowings to fund acquisitions, partially offset by the appreciation of the US$ and utilisation of operating cash flow to repay outstanding debt balances.

7.4.1 Borrowings

Recall's financing facilities as at 30 June 2015 are set out below.

Table 10: Financing facilities

US$ million	Total facilities	Facilities used[1]	Facilities available	Maturity
Bank overdrafts, cash pool, unsecured bank loans	46.2	1.5	44.7	Less than one year[2]
Unsecured bank loans	1,050.0	623.9	426.1	Four to five years[3]
Total	**1,096.2**	**625.4**	**470.8**	

Source: Recall Annual Report 2015
Note 1: Facilities used represents the principal value of loan notes and borrowings debited against the relevant facilities to reflect the correct amount of funding headroom
Note 2: Cash pool overdrafts are collateralised by cash balances within the pool as opposed to a separate bank arrangement. Facilities do not include US$15.9 million of cash pool overdrafts
Note 3: As at 30 June 2015, Recall has an unconditional right to defer settlement of US$623.9 million of unsecured bank loans for at least 12 months after the balance sheet date, and as a result this amount has been classified as non-current borrowings

In relation to the above facilities, we note:

- subsequent to the demerger from Brambles, Recall's operations had been funded by a multi-bank syndicated credit facility which had an initial credit limit of US$800 million. On 29 October 2014, Recall refinanced this facility, increasing the facility size to US$1,050 million, reducing interest margin and fees, and extending the tenor for the full amount to 29 October 2019
- total facilities drawn increased by $US69 million, with draw-downs primary being used to fund acquisitions, and
- if Recall is acquired by Iron Mountain, the providers of the unsecured bank loans would have the option to terminate their loan agreements and demand repayment of all outstanding balances no later than 90 days following the completion of the acquisition.

Details of the financial covenants relating to the debt portfolio are set out below, together with Recall's performance with respect to each covenant.

Table 11: Financial covenants

Financial covenant	Threshold	FY14	FY15
Net debt to pro forma EBITDA	Maximum 3.5x	2.4x	2.6x
Pro forma EBITDA to net finance costs	Minimum 3.5x	9.4x	9.5x

Source: Recall Annual Report 2015

As set out above, Recall has operated well within its financial covenants during FY14 and FY15, and has significant headroom and debt capacity to continue pursuing inorganic growth opportunities.

7.5 Capital structure and ownership

As at 7 August 2015, Recall's issued capital comprised the following:

- 313,741,846 units of ordinary shares on issue
- 7,071,410 performance share rights issued under Recall's incentive plans.

In addition, Recall expects to issue new performance share rights for its FY16-18 LTI Plan prior to implementation of the Scheme. Under the terms of the Scheme, Recall must take the appropriate action between the Effective Date and Record Date to ensure that any performance share rights which have not already vested, do vest and convert prior to the Record Date. Accordingly, upon implementation of the Scheme, the total number of shares on a fully diluted basis is estimated to be 323.1 million.

7.5.1 Substantial shareholders

The substantial shareholders of Recall as at 7 August 2015 are set out below.

Table 12: Substantial shareholders

Holder	Number of shares held	% of ordinary share capital
Deccan Value Investors	41,420,713	13.20%
Cooper Investors Pty Limited	20,922,647	6.67%
Greencape Capital Pty Ltd	19,076,330	6.08%
Owl Creek Asset Mgt LP	17,911,189	5.71%
Total	**99,330,879**	**31.66%**

Source: Recall Annual Report 2015

7.5.2 Shareholder distribution

Recall's shareholder distribution as at 7 August 2015 is set out below.

Table 13: Number of ordinary shares on issue and distribution of holdings

	Number of Shareholders	Number of shares held	% of ordinary share capital
1 - 1,000	35,286	9,329,806	2.97%
1,001 - 5,000	6,314	14,629,751	4.66%
5,001 - 10,000	567	3,989,636	1.27%
10,001 - 100,000	269	5,941,828	1.89%
100,001 and over	42	279,850,825	89.20%
Total	**42,478**	**313,741,846**	**100.00%**

Source: Recall Annual Report 2015

As at 7 August 2015, approximately 98% of Recall Shareholders held less than 5,000 shares.

7.5.3 Interests held by Directors and executive key management personnel

Recall's Directors and executive Key Management Personnel (KMP) hold interests in the company in the form of ordinary shares and performance rights. Details of interests held by these individuals are set out below.

Recall Shares

As at 30 June 2015, the Directors and executive KMP of Recall held the following Recall Shares (either directly or indirectly).

Table 14: Director's and executive KMP's relevant interests

	Shares held at 30 June 2014	Shares acquired during FY15	Shares disposed of during FY15	Shares held at 30 June 2015
Ian Blackburne	40,000	50,000	-	90,000
Neil Chatfield	15,000	18,000	-	33,000
Tahira Hassan	1,600	15,000	-	16,600
Wendy Murdock	12,500	8,100	-	20,600
Doug Pertz	667,412	765,303	-	1,432,715
Mark Wratten	11,305	20,000	-	31,305
Mark Wesley	-	28,475	(28,475)	-
Christian Coenen	-	11,352	(11,352)	-
Owen Kinnaird	3,395	22,959	-	26,354
Total	**751,212**	**939,189**	**(39,827)**	**1,650,574**

Source: Recall Annual Report 2015

Recall performance rights

Recall's remuneration framework includes the issue of share rights which vest if performance conditions are met. As at 30 June 2015, performance share rights held by executive KMP were as follows.

Table 15: Performance share rights on issue to Recall's executive KMP

	Balance as at 1 July 2014	Granted	Allotted	Vested	Lapsed	Sold	Balance as at 30 June 2015
Doug Pertz							
- Performance Share Rights	1,050,068	698,849	-	(525,034)	-	-	1,223,883
- Performance Share Rights in Trust	525,035	50,769	-	525,034	-	-	1,100,838
Mark Wratten	261,980	165,773	-	-	-	-	427,753
Christian Coenen	266,775	121,270	-	(11,352)	-	-	376,693
Mark Wesley	433,706	144,317	-	(28,475)	-	-	549,548
Owen Kinnaird	168,183	99,785	-	(22,959)	-	-	245,009
Total	**2,705,747**	**1,280,763**	**-**	**(62,786)**	**-**	**-**	**3,923,724**

Source: Recall Annual Report 2015

Share rights granted when Recall was previously owned by Brambles were converted to Recall share rights on an equivalent value basis following the demerger.

7.6 Share price performance

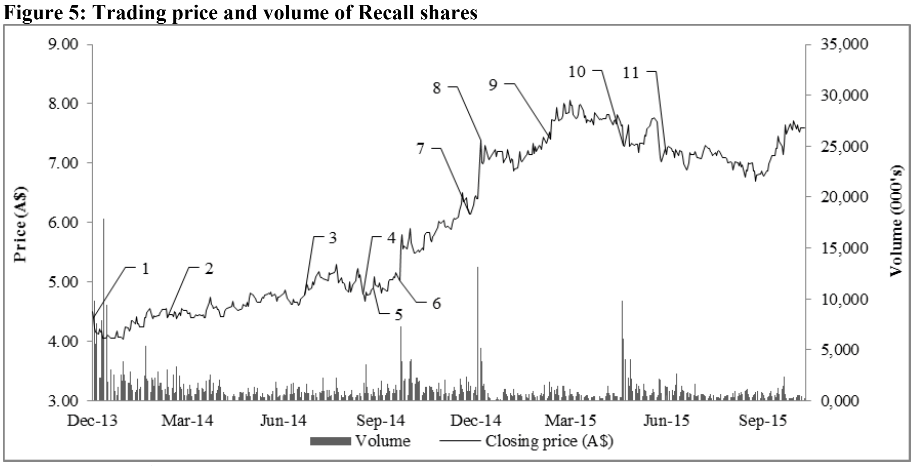
In assessing Recall's share price performance, we have:

- analysed Recall's share price and trading volume since the demerger from Brambles and its separate listing on the ASX on 10 December 2013 to 20 October 2015
- compared the share price performance of Recall to the ASX 100 Industrials Index over the same corresponding period, and
- analysed the trading liquidity of Recall Shares.

7.6.1 Share price and trading volume

Recall's share price and trading volume since the demerger from Brambles and its separate listing on the ASX on 10 December 2013 to 20 October 2015 is illustrated below.

Figure 5: Trading price and volume of Recall shares



Source: S&P Capital IQ; KPMG Corporate Finance analysis

During the period illustrated above, Recall's share price ranged between a low of A$4.04 in January 2014 and a high of A$8.06 in March 2015. Key events which influenced the trading price and volume of Recall Shares during this period include:

1 10 December 2013, Recall lists on the ASX closing at A$4.50 per share following its demerger from Brambles.

2 19 February 2014, Recall announced a trading update for the six months ending 31 December 2013. This update provided key information, including stating that the demerger had been successfully completed and that revenue had increase by 4.3% from the prior comparable period, in constant currency terms. In the two trading days following the announcement, Recall's share price underperformed the S&P/ASX 100 Industrials Index by approximately 3.2%.

3 30 June 2014, Recall announced the implementation of FOP 1, aimed at increasing facility utilisation and reduction of real estate costs within existing markets. In the three trading days following the announcement, Recall's share price outperformed the S&P/ASX 100 Industrials Index by approximately 4.8%.

4 25 August 2014, Recall released its results for FY14, recording revenue growth of 6.7% and EBITDA growth of 5.9%, on a constant currency basis. The decrease in EBITDA margin was due to growth in overheads as a result of Recall's re-investment in its sales and marking functions subsequent to the demerger. In the three trading days following the announcement, Recall's share price underperformed the S&P/ASX 100 Industrials Index by approximately 9.1%.

5 3 September 2014, Recall announced that it had entered into an agreement with Rhenus Data Office GmbH to sell its German SDS business. This reduced FY15 revenue by USD$13.5 million, but was expected to be earnings accretive.

6 30 September 2014, public market speculation arose regarding a potential transaction between Iron Mountain and Recall. In the three trading days following this speculation, Recall's share price outperformed the S&P/ASX 100 Industrials Index by approximately 10.0%.

7 3 December 2014, Recall announced both the acquisition of Business Records Management LLC for USD$77 million along with the sale of its German SDS business.

8 15 December 2014, Recall announced that it had rejected an offer from Iron Mountain to acquire all outstanding Recall Shares for implied consideration of A$7.00 per share. In the two trading days following the announcement, Recall's share price outperformed the S&P/ASX 100 Industrials Index by approximately 11.2%.

9 18 February 2015, Recall released its first-half results for the period ended 31 December 2014. These results showed sales revenue of US$427 million and EBIT of US$65.4 million. In the trading three days following the release, Recall's share price outperformed the S&P/ASX 100 Industrials Index by approximately 4.0%.

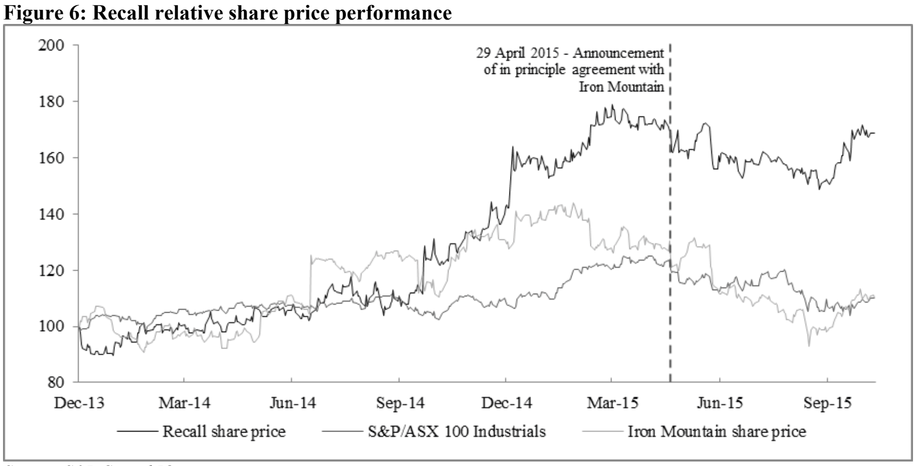
10 29 April 2015, Recall and Iron Mountain announced that they had reached an agreement in principle for Iron Mountain to acquire Recall by way of a recommended court approved Scheme of Arrangement.

11 9 June 2015, Recall and Iron Mountain entered the Scheme Implementation Deed.

7.6.2 Relative share price performance

The trading performance of Recall over the period from 10 December 2013 to 20 October 2015 relative to the S&P ASX 100 Industrials Index and Iron Mountain's share price is illustrated below.

Figure 6: Recall relative share price performance



Source: S&P Capital IQ

Recall's share price performed broadly in line with the index between listing on 10 December 2013 and 29 September 2014. Recall's share price began to outperform the index on 30 September 2014 when public market speculation arose regarding a potential transaction between Iron Mountain and Recall.

Recall Shares continued to outperform the index subsequent to the announcement of the rejected offer from Iron Mountain to acquire Recall Shares on issue for implied consideration of A$7.00 per share on 15 December 2014.

Since the announcement of the in principle agreement with Iron Mountain on 29 April 2015, the share price of Recall was primarily driven by the share price performance of Iron Mountain (due to the scrip based nature of the Scheme) and fluctuations in the A$/US$ exchange rate.

Since 29 April 2015, Recall's share price has traded at an average discount of approximately 9.4% to the implied value of the Standard Consideration under the Scheme. This discount is likely to be partially explained by the remaining uncertainty regarding Iron Mountain's ability to obtain the regulatory approvals required to implement the Scheme.

7.6.3 Liquidity and Volume Weighted Average Price

The trading liquidity and Volume Weighted Average Price (VWAP) of Recall shares is summarised below for the approximate ten month period since listing to 29 September 2014 (being the day prior to when market speculation arose regarding a potential transaction between Recall and Iron Mountain), and for the 12 months to 20 October 2015.

Table 16: Liquidity and VWAP

Period	Price (low) A$	Price (high) A$	Price VWAP A$	Cumulative value A$m	Cumulative volume m	% of issued capital
Period ended 20 October 2015						
1 week	7.42	7.72	7.57	16.6	2.2	0.7
1 month	6.96	7.80	7.38	101.8	13.8	4.4
3 months	6.52	7.80	7.11	273.2	38.4	12.2
6 months	6.52	7.91	7.27	865.7	119.1	37.9
12 months	5.50	8.09	7.06	1,691.9	239.8	76.5
Period ended 29 September 2014						
1 week	4.96	5.18	5.09	28.2	5.5	1.8
1 month	4.78	5.18	4.97	100.7	20.3	6.5
3 months	4.54	5.33	4.98	299.3	60.2	19.4
6 months	4.37	5.33	4.82	555.8	115.3	49.8
10 months (approximately)	3.65	5.33	4.47	1448.4	323.8	165.0

Source: S&P Capital IQ; KPMG Corporate Finance analysis

We consider the percentage of shares traded over the 12 month period to 20 October 2015 indicates that Recall Shares are sufficiently liquid. In assessing the liquidity in trading of Recall Shares, it is noted that the free float as at 20 October 2015 exceeded 79%.

The percentage of issued capital traded during the approximate ten month period to 29 September 2014 was 165.0%. This percentage is high relative to trading during the six months to the same date (49.8%) and the 12 months to 20 October 2015 (76.5%). The relatively high level of trading was likely reflective of a significant amount of register transitioning following the demerger from Brambles in December 2013.

7.7 Dividends

Recall's Board has adopted a dividend policy with a long term target dividend payout ratio of 55% to 70% of underlying profit after finance costs and tax, after taking into account the future funding needs of the business. Dividends paid by Recall in relation to FY14 and FY15 are set out below.

Table 17: Dividends

	FY14	FY15
Profit		
Pro forma underlying profit (US$ million)	133.1	135.7
Pro forma underlying profit before tax (US$ million)	111.9	114.1
Pro forma underlying profit after tax (US$ million)	70.1	75.4
Earnings per share		
Basic, on pro forma underlying profit after tax (US cents)	22.4	24.0
Dividends per share (Australian cents)	8.0	19.0
Total dividends paid (US$ million)	-	43.8

Source: Recall Annual Report 2015
Note 1: Payout ratio is calculated based total dividend divided by underlying profit after finance costs and tax

Recall has announced a final dividend for FY15 of 10.0 Australian cents per Recall Share, taking total dividends for FY15 to 19.0 Australian cents per Share. These dividends are partially franked, with Recall's franking credit balance as at 30 June 2015 being US$7.1 million.

7.8 Outlook

7.8.1 Strategy

The three core pillars of Recall's corporate strategy are:

- *Sustainable profitable growth*, which is aimed at accelerating and maintaining target organic growth rates by identifying opportunities within their existing base to drive growth. In addition, Recall plans to supplement organic growth with small to medium sized acquisitions aimed at further improving margins and earnings growth.

  In FY15, Recall completed 12 acquisitions which helped drive net carton growth of 7.7%. The company currently has a pipeline in place to meet FY16 acquisition targets, with four transactions having been completed since 30 June 2015.

- *Operational excellence*, which focuses on continuous improvement, overhead cost management, asset utilisation and capital allocation in order to drive growth, earnings and cash flow.

  Recall is currently implementing facility optimisation programs which, in FY15, contributed to an improvement in racking utilisation and building utilisation of 250 and 260 basis points respectively.

- *Innovation for the future*, which focuses on a digital strategy to complement Recall's core physical business. Recall is developing unique digital solutions to enable customers to secure, manage and govern all physical documents held with Recall and all their digital content, regardless of where it resides.

  In FY15, Recall has invested in developing its digital offering, with this investment including development and hardware capital expenditure and overhead expenditure of US$5.4 million and US$3.3 million respectively. The company successfully released its "Recall Portal" across the US, Canada, Australia and New Zealand, and its information governance program, "CommandIG" also experienced successful technical and commercial trials across various countries during the year.

7.8.2 Guidance

Recall's guidance for FY16 states that the business is expected to continue to deliver, on a constant currency basis, revenue growth approaching double digits and EBITDA growth at least in line with revenue growth.

7.8.3 Broker consensus forecasts

In order to provide an indication of the expected future financial performance of Recall, we have considered brokers' forecasts for Recall. Summarised below are the consensus forecasts for Recall for FY16, FY17 and FY18 by brokers that follow Recall.

Table 18: Broker consensus forecasts

US$m unless otherwise stated	FY16	FY17	FY18
Revenue	861	908	959
EBITDA	220	238	256
Operating profit	147	163	177
Capital expenditure	87	69	67
Statistics			
Revenue growth (%)	*4.2%*	*5.5%*	*5.6%*
EBITDA growth (%)	*7.1%*	*8.3%*	*7.7%*
EBITDA margin (%)	*25.5%*	*26.2%*	*26.7%*
Operating profit growth (%)	*7.9%*	*10.3%*	*9.2%*
Operating profit margin (%)	*17.1%*	*17.9%*	*18.5%*
Capital expenditure to revenue ratio (%)	*10.1%*	*7.6%*	*7.0%*

Source: Broker reports, KPMG Corporate Finance analysis
Note: Based on the median of broker forecasts

In relation to the table above, we note:

- as far as KPMG Corporate Finance is aware, Recall is followed by 13 brokers of which 11 are represented in the consensus forecasts above. The remaining two brokers have not released research on Recall since the FY15 results were reported on 19 August 2015
- the above consensus forecasts represent the latest available broker forecasts for Recall and all were published after Recall announced its results for FY15 on 19 August 2015.

8 Profile of Iron Mountain

8.1 Background

Established in New York in 1951, Iron Mountain has grown to become the world's largest provider of storage and information management solutions. Now headquartered in Boston, Massachusetts, Iron Mountain specialises in the storage of records, primarily comprising paper documents and data backup media, and also provides associated information management services to a wide range of industries. Iron Mountain's customer base includes more than 92% of the Fortune 1000.

Iron Mountain initially listed on the NASDAQ in 1996. In 1999, Iron Mountain moved its stock listing from the NASDAQ to the NYSE, trading under the stock code 'IRM'. Iron Mountain is a member of the S&P 500 Index, and at 20 October 2015 had a market capitalisation of US$6.6 billion.

A summary of key events of Iron Mountain's corporate history is set out below.

Table 19: Corporate history

Year	Event
1951	Iron Mountain Atomic Storage Corporation was established in Livingston, New York
1975	Purchase of an underground mine and a nearby underground site
1978	Purchase of above-ground record centre in New York and commencement of development of high-density storage systems
1980	Expansion beyond New York, with the purchase of a third underground facility in New England to service the emerging need to protect computer backup data
1983	Establishment of corporate headquarters in Boston and purchase of New England Storage Warehouse. This was Iron Mountain's first acquisition, and it resulted in an entry into the medical and legal records management markets. Iron Mountain also expanded into New Hampshire and New Jersey
1988	Acquisition of Bell & Howell Records Management, Inc., a subsidiary of Bell & Howell Corporation. Bell & Howell Records Management, Inc. was an industry leader at the time, serving 12 major US markets, none of which were being served by Iron Mountain. As a result, Iron Mountain became the first national service provider in the industry
1994	Launch of records management consulting services
1996	Commencement of trading on the NASDAQ under the stock code IMTN
1997	Became a significant software escrow company with the acquisition of Data Securities International, Inc.
	Entered the health information management services market with the acquisition of Record Masters
1998	Became the leading off-site data protection company in the US with the acquisition of Arcus Data Security, Inc. (renamed Off-Site Data Protection in 2001)
1999	Established the first international presence through the acquisition of British Data Management in the United Kingdom (UK)
	Entered the Mexican market through the acquisition of SAC Mexico
	Moved listing from NASDAQ to NYSE under the stock code IRM
2000	Entered Latin America through the acquisition of Storage, S.A. in Argentina
	Merger with Pierce Leahy Corp., making Iron Mountain the only company to provide a comprehensive suite of records and information management services throughout the Western Hemisphere and in Europe

Year	Event
2003	Acquisition of the information management services unit of Hays PLC, significantly increasing Iron Mountain's presence throughout Europe
2004	Formation of the Iron Mountain Digital business unit following the acquisition of Connected Corporation, a leader in online backup and distributed data protection
2007	Acquisition of ArchivesOne Inc, a records management company in the US
	Acquisition of Stratify, a provider of electronic discovery and data investigation solutions
2011	Completion of the sale of key assets within Iron Mountain's digital division, including archiving, eDiscovery and online backup to Autonomy Corporation
2012	Iron Mountain's Board approved the plan to pursue conversion to a REIT
2014	Effective 1 January, Iron Mountain converted to a REIT
	Divestment of its secure shredding operations in Australia, Ireland and the United Kingdom to Shred-it International ULC
2015	In June, Iron Mountain entered into a Scheme Implementation Deed to acquire Recall

Source: Iron Mountain

During recent years, Iron Mountain has undertaken an increased number of acquisitions. Details of the more significant acquisitions made by Iron Mountain during CY12, CY13 and CY14 are outlined in Section 8.3.3 of this report.

8.2 Business operations

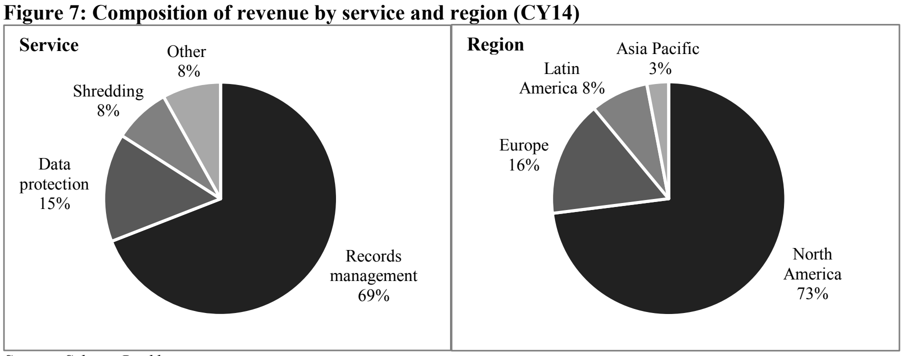
8.2.1 Overview

Iron Mountain offers secure records storage through the provision of non-dedicated storage rental space for physical and electronic records. Iron Mountain's primary source of revenue is storage rental charges which are recurring, periodic charges levied on customers for the storage of materials or data, generally on a per unit basis. Iron Mountain also offers ancillary services including the handling, transportation and eventual destruction of records, from which Iron Mountain derives service revenue.

Iron Mountain operates across 36 countries in five continents, and serves over 155,000 customers throughout North America, Europe, Latin America and the Asia Pacific region. Iron Mountain's customer base is diversified, serving customers in a range of segments including commercial, legal, banking, healthcare, accounting, insurance, entertainment and government organisations. The low level of customer concentration means that no single customer represents more than 2% of total revenue, and the top 20 customers have historically represented between 6% and 7% of total revenue.

The composition of Iron Mountain's revenue by service offering and region in CY14 is illustrated below.

Figure 7: Composition of revenue by service and region (CY14)



Source: Scheme Booklet

The majority of Iron Mountain's revenue is derived from its records management operations which include the storage of paper documents, as well as other media such as microfilm and microfiche, master audio and videotapes, film, X-rays and blueprints, healthcare information services, vital records services, service and courier operations, and the collection, handling and disposal of sensitive documents for corporate customers.

Data management relates to the storage and rotation of backup computer media as part of corporate disaster recovery plans, and shredding operations include the secure shredding of sensitive documents and the related sale of recycled paper. On a geographical basis, the majority of revenue is derived from Iron Mountain's North American operations.

Iron Mountain's operations are structured as five reportable operating segments which include, North American Records and Information Management Business, North American Data Management Business, Western European Business, Other International Business, and Corporate and Other Business.

8.2.2 Real estate portfolio

Iron Mountain operates a global real estate portfolio of approximately 1,100 facilities. These facilities span a total area of approximately 68 million square feet. The composition of Iron Mountain's real estate portfolio in terms of facilities owned and leased by region as at 30 June 2015 is set out below.

Table 20: Real estate portfolio

	Owned facilities		Leased facilities		Total		Total
	Buildings	Sq. Ft. (000)	Buildings	Sq. Ft. (000)	Buildings	Sq. Ft. (000)	area (%)
North America	182	20,124	496	30,346	678	50,470	*73.9%*
Europe	53	2,776	186	7,338	239	10,114	*14.8%*
Latin America	29	1,583	74	3,612	103	5,195	*7.6%*
Asia Pacific	3	71	73	2,410	76	2,481	*3.6%*
Total	267	24,554	829	43,706	1,096	68,260	
Total (%)		*36.0%*		*64.0%*			

Source: Iron Mountain, Earnings Commentary and Supplemental Information, Second Quarter 2015

The majority of Iron Mountain's total real estate area (73.9%) is in North America. Outside of North America, Iron Mountain has significant real estate footprints in the United Kingdom, Brazil and Australia.

Iron Mountain owns 36.0% of its 68 million square feet of real estate portfolio, with the remaining 64.0% of the facilities leased. The leased facilities typically have initial lease terms of five to ten years with one or more five year renewal options. In addition, some of the leases contain either a purchase option or a right of first refusal upon the sale of the property. As at 30 June 2015, Iron Mountain's weighted average lease obligations were 5.4 years assuming no exercise of extension options, and 12.3 years assuming exercise of all extension options.

Iron Mountain assesses real estate utilisation based on two metrics: Total Building Utilisation[13] and Total Racking Utilisation[14]. As at 30 June 2015, Total Building Utilisation and Total Racking Utilisation were approximately 84% and 91% respectively for the records management business, and 68% and 81%, respectively for the data management business[15].

Real Estate Investment Trust conversion

In June 2012, Iron Mountain announced its intention to pursue conversion to a Real Estate Investment Trust (REIT) for US federal income tax purposes. As part of Iron Mountain's plan to convert to a REIT, it sought private letter rulings (PLRs) from the US Internal Revenue Service (IRS) relating to numerous technical tax issues, including classification of their steel racking structures as qualified real estate assets. In June 2014, Iron Mountain announced that it had received the favourable PLRs from the IRS which were necessary to convert to a REIT. Subsequently, Iron Mountain's Board of Directors unanimously approved conversion to a REIT for the taxable year beginning 1 January 2014.

Initial requirements to obtain REIT status

In order to be eligible to elect REIT status for the taxable year beginning 1 January 2014, Iron Mountain was required to make a distribution of its remaining undistributed earnings and profits attributable to all taxable periods ending on or prior to 31 December 2013 (the Special Distribution). The Special Distribution also encompassed certain items of taxable income that were recognised in 2014, such as a depreciation recapture in respect of accounting method changes as a result of REIT conversion, and foreign earnings and profits recognised as dividend income. Iron Mountain was required to pay the Special Distribution to shareholders on or before 31 December 2014. The Special Distribution of US$700 million in shares and cash was paid on 4 November 2014. This followed an initial US$700 million of Iron Mountain undistributed earnings and profits which was paid to shareholders in November 2012, bringing the total amount of Iron Mountain's special distributions to $1.4 billion.

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[13] Total Building Utilisation: the amount of racking that is being used to store customer materials compared to the capacity of the entire building assuming it was fully racked

[14] Total Racking Utilisation: the amount of racking that is being used to store customer materials compared to the capacity of the racking that has been installed

[15] Physical data management services consist of the rotation of backup computer media (computer tapes, cartridges and disks) as part of corporate disaster recovery and business continuity plans

As part of its conversion to a REIT, Iron Mountain was required to undertake an internal reorganisation to structure and classify its subsidiaries as either Qualified REIT Subsidiaries (QRS) or Taxable REIT Subsidiaries (TRS). The tax treatment of income generated by these types of entities is outlined below:

- a QRS is a wholly-owned subsidiary that is disregarded for US federal income tax purposes. Iron Mountain is permitted to deduct dividends paid to shareholders from its US federal taxable income from its QRSs. The income represented by such dividends is generally not subject to US taxes at the entity level, but would be taxed, if at all, at the shareholder level
- a TRS is a subsidiary that is treated as a regarded entity for US federal income tax purposes. TRSs generally hold operations that may not be REIT-compliant and are therefore subject, as applicable, to US federal and state corporate income tax. Generally, Iron Mountain's subsidiaries which have been classified as TRSs undertake services operations (described in Section 8.3.2 of this report), or relate to businesses in foreign jurisdictions which have not yet been converted to a REIT.

In addition to the above, Iron Mountain and its subsidiaries incur income tax in non-US jurisdictions in which they hold assets, conduct operations or have a taxable presence, regardless of whether held or conducted through subsidiaries which are QRSs or TRSs.

Ongoing requirements to maintain REIT status

To remain qualified as a REIT for US federal income tax purposes, Iron Mountain must continue to satisfy tests concerning, among other things, the sources of its income, the nature and diversification of assets, and the proportion of earnings distributed to shareholders. These tests include:

- at least 75% of gross income for each taxable year must be derived from real estate, which principally includes gross income from providing customers with secure storage space (as described in Section 8.3.1 of this report). Consequently, no more than 25% of gross income may consist of dividend income from TRSs and other non-qualifying types of income
- as at the end of each calendar quarter, at least 75% of the fair market value of assets must be held in qualifying real estate assets and cash. Consequently, the fair market value of equity investments in TRSs and other non-qualifying assets may not exceed 25% of the enterprise value of the Iron Mountain worldwide group
- at least 90% of annual REIT taxable income (i.e. taxable income generated by QRSs) is required to be distributed to shareholders each year.

Iron Mountain targets to distribute all or substantially all of its REIT taxable income in each year, so as not to be subject to income or excise tax on undistributed REIT taxable income.

Implications of Iron Mountain's REIT conversion

Key implications expected as a result of Iron Mountain's REIT conversion include:

- the ability to generate qualified income from storage rental operations in the US and internationally which attracts favourable tax treatment relative to unqualified income
- higher dividends over time supported by earnings and US federal and state income tax savings
- higher distributable pre-tax income due to lower tax versus book depreciation and amortisation

- the potential to expand and diversify the company's investor base through higher yields and attractive investment characteristics. The inclusion of Iron Mountain in the MSCI REIT and the FTSE NAREIT indexes further supports the expansion of its REIT investor base
- increased real estate acquisition as a likely future use of capital, as identified by Iron Mountain, which would reduce borrowing costs over time and enhance the ability to meet the income and asset tests outlined above
- given the earnings distribution requirements under the REIT structure and the current gearing level of Iron Mountain, funding for future growth initiatives may be limited or may require equity injections which is a common feature of REIT structures, and
- strategies to diversify the business operations or to innovate and grow the services business are limited to the extent that the ongoing requirements to maintain REIT status have to be satisfied.

8.3 Financial performance

The financial performance of Iron Mountain during CY13 and CY14, and the six and twelve months to 30 June 2015 is summarised below.

Table 21: Historical financial performance

For the period ended US$ million	12 months 31-Dec-13	12 months 31-Dec-14	6 months 30-Jun-15	12 months 30-Jun-15
Storage rental revenue	1,785	1,860	920	1,855
Service revenue	1,240	1,257	589	1,215
Total revenue	**3,025**	**3,118**	**1,509**	**3,070**
Cost of sales	(1,289)	(1,345)	(648)	(1,320)
Selling, general and administrative	(924)	(870)	(412)	(853)
Depreciation and amortisation	(322)	(353)	(174)	(351)
Loss on disposal/write-down of PPE excluding real estate, net	(0)	(1)	(1)	(1)
Total operating expenses	**(2,535)**	**(2,568)**	**(1,235)**	**(2,526)**
Operating income	**489**	**549**	**274**	**544**
Interest expense, net	(254)	(261)	(131)	(267)
Other expense, net	(75)	(65)	(24)	(89)
Income from continuing operations before income taxes and sale of real estate	**160**	**223**	**119**	**188**
Benefit (provision) for income taxes	(62)	97	(23)	(79)
Gain on sale of real estate, net of tax	1	8	-	1
Net income from continuing operations	**99**	**329**	**96**	**109**
Income (loss) from discontinued operations, net of tax	1	(0)	-	1
Net income	**100**	**329**	**96**	**110**
Net income attributable to non-controlling interests	4	3	1	3
Net income attributable to Iron Mountain	**96**	**326**	**94**	**107**
Adjusted OIBDA [1]	*895*	*926*	*454*	*910*
Adjusted OIBDA margin	*29.6%*	*29.7%*	*30.1%*	*29.6%*

Source: Iron Mountain Annual Report 2014; Iron Mountain Quarterly Report, June 2015; Iron Mountain, Earnings Commentary and Supplemental Information, Fourth Quarter 2014 & Second Quarter 2015
Note 1: Represents adjusted operating income before depreciation, amortisation, intangible impairments, and REIT costs

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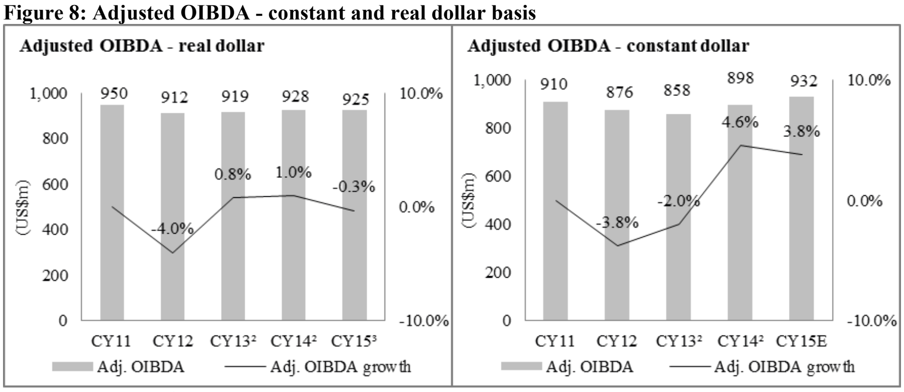
In relation to the financial performance of Iron Mountain, we note:

- revenue and expenses are subject to variations caused by the net effect of foreign currency translation on the financial performance of operations outside of the US. For each of the periods presented above, reported revenues and earnings have been negatively impacted by the general strengthening of the US dollar. For example, during the six months ended 30 June 2015 foreign exchange rate fluctuations negatively impacted revenue by 5.3% compared to the corresponding prior year period
- the continued expansion of the international business outside of North America has increased major cost of sales components, and selling, general and administrative expenses, as international operations are generally more labour intensive. In addition, the operating structure of international operations in emerging markets are smaller in scale relative to the more mature North American operations and therefore have not achieved the same level of overhead leverage. This has been demonstrated in the six months to June 2015, with the Other International business segment having achieved an adjusted OIBDA margin of 19.4% compared to the 30.1% of Iron Mountain on a group basis
- selling, general and administration expenses were comparatively higher in 2013 due to non-recurring costs associated with REIT conversion and restructuring of US$82 million (2014: US$22 million) and US$23 million (2014: US$3 million) respectively.

Adjusted OIBDA performance

Iron Mountain's revenues and expenses derived by entities outside of the US are subject to variations caused by the net effect of foreign currency translation. The figure below illustrates Iron Mountain's historical OIBDA and OIBDA growth on a constant and real dollar basis, and provides insight on how the underlying business performed including, and excluding the effect of foreign currency fluctuations.

Figure 8: Adjusted OIBDA - constant and real dollar basis



Source: 2015 REIT Week: NAREIT's Investor Forum
Note 1: Constant dollar translation is based on 2015 foreign exchange rates as of May 2015
Note 2: Adjusted OIBDA for CY13 and CY14 exclude restructuring charges of US$23 million and US$3 million respectively
Note 3: CY15 Adjusted OIBDA in real dollar terms is based on the midpoint of company guidance

On a real and constant dollar basis, adjusted OIBDA has been relatively stable since CY11. In CY12, adjusted OIBDA in real dollar terms decreased by $38 million to $912 million, primarily driven by a decrease of US$60 million in services revenue compared to the prior year. The service revenue decline related to decreased records retrieval activity, and recycled paper prices which were approximately 30% below the CY11 average price for most of CY12. Recent trends affecting the services business are discussed further in Section 8.3.2 of this report.

Adjusted OIBDA growth in 2014 of 4.6% (constant currency) was supported by the storage rental business (which is discussed further in Section 8.3.1 of this report), as total storage revenue increased by 5.4% in constant dollars terms. However in CY14, the strengthening of the US dollar had a negative impact on adjusted OIBDA in real terms, reducing growth by 3.6% to 1.0%. In CY15, it is estimated that currency movements will again have a negative impact on adjusted OIBDA growth, decreasing constant dollar growth of 3.8% to real dollar growth of -0.3%. The CY15 guidance is discussed further in Section 8.8.2 of this report.

REIT performance measures

Since conversion to a REIT, Iron Mountain has reported its financial performance in terms of REIT specific performance metrics. These metrics include Funds From Operations (FFO), FFO (on a normalised basis) and Adjusted Funds From Operations (AFFO).

Iron Mountain's financial performance in relation to these REIT performance metrics during CY14, and the six and twelve months to 30 June 2015 is summarised below.

Table 22: REIT performance metrics

For the period ended US$ million	12 months 31-Dec-14	6 months 30-Jun-15	12 months 30-Jun-15
Net income attributable to Iron Mountain	**326**	**94**	**107**
Add:			
Real estate depreciation	184	90	181
(Gain) loss from disposition of real estate, net of tax	(8)	-	(1)
FFO[1]	**502**	**184**	**288**
Add:			
(Gain) loss on disposal / write-down of PP&E (excluding real estate), net	1	1	1
FX (gains) losses	58	24	80
Other (income) expense	7	0	9
Deferred taxes and current REIT tax adjustments	(144)	(6)	35
Income (loss) from discontinued operations, net of tax	0	-	1
Recall costs	-	6	6
REIT costs	22	-	8
FFO (normalised)	**447**	**208**	**428**
Add:			
Non-real estate depreciation	120	61	123
Amortisation expense	57	27	55
Non-cash rent expense (income)	1	(5)	(5)
Non-cash equity compensation expense (income)	30	15	30
Less:			
Non-real estate investment	-	24	2
Maintenance capex	77	26	73
AFFO[2]	**578**	**255**	**557**

Source: Iron Mountain, Earnings Commentary and Supplemental Information, Fourth Quarter 2014 & Second Quarter 2015
Note 1: FFO as defined by the National Association of Real Estate Investment Trusts (NAREIT) as net income excluding gains and losses on the sale or write-down of real estate assets plus depreciation on real estate assets
Note 2: AFFO is defined as FFO (normalised) excluding non-cash rent expense or income, plus depreciation on non-real estate assets, amortization expense (including amortisation of deferred financing costs) and non-cash equity compensation expense, less maintenance capital expenditures and non-real estate investments

In relation to Iron Mountain's financial performance in terms of REIT specific metrics, we note:

- as REIT conversion was effective from 1 January 2014, REIT metrics have not been disclosed for periods prior to CY14
- Iron Mountain discloses FFO (on a normalised basis) which excludes items that it believes do not appropriately reflect underlying operations, including foreign exchange gains and losses, and one-off costs associated with REIT conversion. This measure aims to provide investors with a clearer view of the underlying operating performance
- in CY14, an adjustment of US$144 million for deferred taxes and current REIT tax adjustments was made to normalise FFO. This adjustment represented the impact of revaluation of certain deferred tax assets and liabilities associated with the REIT conversion, and

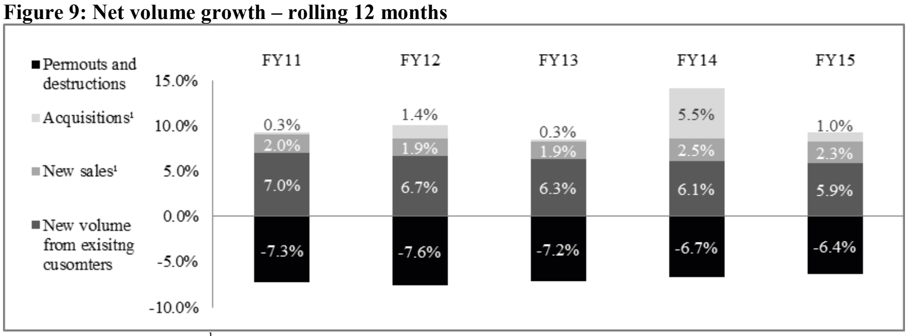
- AFFO is calculated based on FFO (normalised) after adjustments for non-cash items, non-real estate investment and maintenance capital expenditure. AFFO is considered a more accurate measure of residual cash flow for shareholders than FFO
- with commencement of CY15, Iron Mountain changed the definition of its AFFO calculation by deducting non-real estate investment expenditure. While not strictly maintenance related capital expenditure, Iron Mountain considers this somewhat recurring expenditure to be necessary to support its REIT IT and customer interface systems.

8.3.1 Storage rental business

Iron Mountain derives the majority of revenues from storage rental fees which are charged to customers based on the volume of records stored. A customer is allocated a certain amount of storage space in the storage facilities but, is not allocated a dedicated building or space in a particular building. In practice, Iron Mountain may move customer records between its facilities in order to optimise operational efficiency and racking utilisation. Iron Mountain's total annual revenues from these fixed periodic storage rental fees have grown for 26 consecutive years. Storage rental is considered a stable, recurring, non-cyclical revenue base which provides a partial inflationary hedge, to the extent that Iron Mountain has customer contracts which contain provisions for inflationary price escalators.

The key driver of the storage rental business is the net volume growth of records stored. Net volume growth represents new storage volume from existing customers, plus volume from new customers and volume from acquisitions, offset by volume related to destructions, permanent withdrawals and customer terminations, as illustrated below for the 5 years to FY15.

Figure 9: Net volume growth – rolling 12 months



	FY11	FY12	FY13	FY14	FY15
Net organic carton growth[1]	1.7%	1.0%	1.1%	2.1%	1.8%
Total net carton growth	2.0%	2.4%	1.4%	7.6%	2.8%

Source: Iron Mountain quarterly earnings announcements
Note 1: For the three years to FY13 'Acquisitions' relate to customer and business acquisitions. For the two years to FY15, 'Acquisitions' exclusively relate to business acquisitions - customer acquisitions are included in 'New sales'. Net organic carton growth may therefore be slightly understated in FY11, FY12 and FY13, as it does not include the portion of volume increases in these years which relates to customer acquisitions.

In the five years to FY15, Iron Mountain's year on year net volume growth, including acquisitions, has ranged between 1.4% and 7.6%, whilst organic net volume growth has ranged between 1.0% and 2.1%.

At 30 June 2015, Iron Mountain stored 526 million cubic feet of records, spread across the North American (71.3%), Western European (11.8%) and Other International (16.9%) business segments. Iron Mountain also disclosed net volume growth for its operating segments for the years ended June 2014 and 2015. Key observations include:

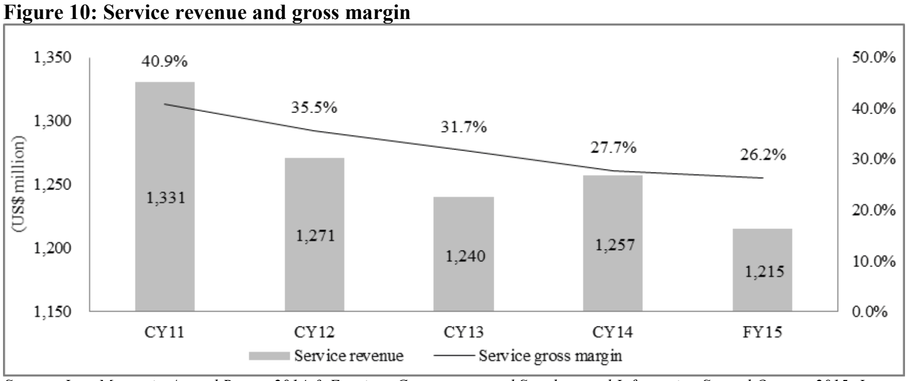
- net volume growth rates in North America were 4.1% and 1.2% for the years ended June 2014 and 2015 respectively. During this period, growth has largely been driven by business acquisitions, particularly the acquisition of Cornerstone Records Management, LLC in October 2013. Net volume growth excluding acquisitions was 0.4% for both years ended June 2014 and 2015
- net volume growth rates in the Other International Business segment have outperformed other regions, at 28.2% and 9.7% for the years ended June 2014 and 2015 respectively. This volume growth has been underpinned by strong organic growth, but has also benefited from business acquisitions.

8.3.2 Services business

Iron Mountain's services business involves activities such as the handling of records, including the addition of new records, temporary removal of records from storage, refiling of removed records and the destruction of records; courier operations; secure shredding of sensitive documents and the related sale of recycled paper; Document management solutions (DMS); customer termination and permanent withdrawal fees; data restoration projects; special project work; fulfilment services; consulting services; and technology escrow services that protect and manage source code and other technology services and product sales.

Iron Mountain's service revenue and service gross margin for the four years ended CY14, and FY15 is outlined below.

Figure 10: Service revenue and gross margin



Source: *Iron Mountain Annual Report 2014 & Earnings Commentary and Supplemental Information Second Quarter 2015; Iron Mountain and Recall Co-CEO Roadshow, July 14 -16, 2015; 2015 REIT Week: NAREIT's Investor Forum, June 15, 2015*

The services business has been negatively impacted by declining activity rates as stored records are becoming more archival in nature. Iron Mountain has observed a trend that customers are reducing the frequency in which records are retrieved, thereby decreasing retrieval / re-file activity and related transportation, resulting in the declining services revenue and gross margins illustrated in the figure above.

Iron Mountain has experienced declines in service gross margins from 40.9% in CY11 to 27.7% in CY14 and 26.2% in FY15. Iron Mountain's service gross margin is expected to be 27.1% by the end of CY15[16].

Iron Mountain has indicated that for the records management business, service activity has begun to stabilise in recent periods, while in the data management business, service declines are reflecting more recent reductions in activity levels. Iron Mountain is currently undertaking an initiative to align the services business cost structure with activity declines, with the goal of maintaining and improving service gross margins. Planned measures include greater ability to vary labour costs, more efficient use of third-party logistics suppliers, and leveraging technology to improve route optimisation and efficiency.

8.3.3 Recent acquisitions

Between 1995 and 2004, there was significant acquisition activity in the highly fragmented storage and information management industry, as acquisitions were pursued by industry participants to achieve scale, expand geographically and broaden service offerings. In CY04, Iron Mountain began to reduce its acquisition activity, instead focusing on integrating the recent transactions and diversifying the business. In CY12, Iron Mountain resumed its acquisition activity as it pursued opportunities in emerging markets and consolidation opportunities in developed markets to enhance growth and operational efficiencies.

Acquisitions completed by Iron Mountain during CY14 and the six months ended June 2015 totalled US$190 million and US$18 million respectively. A significant proportion of capital invested in recent acquisitions (US$125 million in 2014) has been in emerging markets throughout Eastern Europe, Latin America, and the Asia Pacific regions. The focus on acquisitions in emerging markets is consistent with Iron Mountain's stated goal of achieving 16% of total revenue from emerging markets by the end of 2016, (up from 14% of total revenues in 2014).

Summarised below are details of a number of significant recent acquisitions undertaken by Iron Mountain:

- *April 2012* – acquired Grupo Store, a storage rental and records management and data protection business in Brazil with locations in Sao Paulo, Rio de Janeiro, Porto Alegre and Recife, for a purchase price of US$79.0 million
- *June 2013* – acquired Archivum Comercial Ltda. and AMG Comercial Ltda., a storage rental and records management businesses in Sao Paulo, Brazil, in a single transaction for an aggregate purchase price of approximately US$29.0 million

[16] Sourced from Iron Mountain and Recall Co-CEO Roadshow, July 14-16, 2015

- *September 2013* – acquired certain entities with operations in Colombia and Peru specifically, G4S Secure Data Solutions Colombia S.A.S. and G4S Document Delivery S.A.S (collectively, G4S) in a single transaction for an aggregate purchase price of approximately US$54.0 million. G4S is a storage rental and records management business in Colombia with locations in Bogota, Cali, Medellin and Pereira. Iron Mountain also acquired File Service S.A., a storage rental and records management business in Peru, for a purchase price of approximately US$16.0 million
- *October 2013* – acquired Cornerstone Records Management, LLC and its affiliates, a US full solution records and information management company. The purchase price of approximately US$191.0 million represented Iron Mountain's largest acquisition by size in recent years
- *October 2014* – acquired Keepers Brasil Ltda, a storage rental and data management business with operations in Sao Paulo, Brazil, for approximately US$46.2 million, and
- *December 2014* – acquired Securit Records Management, a Canadian based records management business, for approximately US$29.5 million.

8.4 Financial position

The financial position of Iron Mountain as at 31 December 2013 and 2014, and 30 June 2015 is summarised below.

Table 23: Financial position

As at US$ million	31-Dec-13	31-Dec-14	30-Jun-15
Cash and cash equivalents	121	126	117
Restricted cash	34	34	-
Accounts receivable	617	604	596
Deferred income taxes	18	14	22
Prepaid expenses and other	145	139	140
Total current assets	934	918	875
Property, plant and equipment	2,578	2,551	2,493
Goodwill	2,463	2,424	2,389
Customer relationships and acquisition costs	605	608	595
Deferred financing costs	46	47	44
Other	27	23	27
Total non-current assets	5,719	5,653	5,548
Total assets	**6,653**	**6,570**	**6,423**
Long-term debt (current portion)	53	52	70
Accounts payable	216	203	162
Accrued expenses	461	404	334
Deferred revenue	239	197	186
Total current liabilities	969	857	752
Long-term debt (non-current portion)	4,119	4,611	4,719
Other long-term liabilities	68	74	79
Deferred rent	104	104	100
Deferred income taxes	341	55	50
Total non-current liabilities	4,632	4,844	4,948
Total liabilities	**5,601**	**5,700**	**5,700**
Net assets	**1,052**	**870**	**722**
Statistics			
Book gearing[1]	*79.4%*	*83.9%*	*86.6%*
Market gearing[2]	*40.9%*	*35.7%*	*41.7%*

Source: Iron Mountain Annual Report 2014; Iron Mountain Quarterly Report, June 2015
Note 1: Book gearing is calculated based on net debt divided by net assets plus net debt
Note 2: Market gearing is calculated based on net debt divided by market capitalisation at the balance date plus net debt

With regard to the 30 June 2015 position summarised above, we note:

- property, plant and equipment primarily comprises racking structures, buildings, computer hardware and software, leasehold improvements and land
- during the six months to 30 June 2015, goodwill on a constant currency basis increased due to a number of acquisitions, however, this increase has been outweighed by the negative impact of foreign exchange rate fluctuations.

8.4.1 Long term debt

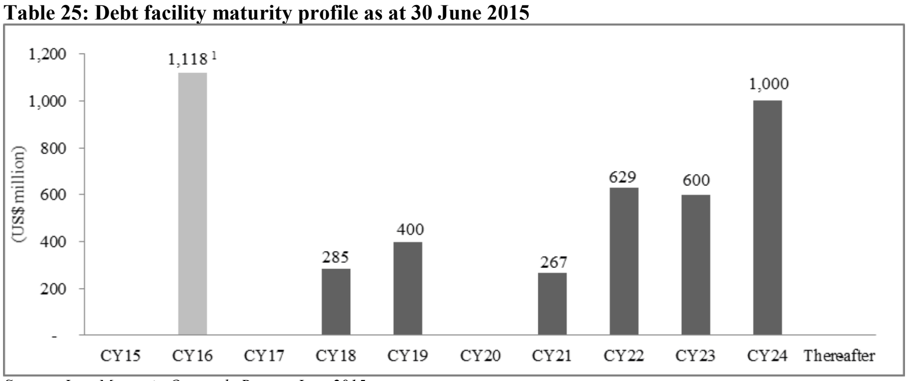
Details of the committed financing facilities available and debt maturity profile of Iron Mountain as at 30 June 2015 are set out below.

Table 24: Financing facilities at30 June 2015

	Currency	Rate	Total facilities US$m	Amount drawn US$m	Available facility US$m	Maturity	Security
Revolving credit facility	Various[1]	3.00%[2]	1,500	835	631[3]	2016[4]	Secured
Term loan	Various[1]	2.40%[2]	248	248	-	2016[4]	Secured
Senior subordinated notes[5]	EURO	6.75%	285	285	-	2018	Unsecured
Senior subordinated notes[5]	USD	7.75%	400	400	-	2019	Unsecured
Senior subordinated notes[5]	USD	8.375%	106	106	-	2021	Unsecured
Senior notes	CAD	6.125%	161	161	-	2021	Unsecured
Senior notes	GBP	6.125%	629	629	-	2022	Unsecured
Senior notes	USD	6.00%	600	600	-	2023	Unsecured
Senior subordinated notes	USD	5.75%	1,000	1,000	-	2024	Unsecured
Total			**4,929**	**4,264**	**631**		

Source: Iron Mountain Quarterly Report, June 2015
Note 1: The average interest rate in effect as of 30 June 2015
Note 2: The revolving credit facility and term loan enable Iron Mountain to borrow in US dollars and (subject to sub-limits) a variety of other currencies including Canadian dollars, British pounds sterling, Euros and Australian dollars
Note 3: The available facility balance includes outstanding letters of credit totalling $34 million
Note 4: The revolving credit facility and term loan were refinanced in July 2015 and as a result, the new maturity date is July 2019, with a one year extension option at Iron Mountain's discretion
Note 5: On 29 September 2015, Iron Mountain announced that it had closed a $1 billion private offering of senior notes at a rate of 6.00%, with the company intending to use the net proceeds from the offering and borrowings under its revolving credit facility for the redemption of these senior subordinated notes

Table 25: Debt facility maturity profile as at 30 June 2015



Source: Iron Mountain Quarterly Report, June 2015
Note 1: Balance in 2016 includes letters of credit of $34 million and foreign exchange related variances of $2 million. The revolving credit facility and term loan were refinanced in July 2015 and as a result, the new maturity date is July 2019, with a one year extension option at Iron Mountain's discretion

In relation to Iron Mountain's long-term debt, we note:

- at 30 June 2015, Iron Mountain had total debt facilities available of US$4,929 million, comprising a revolving credit facility, term loan, and notes denominated in various currencies. Total undrawn facilities amounted to US$631 million
- the interest rate on borrowings under the revolving credit facility and term loan vary depending upon the choice of interest rate and currency options, plus an applicable margin which varies based on Iron Mountain's consolidated leverage ratio
- at 30 June 2015, Iron Mountain's weighted average cost of debt was 5.4%
- on 2 July 2015, Iron Mountain entered into a new credit agreement to refinance its existing US$1.5 billion revolving credit agreement, and its US$250 million term loan (amortised to US$248 million at 30 June 2015), which were scheduled to mature on 27 June 2016. The new credit agreement allows Iron Mountain to request additional commitments of up to US$500 million in the form of term loans (subject to certain conditions), for a total of US$2.25 billion of availability under the new credit agreement. The new credit agreement terminates in July 2019, with a one-year conditional extension option
- at 30 June 2015, Iron Mountain's long term debt also included an amount relating to its accounts receivables securitisation program of US$217.5 million, and an amounts relating to real estate mortgages, capital leases and other items totalling US$308.4 million.

Details of the financial covenants relating to the secured credit facility and term loan are set out below, together with Iron Mountain's actual performance with respect to each of these covenants as of 31 December 2013, 31 December 2014 and 30 June 2015.

Table 26: Financial covenants

Financial covenant	Covenant	31-Dec-13	31-Dec-14	30-Jun-15
Net total lease adjusted leverage ratio	less than 6.5	5.0	5.4	5.7
Net secured debt lease adjusted leverage ratio	less than 4.0	2.2	2.6	2.8
Bond leverage ratio (not lease adjusted)	less than 6.5	5.1	5.7	5.8
Fixed charge coverage ratio	greater than 1.5	2.5	2.5	2.3

Source: Iron Mountain Annual Report 2014; Iron Mountain Quarterly Report, June 2015

Iron Mountain's financial ratios have consistently been within the financial covenant thresholds. We note, however, that at 30 June 2015, Iron Mountain's net total lease adjusted leverage ratio was 5.7 times, which is above the long-term target range communicated by the company of 4.0 to 5.0 times.

8.5 Capital structure and ownership

As at 30 June 2015, Iron Mountain's issued capital comprised the following:

- 210,798,520 of common stock
- 3,992,284 of outstanding stock options
- 1,342,799 of non-vested restricted stock, and restricted stock units (RSUs)
- 415,080 performance unit (PU) awards.

The total number of shares on a fully diluted basis is approximately 212.1 million, which includes those options capable of being exercised.

Iron Mountain's remuneration structure includes various stock option plans, equity compensation plans, and an employee stock purchase plan (ESPP). Options are issued under the various stock option plans, while restricted stock, RSUs and PUs are granted under the various equity compensation plans.

The ESPP is offered to US and Canadian employees who meet certain service eligibility requirements. These employees can accumulate after tax payroll contributions to a maximum of 15% of their compensation to purchase common stock at 95% of the fair market price at the end of each offering period. As at 30 June 2015, 901,069 shares were available under the ESPP.

8.6 Share price performance

In assessing Iron Mountain's share price performance, we have:

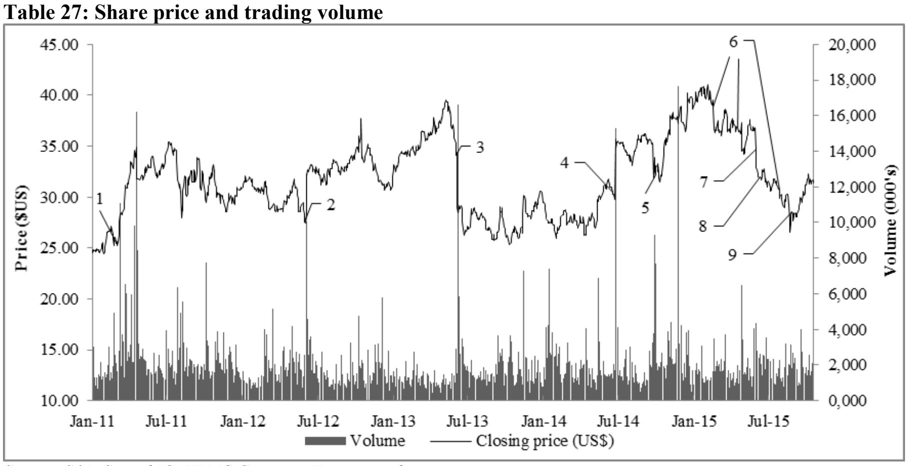
- analysed Iron Mountain's history and volume of trading over the period from 3 January 2011 to 20 October 2015
- compared the share price performance of Iron Mountain to the S&P 500 Index over the same corresponding period
- analysed the trading liquidity of Iron Mountain shares for the 12 months to 20 October 2015.

Recall Holdings Limited
Independent Expert's Report
23 October 2015

8.6.1 Share price and trading volume

Iron Mountain's share price and trading volume over the period from 3 January 2011 to 20 October 2015 is illustrated below.

Table 27: Share price and trading volume



Source: S&P Capital IQ; KPMG Corporate Finance analysis

During the period from 3 January 2011 to 20 October 2015, the Iron Mountain share price ranged between a low of US$24.39 in January 2011 and a high of US$41.09 in February 2015. Key events which have influenced the trading price and volume of Iron Mountain shares during this period include:

1. In March 2011, the hedge fund Elliott Management (which at the time was a beneficial owner of approximately a 5% interest in Iron Mountain), called for a strategic review of Iron Mountain's capital allocation and operational efficiency. In April 2011, Iron Mountain entered into a settlement agreement with Elliott Management in which they agreed to form a special committee of Iron Mountain's Board of Directors to, among other things, evaluate a potential conversion to a REIT structure.

2. On 5 June 2012, Iron Mountain announced that its Board of Directors had unanimously approved a plan for the company to pursue conversion to a REIT. The announcement stipulated that should Iron Mountain be successful in the conversion process, it would plan to elect REIT status no sooner than its taxable year beginning 1 January 2014. In the two days to 6 June 2012, Iron Mountain shares increased by 17.9% to US$32.32, with a turnover of 13 million shares.

3. On 6 June 2013, Iron Mountain filed a Form 8-K with the SEC which provided an update on its pending REIT conversion, specifically:

   - the IRS had informed Iron Mountain that it was "tentatively adverse" to providing a PLR that Iron Mountain's racking structures constitute "real estate" for REIT purposes, though this was only a preliminary view

- the IRS had decided to review the legal standards it uses to define real estate when considering REIT status, which would delay a final ruling on Iron Mountain's PLR (along with other companies' PLRs) until this review was complete.

On the trading day following this announcement the share price fell by 15.8% to US$28.95, with turnover of 16.6 million shares.

4. On 25 June 2014, Iron Mountain announced that it had received the favourable PLRs from the IRS necessary for conversion to a REIT. After the receipt of the PLRs, Iron Mountain's Board of Directors unanimously approved the REIT conversion, effective from 1 January 2014. Iron Mountain also announced that following this decision it expected its full year 2014 distribution to range between US$400 million and US$420 million (excluding the Special Distribution of US$700 million in shares and cash dividends was paid on 4 November 2014), compared to the previous projected 2014 annual distribution of approximately US$207 million. On the trading day following this announcement the share price increased by 20.1% to US$35.74, with a turnover of 15.3 million shares.

5. On 30 September 2014 public market speculation regarding a potential transaction between Iron Mountain and Recall began.

6. In the days following Iron Mountain's three most recent quarterly earnings announcements, the share price has decreased as outlined below:

   - on 20 February 2015, fourth quarter 2014 results and earnings guidance for 2015 were released. On this day, the share price decreased by 5.5% to US$36.71, with a turnover of 3.5 million shares, underperformed the S&P 500 Index by 6.1%
   - on 28 April 2015, first quarter 2015 results were released. In the three trading days to 30 April 2015 the share price decreased by 4.8% to US$34.49, with a total turnover of 13.1 million shares, underperforming the S&P 500 Index by 3.7%
   - on 30 July 2015, second quarter 2015 results were released. On this day the share price decreased by 2.4% to US$29.91, with a turnover of 2.3 million shares, underperforming the S&P 500 Index which essentially closed flat on that day.

7. On 2 June 2015, Jefferies Group LLC downgraded its rating of Iron Mountain from 'hold' to 'underperform' and revised its price target from US$33.00 to US$29.00. The key concerns raised as reason for the downgrade included an expected cash shortfall that may result in further debt or equity raisings being required to avoid dividend cuts, a deteriorating services business that may be further challenged by current industry trends and the recorded level of racking depreciation that may overstate FFO. On that day, the share price fell by 5.8% from $US36.83 to US$34.68. Whilst other contributing factors may have existed, the share price continued to fall for the six consecutive days following the downgrade, closing at US$31.85 on 10 June 2015 and representing a total decrease of 13.5% from the closing price prior to the downgrade. Total trading volume over the seven days to 10 June 2015 was 18.1 million shares. There was a 0.3% decrease in the S&P 500 Index over the same period.

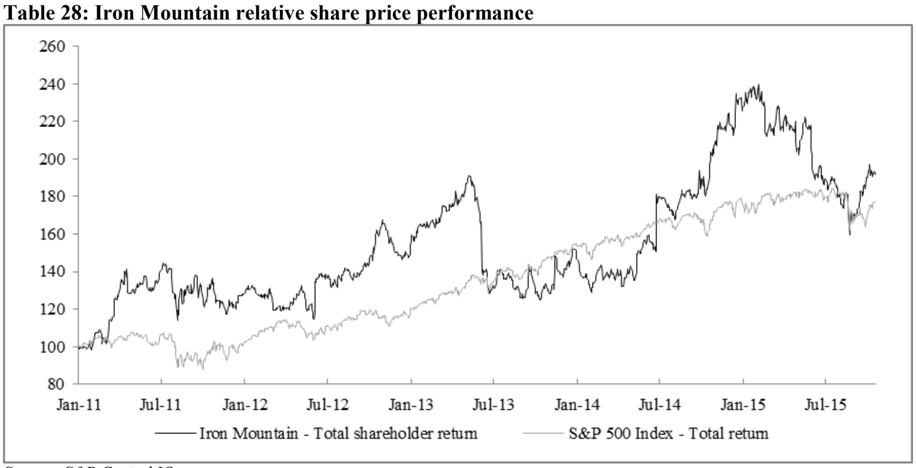
8. On 8 June 2015, Iron Mountain and Recall entered the Scheme Implementation Deed.

9. On 25 August 2015, Iron Mountain filed its proxy statement in relation to the Scheme.

8.6.2 Relative share price performance

Iron Mountain is a member of a number of indices, including the S&P 500 Index. The share price performance of Iron Mountain (on a total shareholder return basis) over the period from 3 January 2011 to 20 October 2015 relative to the S&P 500 Index (on a total return basis) is illustrated below.

Table 28: Iron Mountain relative share price performance



Source: S&P Capital IQ

Despite the successful REIT conversion and the announcement of the Scheme Implementation Deed with Recall, Iron Mountain's share price performance has been broadly in line with the market, outperforming the S&P 500 Index by approximately 15% (on a total return basis) over the observation period.

During the period illustrated above, variations in the performance of Iron Mountain's share price relative to the S&P 500 Index were primarily driven by the key events outlined in Section 8.6.1 of this report, above. Outperformance early in the period was driven by expectations regarding REIT conversion. This outperformance was reversed in June 2013 when the IRS cast doubt on the ability to achieve REIT conversion. Subsequently, in June 2014, Iron Mountain's share price again outperformed the index, driven by the receipt of favourable PLRs from the IRS and the approval of REIT conversion by the Board. In late 2014, Iron Mountain's share price continued to outperform the S&P500 Index supported by the potential transaction with Recall and its inclusion to the MSCI REIT Index in November 2014 and the FTSE NAREIT Indices in December 2014.

Between June and September 2015, Iron Mountain's share price underperformed the index, primarily driven by earnings announcements, continued deterioration in the margins of the services business, and some unfavourable broker commentary. Concerns regarding the impact of rising interest rates have further contributed to negative market sentiment, particularly in relation to US REIT stocks. More recently, Iron Mountain has recovered from the lows recorded in August 2015, which may have been supported by its inclusion in the 2015 Dow Jones Sustainability Indices.

8.6.3 Trading liquidity and VWAP

An analysis of the trading liquidity and VWAP of Iron Mountain shares for the 12 months to 20 October 2015 is summarised in the table below.

Table 29: Iron Mountain VWAP and liquidity analysis

Period	Price (low) $	Price (high) $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital
1 week	30.94	31.96	31.45	282.1	9.0	4.3
1 month	29.33	32.35	30.98	1,105.5	35.7	16.9
3 months	26.49	32.35	29.80	3,112.8	104.5	49.6
6 months	26.49	38.49	32.01	7,116.7	222.3	105.5
12 months	26.49	41.53	34.90	15,576.9	446.3	213.2

Source: S&P Capital IQ

We consider the percentage of shares traded over the 12 months to 20 October 2015 indicates that Iron Mountain is a highly liquid stock. In assessing the liquidity in trading of Iron Mountain shares, it is noted that the free float at 20 October 2015 exceeds 95%, and Iron Mountain shares have higher liquidity compared with the trading in Recall shares.

8.7 Dividends

In February 2010, the Iron Mountain Board of Directors adopted a policy of paying quarterly cash dividends on common stock. Iron Mountain has stated its intention to pay quarterly dividends to shareholders that, in aggregate, equal or exceed the minimum annual dividends required as a REIT (being 90% of REIT taxable income). We note, however, that the timing and quantum of future dividends is at the discretion of Iron Mountain's Board of Directors.

EPS and dividends paid by Iron Mountain in relation to CY13 and CY14, and the first half of CY15, are set out below.

Table 30: EPS and dividends

For the period ended	12 months 31-Dec-13	12 months 31-Dec-14	6 months 30-Jun-15
Weighted average number of shares - basic (m)	191.0	195.3	210.5
Weighted average number of shares - diluted (m)	192.4	196.7	212.2
Net income from continuing operations ($USm)	99.2	329.0	95.7
Net income attributable to Iron Mountain ($USm)[1]	96.5	326.1	94.4
Earnings per share - basic (US$)			
From continuing operations	0.52	1.68	0.45
Attributable to Iron Mountain[1]	0.51	1.67	0.45
Earnings per share - diluted (US$)			
From continuing operations	0.52	1.67	0.45
Attributable to Iron Mountain[1]	0.50	1.66	0.45
Dividends declared per common share (US$) (rounded)	1.08	5.37	0.95
Payout ratio[2]	2.10	3.21	2.10

Source: Iron Mountain Annual Report 2014; Iron Mountain Quarterly Report, June 2015
Note 1: Inclusive of the impact of discontinued operations and after subtraction of amounts attributable to non-controlling interests
Note 2: Payout ratio was calculated as dividends per share divided by earnings from continuing operations per Iron Mountain share on a diluted basis

Dividends represented US$5.37 (rounded) per share for CY14 which was substantially higher than the prior year. This primarily reflected the payment of the Special Distribution (as described in Section 8.2.2 of this report) of US$700 million, or $3.61 per share, associated with Iron Mountain's conversion to a REIT. Iron Mountain currently has an annual ordinary dividend rate of US$1.90 per share.

8.8 Outlook

8.8.1 Strategy

The three core pillars of Iron Mountain's corporate strategy are:

- *Developed markets,* with an aim of increasing revenues in markets such as the US, Canada, Australia and Western Europe, primarily through improvements in the sales and marketing functions, and through fold-in acquisitions. Given the relatively small size of most attractive acquisition targets in these markets, Iron Mountain has indicated that future acquisitions (excluding Recall) are expected to be less significant to the overall revenue growth in these markets than in the past. In the developed markets, Iron Mountain expects improvement initiatives will generate modest profit growth, a portion of which are expected to be reinvested in the business
- *Emerging markets*, with an aim of further developing industry-leading positions in high-growth markets such as central and eastern Europe, Latin America and the Asia Pacific region (excluding Australia), primarily through acquisitions. For existing operations in emerging markets, Iron Mountain expects profits will grow as the local businesses increase scale, and Iron Mountain intends to reinvest a portion of these improvements to support the continued growth of these businesses. Iron Mountain is targeting 16% of total revenue from emerging markets in CY16, which will be an increase from 14% in CY14

- *Emerging business opportunities (EBOs),* continuing to identify, develop and scale EBOs (such as the data centre business) to complement and diversify the existing service offering.

Transformation program

In June 2015, Iron Mountain announced a 'Transformation Program' (formerly referred to as the 'Speed and Agility Program') with an aim to drive significant reductions in overhead expenses, and to maintain and improve gross margins. The main actions currently underway in relation to this program are to accelerate the adoption of shared services / offshore support functions, automate payments and billing, centralise contracts administration and further integrate overhead costs across developed markets. Iron Mountain expects to realise a minimum of US$100 million in savings in overhead expenses from the program by the end of 2018, incremental to the current strategic plan, of which US$50 million is expected to be realised in CY16. As a result of the transformation program, Iron Mountain expects to record restructuring charges of approximately US$10.0 million in the third quarter of CY15.

8.8.2 Guidance

Iron Mountain's guidance for CY15 in real dollars, on a standalone basis (i.e. ignoring any effects of the potential acquisition of Recall) is set out below.

Table 31: Earnings guidance

US$ million unless otherwise stated	CY15
Operating performance	
Revenue	3,030 - 3,150
Adjusted EBITDA	905 - 945
Adjusted EPS - fully diluted[1] (US$)	1.15 - 1.30
FFO applicable to Iron Mountain (normalised)	425 - 465
FFO applicable to Iron Mountain (normalised) per share[1] (US$)	2.00 - 2.20
AFFO applicable to Iron Mountain	480 - 520
Estimated capital allocation	
Real estate investment	200 - 240
Non-real estate investment	70 - 90
Real estate and non-real estate maintenance	70 - 90
Business and customer acquisitions	75 - 125
Total capital expenditures and investments (excluding dividends)	**415 - 545**

Source: Iron Mountain Quarterly Report, June 2015
Note 1: Assumes 212 million shares outstanding

Upon release of its second quarter financial performance, Iron Mountain reaffirmed its guidance for CY15, with total revenue and adjusted OIBDA growth (on a constant dollar basis) expected to range between 1% and 5%, which is in line with Iron Mountain's strategic plan. Iron Mountain expects that on a reported dollar basis, total revenue will be towards the lower end of the guidance range (being US$3,030 million to US$3,150 million), reflecting the impact of the continued strengthening of the US dollar. Adjusted EPS, FFO, and FFO (normalised) per share are expected to grow roughly in line with growth in adjusted OIBDA, of 1% to 5% on a constant dollar basis.

8.8.3 Broker consensus forecasts

In order to provide an indication of the expected future financial performance of Iron Mountain, we have considered brokers' forecasts for Iron Mountain. Summarised below are the consensus forecasts for Iron Mountain for CY15 and CY16 by brokers that follow Iron Mountain.

Table 32: Broker consensus forecasts

US$ million unless otherwise stated	CY15	CY16
Revenue	3,048	3,125
OIBDA	917	973
FFO (normalised)	432	473
AFFO	494	513
EPS (US$)	1.20	1.37
Statistics		
Revenue growth (%)	*(2.2%)*	*2.5%*
OIBDA growth (%)	*(1.0%)*	*6.1%*
OIBDA margin (%)	*30.1%*	*31.1%*
FFO (normalised) growth (%)	*(3.4%)*	*9.5%*
AFFO growth (%)	*(14.5%)*	*3.8%*

Source: Broker reports; KPMG Corporate Finance analysis
Note: Based on the median of broker forecasts

In relation to the table above, we note:

- as far as KPMG Corporate Finance is aware, Iron Mountain is followed by nine brokers of which eight are represented in the consensus forecasts above. The remaining one broker has not released research on Iron Mountain since the second quarter results for CY15 were reported on 30 July 2015
- the above consensus forecasts represent the latest available broker forecasts for Iron Mountain and all were published after Iron Mountain announced its second quarter results for CY15 on 30 July 2015.

9 The Combined Group

The Combination of Recall and Iron Mountain has a number of significant strategic benefits and will create a leading global document storage and information services group.

If the Scheme is implemented, Recall Shareholders will own approximately up to 21% of the Combined Group, subject to all Recall Shareholders electing to receive the Standard Consideration. Recall Shareholders who receive and retain New Iron Mountain Shares or New Iron Mountain CDIs will gain exposure to the investment characteristics of the Combined Group, including:

- significant diversification and global footprint
- potential to realise substantial synergies and accretion
- high dividend yield supported by the REIT structure.

Summarised below are key investment characteristics of the Combined Group and the associated change in the risk profile from the perspective of Recall Shareholders.

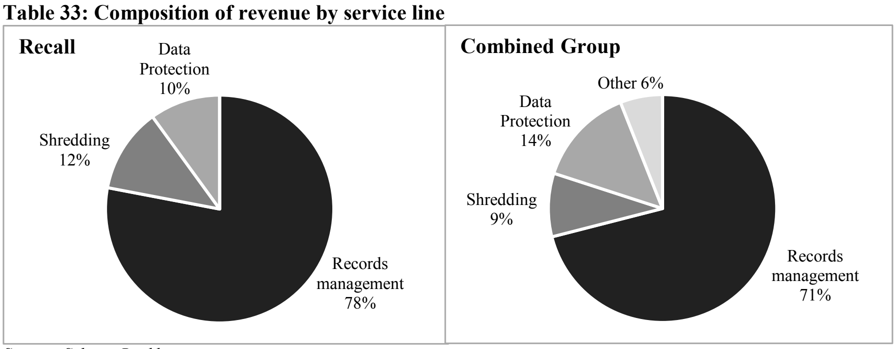
Further detail in relation to the Combined Group is contained in Section 11 of the Scheme Booklet, which also includes pro-forma financials for the Combined Group.

9.1 Business operations

Operational diversification

The operational profile of the Combined Group will be similar to that of Recall. Both Recall and Iron Mountain derive the majority of their respective current revenues from records management services. With respect to each company's non-records management services revenue, Iron Mountain derives a greater proportion from data protection services, while Recall derives a greater proportion from shredding services. The composition of Recall's revenue by service line compared to that of the Combined Group is illustrated below.

Table 33: Composition of revenue by service line



Source: Scheme Booklet

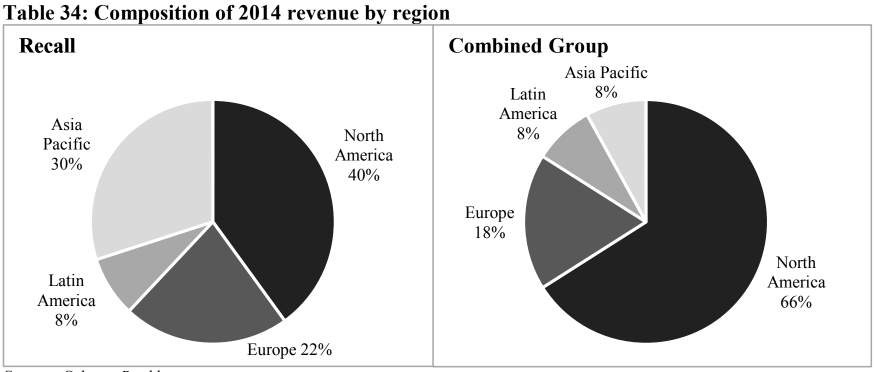
Further to the differences in revenue composition illustrated above, the Combined Group will have a more substantial global real estate portfolio relative to Recall. Recall currently has a real estate portfolio of 19.6 million square feet, of which 1.6 million square feet or 8% is owned, with the remainder being leased. Due to Iron Mountain owning a greater proportion of its facilities, the Combined Group will have a real estate portfolio of 88 million square feet, of which 26 million square feet or 30% will be owned. In addition, Iron Mountain has identified real estate acquisition as a likely future use of capital, which is expected to reduce borrowing costs over time and enhance the ability to achieve the 75% income and asset tests associated with maintaining its REIT structure. Stand-alone it is unlikely that Recall would use capital in this manner.

Geographical diversification

There is a significant degree of geographic overlap between the operations of Iron Mountain and Recall. Across developed markets, the market positions of Recall and Iron Mountain are complementary. In the US, the largest market for the Combined Entity, Recall has a more developed presence with small and medium-sized businesses, whilst Iron Mountain focuses on large enterprise customers.

Recall currently has market leading positions in Australia and parts of Europe, deriving over half of its revenue from these regions, whilst Iron Mountain derives over 70% of its revenue from North America. Formation of the Combined Group will, therefore, result in reduced geographical diversification on a revenue and earnings basis relative to Recall, with the Combined Group having a relatively higher concentration of operations in North America. A comparison of the geographic diversification of Recall and the Combined Group based on revenue is illustrated below.

Table 34: Composition of 2014 revenue by region



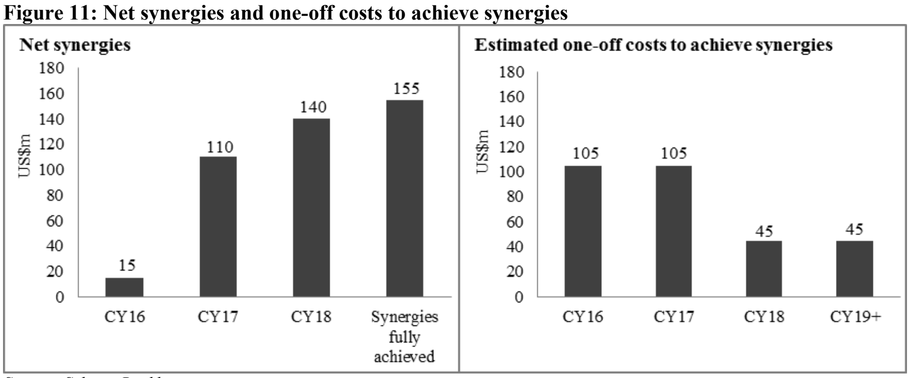
Source: Scheme Booklet

9.2 Synergies and integration costs

A key benefit of the proposed acquisition of Recall by Iron Mountain is the potential to realise significant synergies. The level of synergies able to be achieved by participants in the information management industry is largely a function of the degree of geographic overlap and the opportunity to eliminate overhead costs and optimise facility utilisation. Whilst it is likely that other industry participants could achieve synergies of a similar nature to Iron Mountain, it is unlikely that they could achieve a similar level of gross synergies as none of them have the same degree of geographic overlap with Recall.

Summarised below are the net synergies expected to be achieved by the Combined Group and associated one-time integration costs as set out in the Scheme Booklet.

Figure 11: Net synergies and one-off costs to achieve synergies



Source: Scheme Booklet

In relation to expected synergies and integration costs, we note:

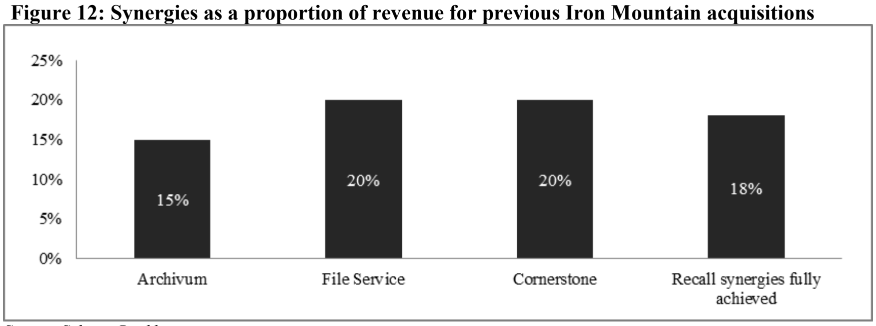
- *Quantum of synergies.* The Combined Group is expected to achieve approximately US$155 million in annual net synergies once synergies are fully achieved, representing approximately 5% of the Combined Group's pro forma CY15 operating expenses. The majority of these synergies relate to overhead and cost of sales reductions and are expected to be realised by 2018, with all synergies being realised by 2020
- *Dis-synergies.* The synergies identified in the Scheme Booklet are presented net of an allowance for:
  - potential revenue dis-synergies which may result from price reductions driven by the harmonisation of pricing arrangements for customers that are currently served by both Recall and Iron Mountain
  - potential divestments required to obtain the necessary regulatory approvals for the Proposed Scheme, thereby resulting in a reduction in earnings upon formation of the Combined Group. Under the Scheme Implementation Deed, the extent of these divestments have been capped, with Iron Mountain committing to divest businesses located in the United States and Canada which individually or in aggregate, generated annual revenue of up to US$30 million

- to the extent that the impact from harmonisation of pricing arrangements or any required divestments is less than anticipated, net synergies would exceed the expectations presented in the Scheme Booklet.

- *Timing of synergies.* Synergies which are expected to be achieved shortly after formation of the Combined Group include overhead cost savings associated with integrating board, management and executive teams and consolidation of corporate head office functions. Synergies which are expected to be realised over the short to medium term include those relating to tax synergies and operating cost efficiencies through optimisation of facilities and logistic services. Synergies to be realised over the longer term include real estate synergies through consolidation of facilities, improved leasing terms due to the scale of the Combined Group and improved utilisation across the network

- *Proven ability of realising synergies.* The Scheme Booklet provides specific evidence for Iron Mountain's ability of integrating acquired businesses and realising synergies. In its previous acquisitions of Archivum Comercial Ltda., File Service S.A., and Cornerstone Records Management, LLC, Iron Mountain realised synergies as a proportion of revenue at a level similar to that expected to be achievable through the Scheme. This is illustrated in the figure below.

Figure 12: Synergies as a proportion of revenue for previous Iron Mountain acquisitions



Source: Scheme Booklet

Relative to the previous Iron Mountain acquisitions referenced above, the acquisition of Recall will provide additional synergies through eliminating costs associated with Recall being a listed company. However, Recall also generates significant revenues in geographical areas where there is little or no overlap with Iron Mountain, which reduces the synergy potential expressed as a proportion of total revenue relative to previous Iron Mountain acquisitions which were generally more fold-in acquisitions in nature. In addition the level of synergies that can be achieved through site management depends on the existing rack and site utilisation as well as lease arrangements which will change with each acquisition. Further, whilst management has extensive experience with integrating acquisitions and realising synergies, Iron Mountain is yet to undertake a public acquisition of the scale of Recall and therefore the risks associated with realising the expected synergies may be higher as compared to the previous Iron Mountain acquisitions

- *Upside potential.* There may be the potential for synergies to be realised beyond those quantified above, including revenue synergies driven by an enhanced product and service offering and an increased ability to penetrate the global un-vended market, further reductions in real estate costs driven by further facility optimisation, and enhanced capabilities to accelerate development of new solutions and services in a more efficient manner than on a standalone basis

- *Integration costs.* The Combined Group is expected to incur a total of approximately US$300 million in integration related costs for synergies to be fully achieved. These costs have been categorised as 'cost to achieve' which include moving, racking and severance costs, and 'cost to integrate' which include the facilities upgrade program, REIT conversion and systems integration. These costs will include a mixture of operating expenses and capital expenditures and are expected to be debt financed as incurred.

9.3 Earnings accretion

The implementation of the Scheme and realisation of synergies is expected to generate significant earnings accretion for Iron Mountain across all relevant financial metrics, including adjusted EPS, and cash flow measured by normalised FFO and AFFO as set out below.

Table 35: Accretion estimates (excluding purchase price accounting adjustments)

Metric	CY16	CY17	CY18	Synergies fully achieved
EPS (adjusted)[1]	2%	20%	25%	26%
FFO (normalised)[1]	0%	12%	15%	16%
AFFO[1]	(2%)	8%	11%	13%

Source: Scheme Booklet
Note 1: Accretion figures above exclude the one-time costs to achieve and integrate, and therefore are considered 'normalised' accretion estimates

The above estimates do not include the impact of additional amortisation and depreciation as a result of the purpose price accounting. Inclusion of these items would reduce EPS and normalised FFO during these periods. The additional amortisation and depreciation represent expenses for accounting purposes and are non-cash in nature.

Recall Shareholders who receive the Standard Consideration, and continue to hold New Iron Mountain Shares or CDIs, will participate in the benefits arising from the realisation of earnings accretion by the Combined Group, including:

- potential for enhanced share price performance as integration milestones are met and realised synergies deliver earnings accretion
- capacity to grow future dividends
- additional cash being available to fund future investment in the Combined Group's operations and real estate holdings
- improved ability of the Combined Group to deleverage over time.

9.4 Board and management

The Combined Group will comprise 12 Directors. Each of the existing 10 Iron Mountain Directors will continue as Directors of the Combined Group. Iron Mountain will invite two Recall Directors to join the Board of the Combined Group, specifically Neil Chatfield and Wendy Murdock. Profiles for each of Neil Chatfield and Wendy Murdock are set out in Section 9.3.1 of the Scheme Booklet as well as the proposed roles of Combined Group Board and management team.

9.5 Changes in risk profile for Recall Shareholders

The risk profile for Recall Shareholders will not change substantially, should they become shareholders in the Combined Group. Relative to Recall, the business operations of the Combined Group will be fundamentally the same, with similar revenue composition by service line, and a similar exposure to the trends, challenges and opportunities within the document management industry (refer to Appendix 3 for an overview of the document management industry).

However, there are changes in the risk profile for Recall Shareholders who convert their existing shareholdings into New Iron Mountain Shares or CDIs, including:

- *REIT structure*. Iron Mountain plans to integrate Recall into its existing REIT structure within the first quarter of the Scheme being implemented. The Combined Group will have ongoing requirements to maintain REIT status, including the tests relating to income, assets and distributions as outlined in Section 8.2.2 of this report. These requirements may limit the strategic flexibility of the Combined Group to take advantage of certain opportunities in the future such as, for example, the purchase of non-REIT qualifying operations or assets, the expansion of non-real estate activities, entry into certain hedging transactions, and investments in businesses to be conducted through TRSs. In the event that the Combined Group fails to maintain its REIT status, it will be subject to tax at corporate income tax rates, and will be unable to deduct distributions to shareholders when computing its taxable income, thereby negatively impacting distributions to shareholders
- *Gearing*. The Combined Group will have a significantly higher level of gearing relative to Recall’s current level. However, it is expected that the realisation of synergies and resultant earnings accretion will increase the debt covenants headroom and enable the Combined Group to deleverage over time
- *Geographical diversification*. Recall currently has market leading positions in Australia and parts of Europe, deriving over half of its revenue from these regions, whilst Iron Mountain derives over 70% of its revenue from North America. Formation of the Combined Group will, therefore, result in reduced geographical diversification on a revenue and earnings basis relative to Recall, with the Combined Group having a relatively higher concentration of operations in North America
- *Dividend policy*. A key element of Recall’s current strategy relates to pursuing inorganic growth options, through acquisitions of customers and businesses, which is funded through a combination of retained earnings and available debt capacity given Recall’s relatively low level of gearing. As a REIT, the Combined Group will be required to distribute at least 90% of its REIT taxable income each year to shareholders. Under this structure and given the current gearing level of Iron Mountain, the Combined Group may face more challenges to fund future growth initiatives than Recall on a standalone basis or may require equity injections which is a common feature of REIT structures

- *Shareholder rights*. If the Scheme is implemented, New Iron Mountain Shares received by Recall Shareholders will be primarily governed by the General Corporation Law of the State of Delaware, the US federal securities laws, the NYSE listing rules and Iron Mountain's certificate of incorporation and bylaws. A comparison of some of the material provisions of Australian law and Delaware law as they relate to Recall and Iron Mountain respectively, along with certain securities laws and stock exchange rules (where applicable) are set out in Section 14 of the Scheme Booklet. Further, Recall Shareholders who elect to receive New Iron Mountain CDIs as opposed to New Iron Mountain Shares will become a beneficial holder (rather than a registered legal holder) of the underlying Iron Mountain Share and therefore be unable to directly trade their shareholdings or exercise their shareholder rights, and instead requires instructions to the CDI Nominee to exercise these rights on their behalf
- *Liquidity*. There is a risk that the shareholder base of New Iron Mountain CDIs will migrate over time to Iron Mountain Shares which may reduce liquidity in the trading of New Iron Mountain CDIs, which in turn may result in New Iron Mountain CDIs trading at a discount to Iron Mountain Shares.

10 Valuation of Recall

10.1 Summary

We have valued the equity in Recall in the range of US$1,772 million to US$1,975 million, which corresponds to a value of A$7.51 to A$8.37 per Recall Share at an exchange rate of 0.73 A$/US$. Our valuation assumes 100% ownership of Recall and therefore incorporates a control premium. Given the inclusion of a control premium, we would expect the valuation to be in excess of the value of Recall implied by its trading price in the absence of a takeover offer.

The assessed value for Recall reflects the estimated market value of Recall's business operations less net debt. Our valuation of Recall is summarised in the table below and detailed in the remainder of this section.

Table 36: Valuation summary

US$ million (unless otherwise stated)	Section reference	Value range Low	Value range High
Value of business operations	10.3	2,332	2,535
Less: Net debt	10.4	(560)	(560)
Value of equity		**1,772**	**1,975**
Fully diluted shares on issue (millions)		323.1	323.1
Value per Recall Share (US$)		5.48	6.11
A$/US$ as at 20 Oct 2015		0.73	0.73
Value per Recall Share (A$)		**7.51**	**8.37**

Source: KPMG Corporate Finance analysis
Note: Table may not sum due to rounding

10.2 Methodology

10.2.1 Overview

Our valuation of Recall has been prepared on the basis of 'market value'. The generally accepted definition of market value (and that applied by us in forming our opinion) is the value agreed in a hypothetical transaction between a knowledgeable, willing, but not anxious buyer and a knowledgeable, willing, but not anxious seller, acting at arm's length.

Market value excludes 'special value', which is the value over and above market value that a particular buyer, who can achieve synergistic or other benefits from the acquisition, may be prepared to pay.

Our valuation has had regard to the additional value resulting from estimated corporate cost savings that would generally be available to a pool of purchasers, both financial and trade. It does not include any other strategic or operational synergies that may be unique to Iron Mountain. Accordingly, our range of values has been prepared independent of the specific circumstances of any potential bidder.

Market value is commonly derived by applying one or more of the following valuation methodologies:

- the capitalisation of a sustainable level of earnings (Capitalised Earnings)
- the discounting of expected future cash flows to present value (DCF)

- the estimation of the net proceeds from an orderly realisation of assets (Net Assets)
- trading prices for the company's shares on ASX.

These methodologies are discussed in greater detail in Appendix 4. Ultimately, the methodology adopted is dependent on the nature of the underlying business and the availability of suitably robust information. A secondary methodology is typically adopted as a cross-check to ensure reasonableness of outcome, with the valuation conclusion ultimately being a judgement derived through an iterative process.

For profitable businesses, methodologies such as Capitalised Earnings and DCF are commonly used as they reflect 'going concern' values which typically incorporate some element of goodwill over and above the value of the underlying assets. For businesses that are either non-profitable, non-tradable or asset rich, Net Assets is typically adopted as there tends to be minimal goodwill, if any.

10.2.2 Selection of methodology

We have assessed the value of Recall by aggregating the estimated market value of Recall's business operations with the realisable value of any other separately valued assets and liabilities, and deducting net debt.

For the valuation of Recall's business operations, we adopted Capitalised Earnings as our primary methodology. This was based on the following considerations:

- a Capitalised Earnings approach is a commonly used method for the valuation of industrial businesses, especially those with a long operating history and a consistent earnings trend that is sufficiently stable to be indicative of ongoing earnings potential, which is the case for Recall. Further, we consider there is sufficient market evidence available from which a meaningful earnings multiple can be derived. In particular, Iron Mountain is highly comparable in terms of operating profile and geographic presence subject to appropriate adjustments for differences such as its REIT structure and larger size relative to Recall. Additionally, a number of transactions have occurred involving companies operating in the information management industry within Australia and internationally
- a DCF approach is also widely used in the valuation of established industrial businesses. However, apart from a medium term strategic plan with high-level financial targets, Recall has not prepared detailed long-term cash flow models from which an in-depth DCF analysis could be based. Further, given Recall operates in a relatively mature and highly fragmented industry, inorganic growth options form a substantial part of its strategy and considerable judgement is required in estimating future cash flows associated with its acquisition strategy. This may reduce the robustness of any results derived from a DCF analysis. Whilst we have not utilised a DCF approach as our primary valuation approach, we have considered the company's strategic plan and brokers' forecasts in forming our fairness assessment
- a Net Assets approach is not considered appropriate in Recall's case as this method would not capture the growth potential and goodwill associated with the business
- trading prices for Recall Shares have been distorted by the proposed Iron Mountain takeover since initial rumours about a potential transaction arose on 30 September 2014. Further, since the announcement of the in-principle agreement with Iron Mountain on 29 April 2015, the share price of

Recall was primarily driven by the share price performance of Iron Mountain (due to the scrip based nature of the Scheme) and fluctuations in the A$/US$ exchange rate. Accordingly, considerable judgement is required in deriving conclusions on the fundamental value of a Recall Share in the absence of a takeover offer based on an analysis of Recall's recent share price performance. Nevertheless, we have also had regard to trading prices for Recall Shares as a high-level cross-check to support the robustness of the value derived from our primary Capitalised Earnings methodology.

The value of the business operations of Recall has been determined through an iterative process, ensuring the value derived from our primary Capitalised Earnings methodology is consistent with the outcomes of our high-level DCF cross-check and our analysis of Recall's share price performance.

10.2.3 Selection of earnings metric

Application of the Capitalised Earnings approach involves the capitalisation of the earnings or cash flows of a business at a multiple that reflects the risks of the business and the future growth prospects of the income it generates. Application of this methodology requires professional judgement as to:

- a level of earnings or cash flows expected to be maintainable into perpetuity that takes into account historic and forecast operating results, adjusted for non-recurring items and other known factors likely to impact on future operating performance
- an appropriate capitalisation multiple that is supported by market evidence derived from comparable transactions and sharemarket prices for comparable companies, whilst also considering the specific characteristics of the business being valued.

A Capitalised Earnings approach can be applied to a number of different earnings or cash flow measures, including, but not limited to, EBITDA, EBIT and net profit after tax. All are commonly used in the valuation of industrial businesses and should provide a similar result.

Given the relative capital intensity of companies operating in the information management industry, in particular those companies with a large physical document storage business, we consider EBITDA to be an appropriate earnings metric as it removes differences in depreciation and amortisation policies adopted by market participants in various jurisdictions and therefore provides a measure of earnings that is not distorted by the impact of non-cash items.

10.2.4 Control premium considerations

With regard to the multiples applied in a Capitalised Earnings approach, they are generally based on data from listed companies and recent transactions in a comparable sector, with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

The multiples derived for listed comparable companies are generally based on share prices reflective of the trades of small parcels of shares. As such, they generally reflect prices at which portfolio interests change hands. That is, there is no premium for control incorporated within such pricing. They may also be impacted by the level of liquidity in trading of the particular stock. Accordingly, when valuing a business en bloc (i.e. 100%) it is appropriate to also reference the multiples achieved in recent transactions, where a control premium and breadth of purchaser interest are more fully reflected.

Consistent with the requirements of RG 111, in valuing Recall we have assumed 100% ownership, and therefore included a premium for control when assessing the multiples implied by the trading prices for listed comparable companies.

Observations from transaction evidence indicate that takeover premiums concentrate around a range between 20% and 35% for completed takeovers depending on the individual circumstances. In transactions where it was estimated that the combined entity would be able to achieve significant synergies, the takeover premium was frequently estimated to be in excess of this range. Takeover premiums can vary significantly between individual transactions as the final price paid will reflect to varying degrees:

- pure control premium in respect of the acquirer's ability to utilise full control over the strategy and cash flows of the target entity
- the level of synergies available to all acquirers, such as the removal of costs associated with the target being a listed entity and/or costs related to duplicated head office functions
- the expected costs to integrate and the uncertainties associated with timing of realising the targeted synergies
- synergistic or special value that may be unique to a specific acquirer
- the nature of the bidder i.e. financial investor vs trade participant
- the stake acquired in the transaction and the bidder's pre-existing shareholding in the target
- the stage of the market cycle and the prevailing conditions of the economy and capital markets at the time of the transaction
- desire (or anxiety) for the acquirer to complete the transaction
- whether the acquisition is competitive
- the extent the target company's share price already reflects a degree of takeover speculation.

10.3 Value of business operations

10.3.1 Summary

As summarised in the table below, KPMG Corporate Finance has determined the enterprise value of Recall's business operations to be in the range of US$2,332 million to US$2,535 million.

Table 37: Valuation of business operations

US$ million	Section reference	Value range Low	Value range High
Maintainable earnings (EBITDA)	10.3.2	202.8	202.8
EBITDA multiple (on a controlling basis)	10.3.3	11.5	12.5
Value of business operations		**2,332**	**2,535**

Source: KPMG Corporate Finance analysis

Recall Holdings Limited
Independent Expert's Report
23 October 2015

The valuation of Recall's business operations was determined using a Capitalised Earnings approach, based on a maintainable EBITDA of US$202.8 million and a capitalisation multiple of 11.5 to 12.5 times. The basis for each of these assumptions is discussed in the sections below.

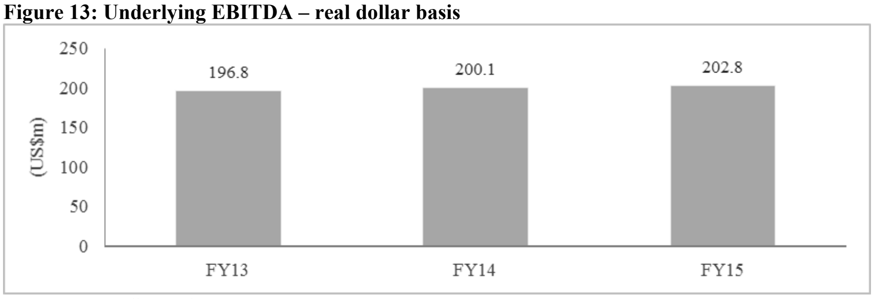
The selected EBITDA multiple range factors in a control premium, and hence the enterprise value of Recall's business operations has been determined on a controlling basis.

10.3.2 Maintainable earnings

Maintainable earnings represents the level of earnings that the business can sustainably generate in the future. We consider Recall's recently released FY15 underlying EBITDA of US$202.8 million to provide a reasonable proxy for the company's maintainable earnings. In making this assessment, we have had regard to the following:

- Recall has generated a relatively stable level of earnings over the last three years as illustrated in the figure below.

Figure 13: Underlying EBITDA – real dollar basis



Source: *Recall Annual Report 2015*
Note: *Underlying EBITDA for FY14 and FY15 excludes SDS Germany*

  Recall's operating business, particularly its DMS business, is highly characterised by recurring, contractual revenue streams generated from a diverse customer base which supports a relatively stable earnings profile. Recall's geographical diversification also supports a more stable earnings profile as the relatively lower growth prospects of developed markets are rebalanced by the relatively higher growth prospects of the emerging markets Recall is operating in, even though foreign exchange rate fluctuations may adversely affect the financial performance of Recall. Further, Recall has demonstrated its continuous drive for improvement in operational efficiency as evidenced by its relatively lean overhead structure, the introduced facility optimisation programs and further margin improvement initiatives identified as part of its strategic plan. This will enhance the robustness of Recall's earnings profile to the extent that these initiatives offset the potential impact of increased digitisation, a further decline in Recall's services business and/or a further strengthening of the US Dollar

- underlying EBITDA excludes the impact of one-off significant items such as restructuring costs and expenses related to Recall's acquisitions, the demerger from Brambles and the proposed takeover by Iron Mountain. Further detail in relation to Recall's significant items is included in Section 7.3 of this report

- underlying EBITDA of US$202.8 million for FY15 also excludes the trading performance and profit on divestment from Recall's SDS business in Germany, which was divested in December 2014
- Recall has completed a number of fold-in acquisitions during FY15 and Recall's underlying EBITDA for FY15 may not reflect the full underlying earnings potential from these acquisitions. However, Recall's financial performance in prior financial years has been similarly affected by fold-in acquisitions and inorganic growth forms a substantial part of Recall's future strategy. Therefore, rather than explicitly adjusting the maintainable earnings adopted for Recall, we have captured the future earnings potential from the acquisitions undertaken during FY15 in our selection of the appropriate multiple
- whilst Recall's underlying EBITDA has been relatively flat over the last three years, there are a number of factors that indicate the potential for upside, which is also reflected in management's earnings guidance and brokers' consensus forecasts as detailed in Section 7.8 of this report. This includes inorganic growth options provided by the highly fragmented information management industry, the higher growth potential of the emerging markets in which Recall operates and the potential for margin improvement driven by the introduced facility optimisation programs and further initiatives identified as part of Recall's strategic plan. These factors, as well as any potential downside risks to future profitability, such as the trend to increased digitisation and a further strengthening of the US Dollar, have been captured in our selection of the appropriate multiple by reference to the growth profile expected for comparable companies.

We note that we have not adjusted maintainable earnings for potential cost savings associated with being a publicly listed company and/or duplicated head office functions which are available to any acquirer of 100% of Recall, as these types of general synergies are commonly subsumed within a premium for control that we have incorporated in our selection of the appropriate multiple.

10.3.3 EBITDA multiple

The multiple applied in a Capitalised Earnings methodology should reflect the return expected by an investor in the business. Returns are dependent on various factors including a business' operational risks, growth profile, profitability, size and external environment, amongst others.

In selecting the multiple range to be applied, consideration is generally given to market evidence derived from listed comparable companies and recent transactions involving comparable businesses/assets, with an appropriate adjustment to reflect the specific characteristics of the business being valued.

Sharemarket evidence

The global information management industry is highly fragmented, comprising a large number of small, privately held businesses. In addition to Recall and Iron Mountain, which are the only two listed companies with a global presence, there are only two other listed regional players of reasonable size, being Restore PLC (Restore) and Freightways Limited (Freightways). While the set of comparable listed companies is relatively small, we consider Recall and Iron Mountain to be highly comparable. The implied EBITDA multiples of the identified listed comparable companies are summarised in the table below and set out in more detail in Appendix 5.

Table 38: Sharemarket evidence

Company	Geographic focus	Market cap. US$m	Revenue growth FY+1	EBITDA growth FY+1	EBITDA margin FY+1	EBITDA multiple[1] LTM	EBITDA multiple[1] NTM
Recall	Global	1,733	4.0%	8.4%	25.5%	11.3	10.5
Iron Mountain[2]	Global	6,622	-2.2%	-1.0%	30.1%	12.4	12.0
Freightways Limited	ANZ	590	6.5%	5.6%	19.9%	10.9	10.2
Restore PLC	UK	336	31.9%	37.4%	22.0%	14.8	12.3

Source: S&P Capital IQ (data as at 20 October 2015); KPMG Corporate Finance analysis
Note 1: EBITDA multiples defined as Enterprise Value (the gross capitalisation comprising the sum of the market capitalisation adjusted for minority interests, preferred equity, plus borrowings less cash) divided by EBITDA
LTM = Last Twelve Months, NTM = Next Twelve Months
Note 2: The NTM multiple of Iron Mountain is based on the median of broker consensus EBITDA forecast for CY15 and CY16

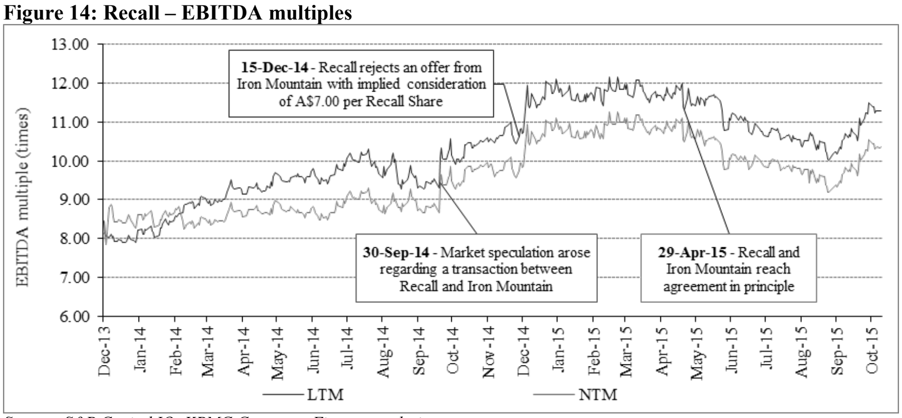
Given that the trading prices of Recall and Iron Mountain have been distorted by the proposed takeover and considering the significant amount of time that lapsed since initial takeover speculation arose on 30 September 2014, we have analysed the implied EBITDA multiples of listed comparable companies over an extended period to gain a better indication of the fundamental level of earnings multiples supported by sharemarket evidence.

Our analysis of the implied EBITDA multiples of each listed comparable company is set out below.

Recall

Recall's implied EBITDA multiple since the demerger from Brambles and its separate listing on the ASX on 10 December 2013, based on rolling LTM and NTM earnings figures, is illustrated below.

Figure 14: Recall – EBITDA multiples



Source: S&P Capital IQ; KPMG Corporate Finance analysis

In relation to the figure above, we note:

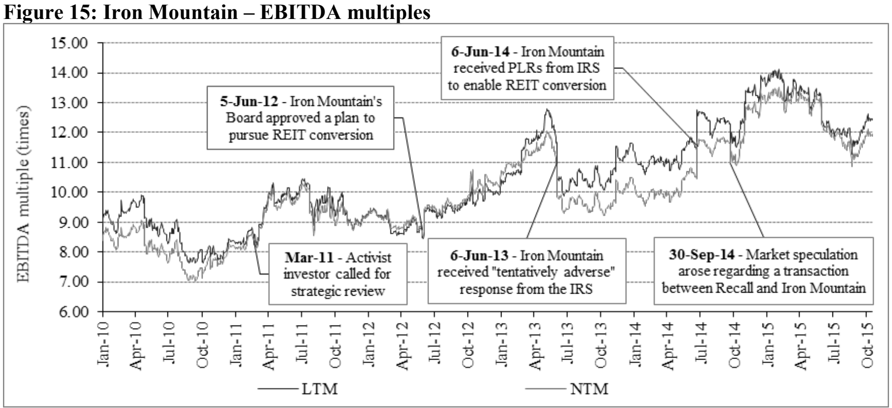
- initial trading in Recall was distorted by significant movements in the share registry following its demerger from Brambles. Subsequently, Recall's LTM EBITDA multiple generally ranged between 9 to 10 times in the absence of any takeover speculation

- shortly prior to 30 September 2014, when initial market speculation arose regarding a potential transaction between Recall and Iron Mountain, Recall traded at an implied LTM EBITDA multiple of around 9.5 times
- since market speculation arose regarding a potential transaction between Recall and Iron Mountain, the share price, and in turn the implied multiples of Recall, no longer reflected only the fundamental value attributed to Recall by the market, but also incorporated an element of control premium expected to be paid by Iron Mountain in order to gain control over Recall. The quantum of the implied premium was largely dependent on the likelihood assigned by the market of the transaction occurring and the quantum of expected associated synergies
- with the likelihood of a potential transaction between Recall and Iron Mountain increasing, as evidenced by Recall's announcement of a rejected Iron Mountain offer on 15 December 2014, Recall's implied multiple further increased to approximately 12 times LTM EBITDA. This ultimately reflected the level of implied control premium which was considered sufficient for Recall and Iron Mountain to announce on 29 April 2015 that they had reached an agreement in principle for Iron Mountain to acquire Recall
- the movement in Recall's implied multiples since the in-principle agreement with Iron Mountain is primarily driven by the share price performance of Iron Mountain (due to the scrip based nature of the Scheme), which has also been affected by the general downturn more recently in global equity markets
- Recall's NTM multiple has been approximately 100 basis points lower than its LTM multiple throughout the majority of the observation period, reflecting Recall's EBITDA growth prospects assigned by brokers' consensus forecasts.

Iron Mountain

Iron Mountain's implied EBITDA multiple for the period from 4 January 2010 to 20 October 2015, based on rolling LTM and NTM earnings figures, is illustrated below.

Figure 15: Iron Mountain – EBITDA multiples



Source: S&P Capital IQ; KPMG Corporate Finance analysis

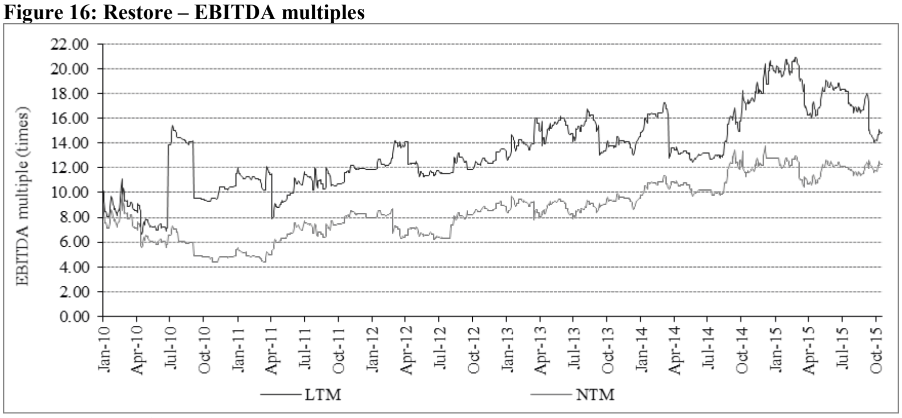
In relation to the figure above, we note:

- a key factor which drove fundamental changes in Iron Mountain's EBITDA multiple during the observation period were events relating to its conversion to a REIT. Prior to 5 June 2012, when Iron Mountain's Board approved a plan to pursue REIT conversion, the company's LTM EBITDA multiple had generally ranged between 8 and 10 times. The subsequent increase in its LTM EBITDA multiple from approximately 9 times in June 2012 to approximately 12 times in May 2013 was driven by both the positive market response to Iron Mountain's REIT conversion plan and the general uplift in global equity markets. The impact of the REIT conversion plan on Iron Mountain's multiple was most visible in the sharemarket reaction following Iron Mountain's announcement on 6 June 2013 that it had received a "tentatively adverse" response from the IRS regarding its ability to convert to a REIT. As a consequence, Iron Mountain's LTM EBITDA multiple fell sharply from approximately 12 times to 10 times, indicating that the market was willing to value Iron Mountain as a REIT at an EBITDA multiple in the order of 200 basis points higher than as a non-REIT entity. The expected step-up in multiples upon REIT conversion is largely driven by the associated expected step-up in distributable income, which in turn is the result of a significant reduction in the effective tax rate and the higher dividend payout ratio required to maintain REIT status. However, being a higher yielding stock may also constrain EBITDA multiples if growth prospects deteriorate as a result of less operating cash flow being able to be retained to fund growth initiatives
- the growth prospects of Iron Mountain are another key driver of its earnings multiples. Despite the support from the strategic review called for by an activist investor in March 2011 and the subsequent announcement in June 2012 that the Board approved a plan to pursue REIT conversion, the implied EBITDA multiples of Iron Mountain remained within a range of approximately 9 times to 10 times during CY11 and CY12. This largely reflected the relatively weak financial performance of Iron Mountain over this period and the lack of earnings growth expected as evidenced in the overlap of LTM and NTM multiples. As the growth prospects improved for CY14, the implied LTM EBITDA multiple increased from approximately 10 times to 11 times towards the end of CY13
- following the REIT conversion and associated step-up in multiples, Iron Mountain's implied LTM EBITDA multiple further increased to a high of approximately 14 times around the end of CY14, supported by the takeover speculation in relation to Recall, the inclusion in key REIT indices in the US and the overall conditions in global equity markets. However, since then, negative market sentiment arose with regard to the growth prospects of Iron Mountain's earnings in the shorter term, given the deteriorating performance of its services business and the expectation that the benefits associated with the proposed Transformation Program, as well as the proposed takeover of Recall, would take time to realise and carry significant costs and risks to achieve. The decline in multiples was compounded by the general downturn in global equity markets.

Restore

Restore is a provider of document management and office relocation services in the UK. Its implied EBITDA multiple for the period from 4 January 2010 to 20 October 2015, based on rolling LTM and NTM earnings figures, is illustrated below.

Figure 16: Restore – EBITDA multiples



Source: S&P Capital IQ; KPMG Corporate Finance analysis

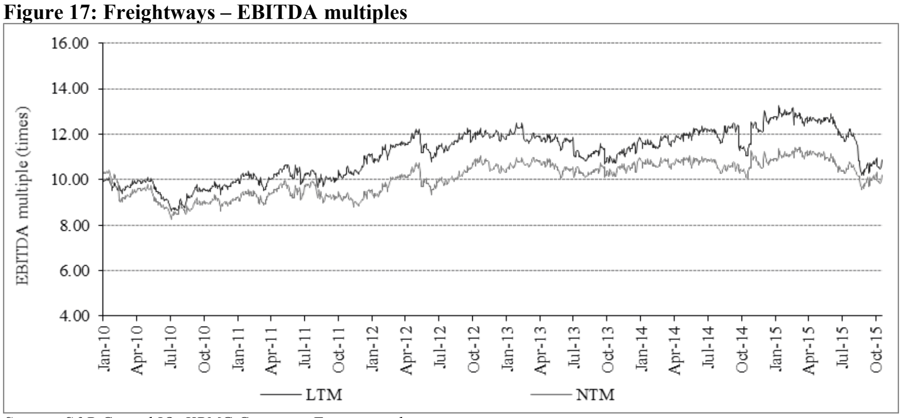
In relation to the figure above, we note:

- in CY14, Restore generated approximately 78% of its operating profit before tax (excluding head office costs) from record management services, with the remainder derived from office relocation services
- since CY10, Restore has pursued a growth strategy which involved acquiring various smaller industry participants. During this period, Restore undertook in excess of 20 acquisitions, leading to significant earnings growth, and resulting in the company's market capitalisation increasing from US$28.7 million on 4 January 2010 to US$336 million on 20 October 2015
- the relatively high implied EBITDA multiples of Restore are supported by its favourable growth prospects relative to Recall and Iron Mountain as evidenced by the significantly wider spread between LTM and NTM multiples
- the gradual increase in Restore's EBITDA multiples over time is likely to reflect a number of factors, including, the increased scale of operations and associated margin improvements, increased confidence in management's ability to implement its strategy to drive earnings growth, and overall conditions in global equity markets. To date, the general downturn in global equity markets has not impacted Restore to the same extent as Iron Mountain and Recall
- given Restore's focus on the UK market, it also benefits from a favourable effective tax rate relative to Recall and Iron Mountain (prior to its REIT conversion), which further contributes to the relatively high implied EBITDA multiples of Restore.

Freightways

Freightways is a provider of logistics services and document management services in New Zealand and Australia. It's implied EBITDA multiple for the period from 4 January 2010 to 20 October 2015, based on rolling LTM and NTM earnings figures, is illustrated below.

Figure 17: Freightways – EBITDA multiples



Source: S&P Capital IQ; KPMG Corporate Finance analysis

In relation to the figure above, we note:

- in FY15, approximately 68% of Freightways' EBITDA was generated from logistics services, with the remainder derived from document management services. Freightways operations are limited to New Zealand and Australia, which contributed approximately 83% and 17% respectively as a proportion of Freightways' revenue in FY15. Freightways' primary focus on logistics services and its limited geographical footprint limits the comparability of its earnings multiples to Recall
- Freightways has traded in a relatively consistent range of approximately 10 times to 12 times LTM EBITDA, reflecting its stable growth prospects and the influence of the prevailing conditions of global equity markets at the time.

Transaction evidence

The price paid in transactions is widely considered to represent the market value of a controlling interest in the target company. The difference between the value of a controlling interest and a minority interest (as implied by the share price) is referred to as a premium for control. The quantum of this premium will vary dependent on the specific circumstances of each transaction, including the equity share acquired, the negotiating position of the parties, competitive tension in the sales process, the availability of synergies and the extent to which a buyer would pay away these synergies to gain control of the target.

Driven by its fairly mature and highly fragmented nature, the information management industry has experienced waves of consolidation, as larger industry participants target fold-in acquisitions of smaller participants to enhance scale, growth prospects, asset utilisation and the geographic footprint of their business operations. Iron Mountain is the best evidence of this strategy as it gained a leading global market position through completing over 300 acquisitions since it was established in 1951. The other major industry participants have also been very acquisitive in recent history, including Recall which has completed several acquisitions since its demerger from Brambles in December 2013. Despite the relatively high number of transactions which have taken place, the majority of these transactions involve small privately held businesses and, as a consequence, the information available regarding these transactions is limited.

The table below sets out the historic EBITDA multiples implied by recent transactions involving companies operating in the information management industry for which sufficient financial data is publicly available.

Table 39: Transaction evidence

Date closed	Acquirer	Target	Geographic focus[1]	Percentage acquired	Transaction value (US$m)[2]	EBITDA multiple LTM[3]
01-Oct-15	Stericycle, Inc.	Shred-it International	US/CA/EU	100%	2,300.0	12.9[4]
06-Nov-14	Restore PLC	Cintas Document Management UK Limited	UK	100%	43.4	nmf
17-Oct-13	Iron Mountain Information Management, LLC	Cornerstone Records Management LLC	US	100%	191.0	9.6
29-Aug-13	Iron Mountain Peru S.A.	File Service, S.A.	PE	100%	16.0	10.7
29-Feb-12	Restore PLC	Harrow Green Limited	UK	100%	20.5	9.2
16-Dec-05	Recall Corporation	Ausdoc Group Pty Limited	AU/NZ	100%	193.2	n/a[5]
16-Jul-03	Iron Mountain Europe Limited	Hays Information Management Services	UK/EU/US	100%	295.9	9.6
26-Sep-02	ABN AMRO Capital Australia	Ausdoc Group Pty Limited	AU/NZ	100%	179.9	8.0
01-Feb-00	Iron Mountain Incorporated	Pierce Leahy Corp.	US/CA	100%	1,207.4	12.2
13-Sep-99	Britannia Data Management Limited	Stortext, Document Storage Business	UK	100%	15.9	9.0
28-Jun-99	Lason International, Inc.	M-R Group	UK	100%	133.1	9.8

Source: Company financial statements and announcements; S&P Capital IQ; KPMG Corporate Finance analysis
Note 1: US = United States of America; CA = Canada; EU = Europe; PE = Peru; UK = United Kingdom; AU = Australia; NZ = New Zealand
Note 2: Transaction value refers to enterprise values as of the date of completion
Note 3: LTM multiples calculated based on EBITDA from most recently available results as at the transaction announcement date, after normalisation adjustments
Note 4: Based on operating EBITDA which includes adjustments for full year contribution for acquisitions completed, and related synergies achieved, during the 12 months to 29 March 2015, but excludes the remaining portion of identified synergies expected to be realised by the end of CY16
Note 5: Sufficient information is not publicly available to imply the EBITDA multiple relating to this transaction. Based on Ausdoc's FY05 underlying EBITA of A$16 million, the implied multiple is 16.3 times

Each of the above transactions is described in Appendix 5.

Whilst the services provided by the target companies are broadly comparable to Recall's business operations, in assessing the comparability of the implied multiples it is necessary to consider the particular attributes of the target companies and the specific circumstances surrounding each transaction, including:

- *the size and geographic diversification of the business.* The transactions relating to Shred-it International Inc. (Shred-it) and Pierce Leahy Corp. (Pierce Leahy) were significantly larger in size and more geographically diversified relative to the other transactions. These transactions were executed at historical multiples of between 12.2 and 12.9 times EBITDA, which are higher than the implied EBITDA multiple range observed for the smaller transactions of 8.0 to 10.7 times. It is evident that larger businesses typically attract higher multiples largely due to the benefits associated with greater scale and diversification

- *the mix of services offered and the impact on the risk profile, capital intensity and profitability.* The majority of the transactions for which EBITDA multiples are available relate to businesses with a focus on document management services, except for Shred-it, which concentrates on secure destruction services. Whilst the margins and growth prospects of Shred-it are comparable to those observed for document management businesses, the substantially lower maintenance capital expenditure intensity of secure destruction services relative to document storage services is expected to warrant a premium on an EBITDA multiple basis
- *the growth prospects of the business*. In circumstances where the growth prospects of the target are relatively strong, the transaction multiple will tend to be higher, and vice versa. During recent years, the organic growth prospects for businesses in emerging markets have tended to be favourable relative to businesses operating in fairly mature developed markets. Whilst only one of the transactions relates to a business in an emerging market (Iron Mountain's acquisition of File Service S.A. in Peru), it is evident that its implied EBITDA multiple is at the upper end of the range of similar sized transactions, which is expected to largely reflect the superior growth expectations for industry participants in emerging markets
- *the level of synergies available to the acquirer*. In transactions where it was expected that the combined entity would be able to achieve substantial synergies, takeover premiums, and consequently implied EBITDA multiples, are likely to be higher. For transactions in the information management industry, the value of available synergies largely depends on the degree of complementary service offerings and geographic overlap, which enables the combined entity to gain operating efficiencies and increase asset utilisation. As most of the above transactions represent examples of industry consolidation, it is likely that synergies were a key driver of takeover premiums paid and the implied EBITDA multiples. This is also evidenced by the lowest observed EBITDA multiple of 8.0 times, which is the only transaction under consideration that was completed by a financial buyer (ABN AMRO Capital Australia), as it is unlikely that a financial buyer could achieve the same level of synergies available to a trade buyer (provided that there is sufficient overlap from a service and geographical perspective)
- *the prevailing economic conditions when the transaction was undertaken*. Whilst the above transactions occurred within two separate periods, being 1999 to 2005 and 2012 to 2015, none of these transactions were completed during the period of the global financial crisis. Accordingly, the EBITDA multiples derived from comparable transactions are relatively consistent across the entire observation period.

Selection of an appropriate multiple

Company specific considerations

In determining an appropriate EBITDA multiple for Recall, it is necessary to consider the specific attributes of the business being valued. In this regard, we note:

- as evidenced by brokers' consensus forecasts, Recall is expected to provide favourable growth prospects over the short to medium term, in particular, relative to Iron Mountain. Key factors contributing to Recall's growth prospects include:
  - Recall has considerable debt capacity available to fund inorganic growth opportunities supported by its relatively low gearing. Given the maturity of the information management industry, particularly in developed markets, inorganic growth has become a key driver of the financial performance of leading industry participants, and the highly fragmented nature of the industry is expected to provide further opportunity for industry participants to improve growth, scale and efficiency through industry consolidation
  - Recall has introduced two facility optimisation programs and identified further margin improvement initiatives as part of its strategic plan which will enhance earnings growth prospects. However, there is a general trend to enhance cost control and asset utilisation, particularly in mature developed markets with constraint organic growth opportunities, as evidenced by the Transformation Program recently announced by Iron Mountain
  - Recall has a relatively high exposure to emerging markets. Organic growth opportunities in emerging markets are expected to be greater than in developed markets due to higher economic growth rates and increasing trends towards outsourcing of information management solutions supported by increasingly sophisticated regulatory environments
  - Recall has complemented its service offering with digital solutions to mitigate the risks associated with an increased digitisation and participate in the opportunities provided by digital information management services
- Recall has a strong track record of successfully integrating acquisitions, which provides confidence in the inorganic growth targets which form a substantial part of its growth strategy
- Recall is significantly larger in size than most of its peers and the targets that were subject to the identified comparable transactions. This scale provides a number of benefits to Recall, including the ability to compete for and service larger national and/or global clients, the availability of efficiencies from economies of scale and an advantageous funding capacity. However, relative to Iron Mountain, Recall is only approximately one quarter of the size (in terms of market capitalisation) and has a significantly lower EBITDA margin, which is also a reflection of the substantially smaller portion of storage facilities owned by Recall. Consequently, we would expect Recall to trade at a discount to Iron Mountain even though Recall's favourable growth prospects would partly offset this discount
- Recall's high geographical diversification increases the risk of earnings volatility driven by foreign exchange rate fluctuations. The expected further strengthening of the US Dollar may therefore deteriorate some of the growth expected to be achieved by Recall on a constant dollar basis

- Recall has recognised a deferred tax asset of US$8.7 million as at 30 June 2015 related to carried forward tax losses available for offset against future profits in the US on a federal and multistate income tax basis. Whilst the recognition of a deferred tax asset reflects management's expectations that the carried forward tax losses could be recouped over the medium term, the recognised amount does not take into account time value of money considerations. Given the uncertain timing and overall quantum of the expected benefit, we have considered the value attributable to Recall's carried forward tax losses in our selection of an appropriate multiple.

Control premium considerations

When assessing the available market information to determine a value for Recall on a controlling interest basis, it is necessary to consider an appropriate control premium to apply. We consider an appropriate control premium to be around the upper end of the 20% to 35% range (on an equity value basis) typically observed in successful takeovers in Australia, having regard to:

- the fragmented nature of the information management industry, which is characterised by a large number of competitors most of which are smaller than Recall and privately held
- Recall and Iron Mountain are the only two document management services providers with a global footprint
- the realisation of synergies is a key driver for consolidation of the information management industry, with the level of synergies able to be achieved by industry participants after incurring implementation costs, being largely a function of the degree of geographic overlap and the opportunity to eliminate overhead costs and optimise facility utilisation
- the major players in the information management industry all have a strong track record of successfully integrating acquisitions and realising synergies
- whilst it is likely that other industry participants could achieve synergies of a similar nature to Iron Mountain, it is unlikely that they could achieve a similar level of synergies as none of them has the same degree of geographic overlap with Recall or a REIT structure. Still, the level of synergies expected by Iron Mountain from a combination with Recall is not inconsistent with the levels achieved in its recent acquisitions of Archivum Comercial Ltda., File Service S.A., and Cornerstone Records Management LLC. Further, as Iron Mountain expects a major portion of the potential synergies with Recall to be realised in the US, there are other national players in the US (such as Access Information Management) who could also achieve a significant level of synergies through a combination with Recall. Shred-it as the only global provider of secure destruction services could also potentially achieve significant synergies through a combination with Recall, albeit the nature of these synergies would be primarily overhead cost driven
- Recall's current ownership structure is not expected to constrain the level of control premium considered to be appropriate in valuing Recall on a controlling basis
- there is a base level of potential corporate cost savings (including the costs associated with the listing of Recall) which would also be available to a financial investor.

Consideration of market evidence

Multiples based on share prices of listed comparable companies reflect the value of portfolio interests in the underlying company and are commonly assumed to exclude a premium for control.

Based on the sharemarket evidence derived from listed comparable companies operating in the information management industry, the following considerations are relevant in determining an appropriate EBITDA multiple for Recall's business operations:

- Iron Mountain is the most comparable company, particularly in terms of operational and geographical diversification. However, its REIT conversion led to a fundamental market re-rating and therefore its implied EBITDA multiples require appropriate adjustment before they can be applied to Recall. Based on our analysis of the sharemarket evidence, we would expect Iron Mountain to trade in the current market environment at an implied LTM EBITDA multiple of around 10 to 11 times in the absence of REIT conversion and takeover speculation. Within this range we consider the key driver to be the growth prospects attributed to Iron Mountain by the market, which based on current brokers' consensus forecasts are expected to be low relative to its listed peers
- prior to the emergence of takeover speculation on 30 September 2014, Recall traded at an implied LTM EBITDA multiple in the range of approximately 9 to 10 times, dependent on the growth prospects that the market attributed to Recall at the time
- as a result of the recent downturn in global equity markets, broader sharemarket indices in the US and Australia returned approximately to the levels prevailing in September 2014, when initial market speculation arose regarding a potential transaction between Recall and Iron Mountain
- the other listed peers are less comparable, particularly in terms of size, operational and geographical diversification, and in Restore's case also in terms of growth prospects.

The price paid in transactions is widely considered to represent the market value of a controlling interest in the company. The difference between the value of a controlling interest and a minority interest (as implied by the share price) is referred to as a premium for control.

Based on the market evidence derived from transactions involving companies operating in the information management industry, the following considerations are relevant in determining an appropriate EBITDA multiple for Recall's business operations:

- comparable transactions were executed at historical multiples of between 8.0 and 12.9 times EBITDA, with higher multiples primarily driven by the size and growth prospects of the target, and the synergies expected from the transaction
- given Recall's size and geographical diversification, including its exposure to higher growth emerging markets, we would expect an appropriate EBITDA multiple for Recall's business operations (on a controlling basis) to concentrate around the higher end of the multiple range observed for comparable transactions
- of the larger transactions, Shred-it is considered to be less comparable due to its focus on secure destruction services. Whilst the margins and growth prospects of Shred-it are comparable to those expected for document management businesses, the substantially lower maintenance capital

expenditure intensity of secure destruction services relative to document storage services warrants a premium on an EBITDA multiple basis. Further its historic EBITDA multiple of 12.9 times may be inflated as it does not reflect the remaining portion of identified synergies expected to be realised from its merger with the document destruction business of Cintas Corporation in April 2014

- the acquisition of Pierce Leahy by Iron Mountain via a scrip-for-scrip merger had similar characteristics to the proposed transaction between Recall and Iron Mountain. At the time, Pierce Leahy and Iron Mountain were the two market leaders in the US, with a similar footprint and service offering, enabling the potential to realise significant synergies through a merger of their operations. This transaction was completed at an implied historical multiple of 12.2 times EBITDA
- the smaller transactions are considered to be less comparable, but relevant to demonstrate the impact of size, diversification, growth prospects and synergy expectations on earnings multiples
- whilst the comparable transactions provide relevant reference points for Recall, their implied multiples were also influenced by the prevailing market outlook and economic conditions in the countries the target operated in.

Selected multiple range

On balance, having regard to the factors detailed above, and including a premium for control, we consider an appropriate LTM EBITDA multiple for Recall's business operations to be in the range of 11.5 to 12.5 times.

In incorporating an appropriate premium for control in accordance with RG 111, we have only considered those synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of Recall. As such, we have not included the value of special benefits that may be unique to Iron Mountain. Accordingly, our valuation of Recall has been determined without regard to the specific bidder.

10.4 Net debt

Recall's net debt for valuation purposes is US$560 million as set out in the table below.

Table 40: Net debt

US$ million	30-Jun-15
Total debt	649
Less: Cash	(89)
Net debt	**560**

Source: Recall Annual Report 2015

10.5 Other considerations

Surplus assets and liabilities are those assets and liabilities not required to sustain the adopted level of maintainable earnings. Based on our discussions with Recall management, we are not aware of any material surplus assets or liabilities that require consideration in our valuation of Recall.

10.6 Valuation cross-check

10.6.1 High-level DCF analysis

A DCF approach is widely used in the valuation of established industrial businesses. However, apart from a medium term strategic plan with high-level financial targets, Recall has not prepared detailed long-term cash flow models from which an in-depth DCF analysis can be based. Further, given Recall operates in a relatively mature and highly fragmented industry, inorganic growth options form a substantial part of its strategy and considerable judgement is required in estimating future cash flows associated with its acquisition strategy. This may reduce the robustness of any results derived from a DCF analysis. Whilst we have not utilised a DCF approach as our primary valuation approach, we have considered the company's strategic plan and brokers' forecasts in forming our fairness assessment.

For this purpose, a high-level financial model has been developed by KPMG Corporate Finance that allows the key drivers of value to be modelled. The model is based on a number of key assumptions and is subject to significant uncertainty and contingencies, many of which are outside the control of Recall. A number of different scenarios have been analysed to reflect the impact on value of various key assumptions relating to organic and inorganic revenue growth, operating margins, capital expenditure and other factors, including synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of Recall.

We have utilised the median of brokers' forecasts for Recall (refer to Section 7.8.3 of this report) as a basis for our high-level DCF analysis and made adjustments to reflect our judgement on certain matters. Our scenario analysis indicated that these forecasts are not inconsistent with Recall's strategic plan and are therefore useful for analytical purposes.

The key assumptions underlying our high-level DCF analysis include:

- nominal, ungeared post tax cash flow forecasts have been prepared in Recall's reporting currency (i.e. on a US$ basis) and discounted using a US$-based discount rate (WACC), resulting in a value for Recall in US$, which was then translated into A$ based on the current spot rate
- the cash flow forecasts comprise an explicit forecast period of 3 years (based on brokers' consensus forecasts) and a terminal value assumption thereafter (based on a Gordon Growth Model)
- revenue to grow at a CAGR of approximately 5.0% over the explicit forecast period
- EBITDA margin to increase from 24.5% in FY15 to approximately 26.7% over the explicit forecast period, driven by the announced facility optimisation programs and increased economies of scale
- capital expenditure to sales ratio to reduce to approximately 7.0% over the explicit forecast period. In the short term, additional one-off capital expenditure to be incurred in relation to the announced facility optimisation programs
- effective corporate tax rate of 35% for Recall on a consolidated basis. A marginal value has also been attributed to the available carried forward tax losses based on their expected utilisation profile
- growth in working capital requirements is assumed to be immaterial
- terminal growth rate in the range of 1.5% to 2.0%

- discount rate (WACC) in the range of 7.0% to 7.5% as detailed in Appendix 6.

Our DCF analysis assumes that the business operates on an "as is" basis, with no major changes to the competitive and regulatory environment, and no significantly disruptive impacts from an increased digitisation over the short to medium term.

For the purposes of our high-level valuation cross-check, we have also incorporated in our DCF analysis a value for general synergies which we would expect to be available to more than one potential purchaser (or a pool of potential purchasers) of Recall. We have applied a premium to the equity value derived from our DCF analysis in the order of 10% to 20% as a proxy for the value of general synergies net of any costs, having considered the following:

- the control premium range of 20% to 35% typically observed in successful takeovers in Australia. We note that this range also covers the 'pure control premium' in respect of the acquirer's ability to utilise full control over the strategy and cash flows of the target entity. This element of the control premium is generally assumed to be implicitly embedded in the controlling value derived under a DCF approach
- the level of synergies that has been realised in comparable transactions and that is expected from a combination of Recall and Iron Mountain (refer to Section 9.2 of this report), acknowledging that it is unlikely that any other potential purchaser could achieve a similar level of synergies as none of them has the same degree of geographic overlap with Recall or a REIT structure
- the potential costs to achieve the synergies
- the risks inherent in realising the synergies, which may affect the quantum and timing of associated costs and benefits. Accordingly, a premium to the WACC of Recall's business operations is required to reflect the expected return of a hypothetical prudent purchaser based upon the perceived risks associated with realising potential synergies
- the extent to which a potential purchaser of Recall would pay away these synergies.

The resultant value range under our high-level DCF analysis supports our assessed valuation of Recall derived from our primary Capitalised Earnings methodology and therefore we consider our valuation of Recall to be reasonable.

10.6.2 Share price analysis

Trading prices for Recall Shares have been distorted by the proposed Iron Mountain takeover since initial speculation about a potential transaction arose on 30 September 2014. Further, since the announcement of the in-principle agreement with Iron Mountain on 29 April 2015, the share price of Recall was primarily influenced by the share price performance of Iron Mountain (due to the scrip based nature of the Scheme) and fluctuations in the A$/US$ exchange rate. Accordingly, considerable judgement is required in deriving conclusions on the fundamental value of a Recall Share in the absence of a takeover offer based on an analysis of Recall's recent share price performance. Nevertheless, we have also had regard to trading prices for Recall Shares as a high-level cross-check to support the robustness of the value derived from our primary Capitalised Earnings methodology.

As a reference point for our high-level cross-check, we used the A$5.02 closing share price of Recall on 29 September 2014, the day prior to the emergence of speculation of a potential transaction between Recall and Iron Mountain. We consider this share price to provide a robust basis for our analysis, as it was consistent at the time with:

- the VWAP of Recall Shares for the one and three months period to 29 September 2014 of A$4.97 and A$4.98 respectively as set out in Section 7.6.3 of this report
- the average and median brokers' target price for Recall at the time of A$5.03 and A$5.13 respectively.

Further, our liquidity analysis set out in Section 7.6.3 of this report indicates that trading in Recall Shares since listing in December 2013 has been sufficiently liquid.

In estimating the performance of Recall Shares post 29 September 2014 in the absence of any takeover speculation or offers, we have considered the following:

- the broader sharemarket indices in the US and Australia are currently trading at levels broadly similar to those recorded approximately a year ago, i.e. the recent downturn in global equity markets largely offset the positive sharemarket performance throughout most of last year
- Recall was able to maintain its growth prospects and financial performance on a real dollar basis over the last year, despite the headwinds caused by the strengthening US$. Specifically, Recall's underlying EBITDA for FY15 of US$202.8 million (excluding SDS Germany) was fairly consistent with the US$200.1 million recorded for FY14. Further, brokers' consensus forecasts currently expect Recall's EBITDA to grow at a CAGR of approximately 7.6% over the next three years which is fairly consistent with their views a year ago when they expected EBITDA growth at a CAGR of approximately 7.1%
- the key factor impacting on the performance of Recall was the significant strengthening of the US$ over the last year, which appreciated in value against the A$ by approximately 19.2% between 29 September 2014 and 20 October 2015.

Based on the above considerations, we consider it not unreasonable for the purposes of our cross-check to assume that the fundamental value of Recall remained broadly the same over the last year on a US$ basis in the absence of any takeover speculation or offers. However, the strengthening of the US$ against the A$ over this period would have led to a corresponding increase in the value per Recall Share on an A$ basis, particularly given that Recall was able to maintain its earnings on a real dollar basis despite the negative earnings impact from the strengthening US$ over this period.

The market evidence derived from other Australian listed companies with a large US$ exposure noted below confirms that the strengthening US$ generally enabled these companies to outperform the broader Australian sharemarket index, subject to the offsetting effects of any deterioration in their respective US$ earnings base.

Table 41: ASX listed companies with large US$ earnings base

A$ per share	Share price 29-Sep-14	20-Oct-15	Change %
Amcor Limited	11.34	13.18	16.2%
Ansell Ltd.	19.43	19.96	2.7%
Aristocrat Leisure Ltd.	5.86	9.00	53.6%
Brambles Limited	9.61	10.11	5.2%
CSL Ltd.	73.44	90.01	22.6%

Source: S&P Capital IQ

Share prices of listed companies reflect the value of portfolio interests in the underlying company and are commonly assumed to exclude a premium for control. Therefore, in providing a high-level cross-check of the value we derived for Recall from our primary Capitalised Earnings methodology, we have also included in our share price analysis a premium for control based on the considerations set out in Section 10.3.3 of this report, which resulted in the following valuation range.

Table 42: High-level valuation cross-check based on share price analysis

A$ per share	Section reference	Value range Low	High
Share price at 29 Sep 2014 (minority interest basis)		5.02	5.02
Change in US$/A$ from 29 Sep 2014 to 20 Oct 2015		19.2%	19.2%
FX adjusted share price at 20 Oct 2015 (minority interest basis)		5.98	5.98
Control premium	10.3.3	25.0%	35.0%
Value of Recall Share on a controlling basis		**7.48**	**8.08**

Source: S&P Capital IQ, KPMG Corporate Finance analysis

The resultant value range under our high-level share price analysis supports our assessed valuation of Recall derived from our primary Capitalised Earnings methodology and therefore we consider our valuation of Recall to be reasonable.

11 Valuation of the Standard Consideration

11.1 Summary

Under the terms of the Scheme, Recall Shareholders (other than those that elect the Cash Alternative) will receive the Standard Consideration, comprising:

- the Australian dollar equivalent of US$0.50 in cash, plus
- 0.1722 New Iron Mountain Securities

for each Recall Share held on the Record Date.

Recall Shareholders who elect the Cash Alternative will receive a total of A$8.50 cash for each Recall Share held on the Record Date, subject to the Cash Pool and the Scale Back Mechanism.

We have attributed a value to the Standard Consideration of A$7.53 to A$8.71 per Recall Share based on a value range for Iron Mountain Shares (on a minority interest basis) of US$29.00 to US$34.00 and an exchange rate of 0.73 A$/US$ as set out below.

Table 43: Valuation of the Standard Consideration

US$ (unless otherwise stated)	Section reference	Value range Low	Value range High
Value per Iron Mountain Share (minority interest basis)	11.3	29.00	34.00
Exchange ratio	5.2	0.1722	0.1722
Value of the scrip component of the Standard Consideration		4.99	5.85
Add: Cash component of the Standard Consideration	5.2	0.50	0.50
Value of Standard Consideration		5.49	6.35
A$/US$ as at 20 Oct 2015		0.73	0.73
Value of Standard Consideration (A$)		**7.53**	**8.71**

Source: KPMG Corporate Finance analysis

The value of the Standard Consideration under the Scheme will vary with movements in the Iron Mountain share price and fluctuations in the A$/US$ exchange rate. Accordingly, until the New Iron Mountain Securities are issued under the Scheme, Recall Shareholders who elect to receive the Standard Consideration or are subject to the Scale Back Mechanism are exposed to changes in overall equity market conditions, fluctuations in the A$/US$ exchange rate and company specific events that may affect the Iron Mountain share price. Table 3 included in Section 3.1 of this report illustrates the sensitivity of the implied value of the Standard Consideration to changes in the Iron Mountain share price and the A$/US$ exchange rate.

11.2 Approach

The Standard Consideration comprises both scrip and cash components, with the scrip component being in the form of New Iron Mountain Securities. In determining our valuation range for the Standard Consideration, it is therefore necessary to estimate the trading price for Iron Mountain Shares after the Scheme is implemented (rather than a pre bid price).

Upon implementation of the Scheme, the scrip consideration received by Recall Shareholders will represent minority interests in Iron Mountain. Accordingly, RG 111 requires the value of the scrip consideration to be assessed on a minority interest basis. It is common practice to utilise the post announcement market price as a basis for estimating the value of an offer with a scrip component, as that represents the value at which Recall Shareholders can realise their interest post completion of the Scheme. We consider this approach to be appropriate for determining our valuation range for the scrip component of the Standard Consideration due to the following:

- Iron Mountain Shares are listed on the NYSE and there is sufficient liquidity in the market for these securities to suggest that recent performance and expectations are reflected in current trading prices
- the trading price of Iron Mountain Shares reflects the value of portfolio interests and is commonly assumed to exclude a premium for control
- the disclosure requirements associated with being publicly listed suggest that any information in relation to Iron Mountain's standalone business that would have a material impact on its security price should have been disclosed to the market
- both Iron Mountain and Recall are relatively transparent entities and broadly followed by brokers. There has been sufficient time and information available for the market to assess the Scheme and its expected implications for Iron Mountain. Therefore, the current trading in Iron Mountain Shares should reflect the estimated impacts associated with the Scheme, albeit the market may also take into account the implementation risks associated with the Scheme, particularly the required regulatory approvals
- an alternative approach would be to undertake a fundamental valuation of the combined entity and then to apply a discount to reflect a portfolio interest. However, we have not had access to non-public information on Iron Mountain that would be required to sufficiently support such a fundamental analysis.

In order to cross-check the valuation range derived from our analysis of trading in Iron Mountain Shares, we have compared our selected valuation range and implied multiples to:

- market evidence derived from listed US REITs; and
- brokers' target prices.

11.3 Analysis of trading in Iron Mountain Shares

In utilising the post announcement market price of Iron Mountain Shares as a basis for estimating the value of the scrip component of the Standard Consideration, we have considered the following:

- the recent trading in Iron Mountain Shares
- the performance of Iron Mountain Shares relative to the market
- the liquidity and VWAP of Iron Mountain Shares
- the publicly available information in relation to Iron Mountain and the Scheme
- the potential impact of the Scheme on Iron Mountain

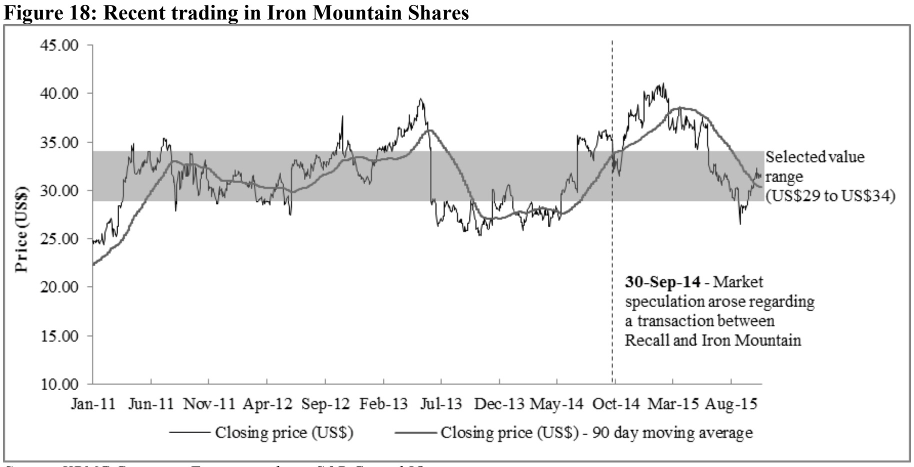
- other factors which we consider relevant to assessing the value of Iron Mountain Shares.

Our analysis of each of these factors is outlined below.

Recent trading in Iron Mountain Shares

The historical trading prices of Iron Mountain Shares for the period from 4 January 2011 to 20 October 2015 are illustrated below, together with our selected value range of US$29 to US$34.

Figure 18: Recent trading in Iron Mountain Shares



Source: KPMG Corporate Finance analysis; S&P Capital IQ

With regard to the above analysis, we note:

- Iron Mountain is a NYSE listed entity and a member of major indices, including the S&P 500 Index, the MSCI REIT Index and a number of FTSE NAREIT indices. Iron Mountain's share price performance since January 2011 is discussed in Section 8.6 of this report
- Iron Mountain's share price either remained within, or was above, our selected value range for the majority of the approximate five year period illustrated above
- Iron Mountain's share price responded positively during the initial period following the transaction speculation which arose on 30 September 2014, with the share price closing at a high of US$41.09 in early February 2015
- Iron Mountain's share price subsequently commenced a downward trend from mid-February 2015, with the initial fall coinciding with the release of its fourth quarter CY14 results and earnings guidance for CY15. This trend continued, with the share price falling upon the release of Iron Mountain's financial results for both the first and second quarters of CY15. The negative market reaction to these earnings releases can be attributed, in part, to performance being below market expectations, and the continued deterioration of revenue and margins in its services business

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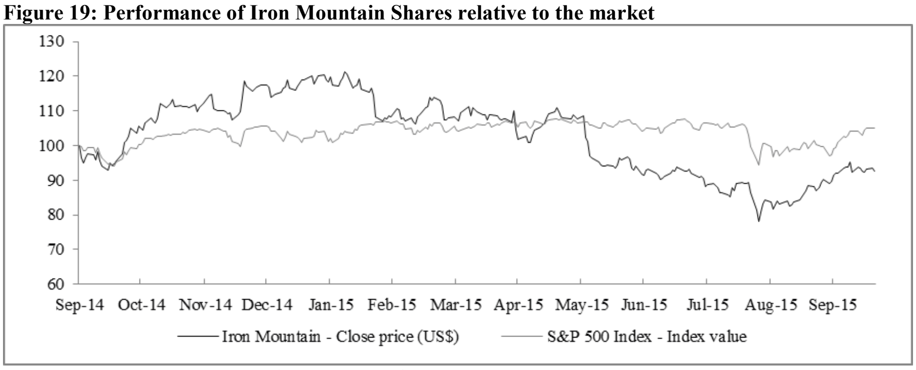
- the market sentiment that was negatively impacted by Iron Mountain's earnings releases deteriorated further when Jefferies Group LLC downgraded its rating of Iron Mountain from 'hold' to 'underperform' and revised its price target from US$33.00 to US$29.00 on 2 June 2015. The key concerns raised as reason for the downgrade included an expected cash shortfall that may result in further debt or equity raisings being required to avoid dividend cuts, a deteriorating services business that may be further challenged by current industry trends and the recorded level of racking depreciation that may overstate FFO. On that day, the share price fell by 5.8% from $US36.83 to US$34.68. Whilst other contributing factors may have existed, the share price continued to fall for the six consecutive days following the downgrade, closing at US$31.85 on 10 June 2015 and representing a total decrease of 13.5% from the closing price prior to the downgrade. This compared to a 0.3% decrease in the S&P 500 Index over the same period
- coinciding with the recent general downturn in global equity markets, the negative market sentiment led to Iron Mountain's share price closing at a low of US$26.52 on 25 August 2015, from which it partially recovered to close at US$31.41 on 20 October 2015. The recovery may have been supported by the inclusion of Iron Mountain to the 2015 Dow Jones Sustainability Indices.

Performance of Iron Mountain Shares relative to the market

The following figure illustrates the performance of Iron Mountain Shares relative to the S&P 500 Index for the period from 29 September 2014 (the day prior to when initial market speculation arose regarding a potential transaction between Recall and Iron Mountain) to 20 October 2015.

Figure 19: Performance of Iron Mountain Shares relative to the market



Source: KPMG Corporate Finance analysis; S&P Capital IQ

With regard to the above analysis, we note:

- between 29 September 2014 and early February 2015, Iron Mountain outperformed the S&P Index by approximately 16.9%, which we consider to be largely attributed to the potential transaction between Iron Mountain and Recall
- from mid-February 2015 Iron Mountain underperformed the S&P 500 Index by approximately 21.9%, which we consider to be largely attributed to earnings releases not meeting market expectations, the continued deterioration of the services business, and some unfavourable broker

commentary, as previously discussed. Concerns regarding the impact of rising interest rates have further contributed to negative market sentiment, particularly in relation to US REIT stocks

- recently, Iron Mountain announced a transformation program and a plan to improve the margins of its service business. These initiatives are intended to address the negative trends observed in Iron Mountain's financial performance and mitigate risks of further share price underperformance.

Liquidity and VWAP of Iron Mountain Shares

The trading liquidity and VWAP of Iron Mountain Shares is summarised below for the 12 months to 29 September 2014 (the day prior to when initial market speculation arose regarding a potential transaction between Recall and Iron Mountain), and for the 12 months to 20 October 2015.

Table 44: Liquidity and VWAP of Iron Mountain Shares

Period	Price (low) US$	Price (high) US$	Price VWAP US$	Cumulative value US$m	Cumulative volume m	% of issued capital
Period ended 20 October 2015						
1 week	30.94	31.96	31.45	282.1	9.0	4.3
1 month	29.33	32.35	30.98	1,105.5	35.7	16.9
3 months	26.49	32.35	29.80	3,112.8	104.5	49.6
6 months	26.49	38.49	32.01	7,116.7	222.3	105.5
12 months	26.49	41.53	34.90	15,576.9	446.3	213.2
Period ended 29 September 2014						
1 week	31.17	36.15	33.93	740.0	21.8	11.3
1 month	31.17	37.10	34.79	1,430.7	41.1	21.3
3 months	31.17	37.10	34.73	3,602.1	103.7	53.7
6 months	25.95	37.10	32.32	7,274.1	225.1	116.9
12 months	25.03	37.10	30.00	13,401.4	446.7	232.8

Source: S&P Capital IQ; KPMG Corporate Finance analysis

With regard to the above analysis, we note:

- the percentage of Iron Mountain Shares which was traded during the 12 months to 20 October 2015 indicates that there is sufficient liquidity in the market for these securities to suggest that recent performance and expectations are reflected in current trading prices
- the trading liquidity in Iron Mountain Shares remained broadly the same pre and post the date when initial market speculation arose regarding a potential transaction between Recall and Iron Mountain. Accordingly, there is nothing to indicate any specific abnormal trading in Iron Mountain Shares associated with the takeover speculation or subsequent takeover offer for Recall
- on 20 October 2015, trading in Iron Mountain Shares closed at a price of US$31.41, with the 3 months and 12 months VWAP to 20 October 2015 ranging from approximately US$30 to US$35. This range is broadly consistent with the range observed for the 3 months and 12 months VWAP to 29 September 2014 (prior to commencement of takeover speculation).

Publicly available information in relation to Iron Mountain and the Scheme

We consider there to be sufficient information available in the public domain to enable a well-informed market to form a rational view on pricing for Iron Mountain Shares, as indicated by the following factors:

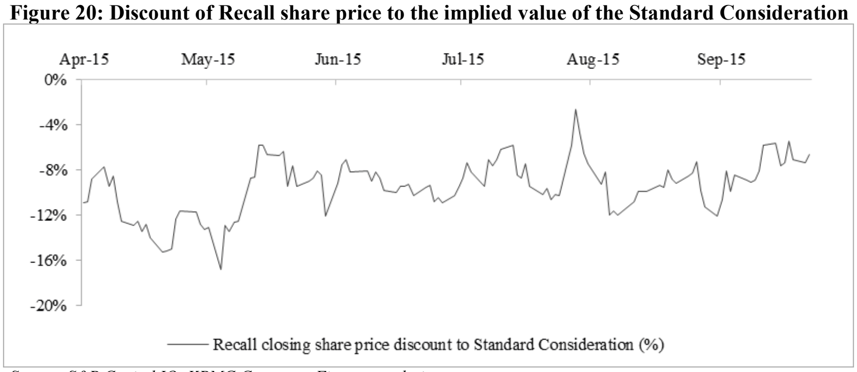
- *Disclosure requirements*. The disclosure requirements associated with being publicly listed suggest that any information in relation to Iron Mountain's standalone business that would have a material impact on its security price should have been disclosed to the market. Accordingly, Iron Mountain releases earnings results on a quarterly basis, and holds conference calls to discuss these releases. Iron Mountain is also required to disclose significant events to the market as and when they occur. This level of disclosure provides the market with an understanding of Iron Mountain's financial performance, strategy and outlook, enabling market participants to make sufficiently informed decisions regarding an investment in Iron Mountain
- *Disclosure in relation to the Scheme*. Iron Mountain has released comprehensive information regarding the potential synergies, associated integration costs and accretion which it expects to deliver should the Scheme be implemented. Iron Mountain and Recall also undertook a Co-CEO roadshow, which provided substantial Iron Mountain Shareholders with an opportunity to gain an understanding of the various aspects of the Scheme. Given the considerable period of time which has lapsed since the Scheme was announced, we consider that the current trading in Iron Mountain Shares should reflect the market's rational view as to the benefits and risks of the Scheme
- *Broker coverage*. Iron Mountain is a relatively transparent entity and broadly followed by brokers which provide market participants with additional proprietary information including commentary, financial forecasts, target prices and recommendations. The current target prices of brokers covering Iron Mountain are summarised in Section 11.4.2 of this report. The broad coverage by brokers indicates that there is sufficient interest by market participants in Iron Mountain Shares.

Impact of the Scheme on Iron Mountain

Both Iron Mountain and Recall are relatively transparent entities and broadly followed by brokers. There has been sufficient time and information available for the market to assess the Scheme and its expected implications for Iron Mountain. Whilst the current trading in Iron Mountain Shares should reflect the estimated impacts of the Scheme, we also recognise the upside potential in Iron Mountain Shares from their current trading level due to the following considerations:

- *Uncertainty regarding implementation of the Scheme*. Implementation of the Scheme is subject to, amongst other factors, regulatory clearance from competition authorities, particularly anti-trust approval from the US Department of Justice. Given the Scheme proposes to combine the two leading global players in the information management industry, significant uncertainty currently exists as to whether these clearances will be obtained and whether any associated conditions (such as required divestments, if any) will be acceptable. Accordingly, we consider it unlikely that the market would attribute full value to the net benefits associated with the Scheme until acceptable regulatory clearances are obtained. The impact of the perceived implementation risks of the Scheme on current trading prices can also be observed for Recall Shares by comparison to the implied value of the Standard Consideration, as illustrated below.

Figure 20: Discount of Recall share price to the implied value of the Standard Consideration



Source: S&P Capital IQ; KPMG Corporate Finance analysis

Since the announcement on 29 April 2015 of the in-principle agreement between Recall and Iron Mountain, Recall's share price has traded at an average discount of approximately 9.4% to the implied value of the Standard Consideration, calculated based on Iron Mountain's share price and the prevailing A$/US$ exchange rate. If acceptable regulatory clearance is received, we would expect both Recall and Iron Mountain shares to benefit from a market re-rating

Uncertainty regarding timing and value of synergies. As detailed in Section 9.2 of this report, Iron Mountain expects to achieve approximately US$155 million in annual net synergies from a combination with Recall, once synergies are fully achieved. The majority of these synergies relate to overhead and cost of sales reductions and are expected to be realised by CY18, with all synergies being realised by CY20. However, the cumulative benefit of synergies expected to be realised by CY18 is largely offset by the integration costs expected to be incurred over the same period. In total, the Combined Group is expected to incur approximately US$300 million in one-off integration related costs for synergies to be fully achieved. In addition, Recall and Iron Mountain are estimated to incur one-off transaction costs associated with the Scheme of approximately US$64.5 million and US$80.0 million respectively. We consider it likely that the market currently places less weight on the value of synergies when determining the market price for Iron Mountain Shares given the time and costs expected to be required to realise the potential synergies. Despite this, we consider the timing and quantum of synergies expected by Iron Mountain to be potentially conservative, having regard to:

- the fact that a significant proportion of the synergies relate to overhead costs, which will be achieved through the rationalisation of corporate head office and senior management functions. These costs should be able to be eliminated relatively soon after implementation of the Scheme, and therefore may be realised earlier than current expectations suggest
- the expected net synergies of US$155 million per annum incorporate an allowance for certain potential dis-synergies, such as divestments required to obtain regulatory clearance. Prior to implementation of the Scheme, certainty will be gained regarding the extent to which Iron Mountain will be required to divest any of its businesses. There is potential for net synergies to exceed current expectations should the divestments required be less than currently assumed

- there may be potential for synergies to be realised in excess of the expected US$155 million per annum, including revenue synergies driven by an enhanced product and service offering and an increased ability to penetrate the global un-vended market, further reductions in real estate costs driven by further facility optimisation, and enhanced capabilities to accelerate development of new solutions and services in a more efficient manner than on a standalone basis
- in its rejection of the initial takeover offer by Iron Mountain on 15 December 2014, Recall management estimated US$250 million of synergies to be achievable from a combination with Iron Mountain, 75% of which were expected to be realised in the first 18 months.

Other factors

In June 2015, Iron Mountain announced its Transformation Program which aims to drive significant reductions in overhead expenses. Iron Mountain expects to realise a minimum of US$100 million in savings from the program by the end of CY18 (incremental to the current strategic plan), of which US$50 million is expected to be realised in CY16. Upon announcement of this program, there was no apparent positive impact on Iron Mountain's share price, which had been under downward pressure subsequent to disappointing earnings releases and unfavourable broker commentary. It appears that the market is hesitant to re-rate the stock for the potential benefits associated with the announced savings until margin improvements are demonstrated. Accordingly, the current trading price of Iron Mountain is unlikely to fully reflect the benefits expected from the Transformation Program without any evidence of substantial project milestones being achieved.

Conclusion

Upon implementation of the Scheme, the scrip consideration received by Recall Shareholders will represent minority interests in Iron Mountain. It is common practice to utilise the post announcement market price as a basis for estimating the value of an offer with a scrip component, as that represents the value at which Recall Shareholders can realise their interest post completion of the Scheme.

About a year has lapsed since initial market speculation arose regarding a potential transaction between Recall and Iron Mountain. During this time, trading in Iron Mountain Shares has been impacted by:

- the release of its CY14 financial results, CY15 guidance and interim CY15 results
- market uncertainty as to whether the Scheme will obtain the required approvals to be implemented
- as well as uncertainty over the expected impacts associated with the Scheme, particularly with regard to the timing and cost of realising the expected synergies.

Nevertheless, there is no evidence to suggest that the Iron Mountain share price does not reflect the rational view of an informed market or that Iron Mountain is trading on a basis relative to its listed peers that is not sustainable (as analysed in Section 11.4.1 below). Further, both Iron Mountain and Recall are relatively transparent entities and broadly followed by brokers. There has been sufficient time and information available for the market to assess the Scheme and its expected implications for Iron Mountain.

On balance, we consider an Iron Mountain share price in the range of US$29.00 to US$34.00 on a minority interest basis to be a reasonable estimate in current market conditions for the purposes of assessing the fairness of the Scheme.

Whilst the low end of our selected valuation range broadly reflects the recent trading in Iron Mountain Shares, we also recognise the upside potential in Iron Mountain Shares from their current trading level as we consider:

- the market is unlikely to attribute full value to the net benefits expected from the Scheme until acceptable regulatory clearances are obtained
- the timing and quantum of synergies expected by Iron Mountain are potentially conservative
- the benefits expected from the announced Transformation Program are unlikely to be fully reflected in the current trading price of Iron Mountain without any evidence of substantial project milestones being achieved.

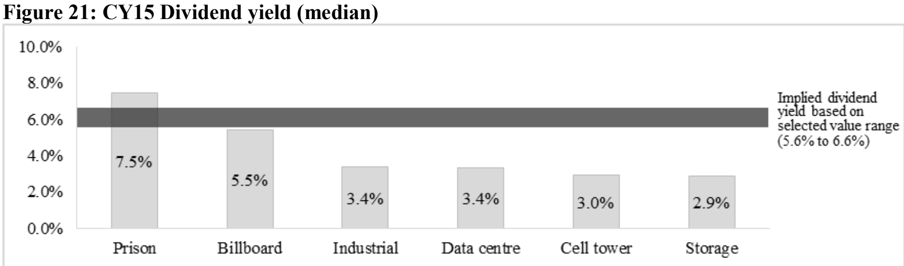
Our selected valuation range for Iron Mountain Shares is also supported by the current target prices of brokers covering Iron Mountain as analysed in Section 11.4.2 below.

11.4 Valuation cross-check

11.4.1 Comparison to listed US REITs

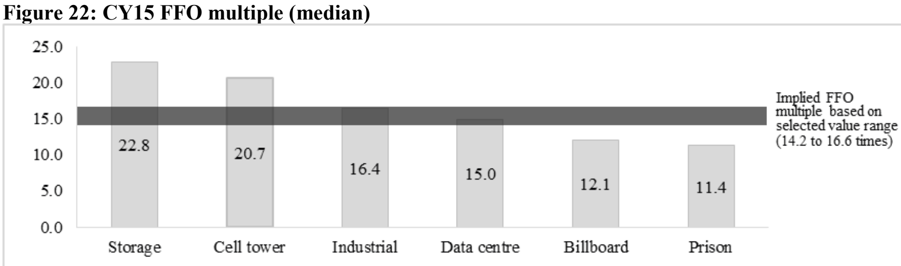
In order to cross-check our selected valuation range for Iron Mountain Shares, we have compared the implied valuation metrics (in terms of dividend yield, FFO and AFFO multiples) to market evidence derived from various categories of US listed REITs. Based on this analysis, the valuation metrics implied by our selected valuation range for Iron Mountain Shares falls within the range observed for the various categories of US listed REITs, as illustrated below.

Figure 21: CY15 Dividend yield (median)



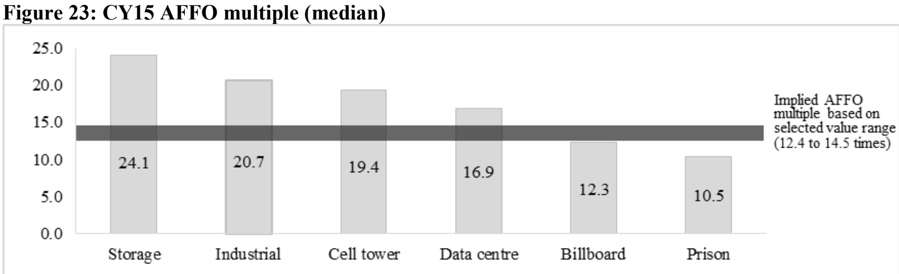
Source: KPMG Corporate Finance analysis; S&P Capital IQ

Figure 22: CY15 FFO multiple (median)



Source: KPMG Corporate Finance analysis; S&P Capital IQ

Figure 23: CY15 AFFO multiple (median)



Source: KPMG Corporate Finance analysis; S&P Capital IQ

With regard to the above comparisons, we note:

- the purpose of REITs has traditionally involved investing in portfolios of real estate assets, which have typically comprised commercial or residential property. Iron Mountain is considered a non-traditional REIT as its assets are specialised in nature and a significant proportion of its earnings is generated from services rather than passive rental income. These differences mean that Iron Mountain is unlikely to trade at traditional REIT multiples. Therefore, in selecting the REITs for the above comparison, we have focused on REITs which are specialised in nature, with exposure to a particular asset class other than commercial or residential property. Details of each REIT category, together with the individual REITs included in each category are set out in Appendix 5
- one of the primary factors influencing the valuation metrics of these REIT categories is the proportion of earnings which is generated from services businesses. Services businesses are typically organised as TRSs, and therefore do not receive the favourable tax treatment associated with passive rental income. Accordingly, REITs with a lower proportion of earnings from services businesses typically command higher FFO and AFFO multiples. This is evidenced by the generally higher FFO and AFFO multiples observed for storage and industrial REITs relative to data centre, billboards and prison REITs which typically generate a relatively larger proportion of earnings from services businesses

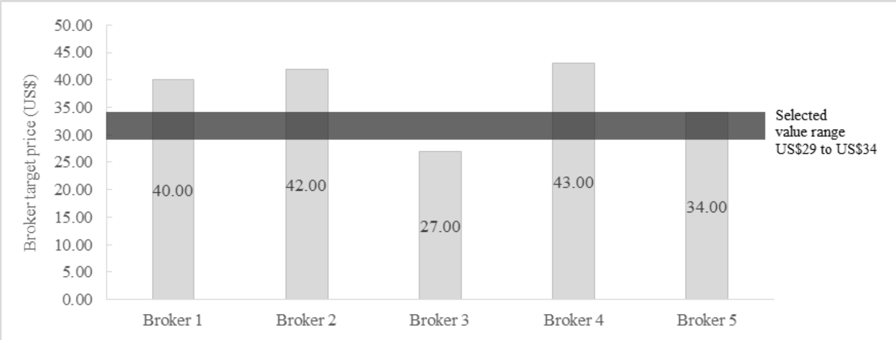
- given the relative size of Iron Mountain's services business, we consider that it is more closely comparable to data centre and prison REITs. The dividend yield and AFFO multiple implied by our selected valuation range for Iron Mountain Shares fall within the range observed for these two REIT categories
- the FFO and AFFO multiples implied by our selected valuation range for Iron Mountain Shares are favourable relative to prison REITs. We consider this to be reasonable, as prison REITs are exposed to a greater degree of volatility associated with political uncertainty, which in turn translates to a higher risk profile relative to Iron Mountain
- data centre REITs are involved in the operation of specialised, secure facilities which are used for storage purposes. These REITs also provide activity based services to customers. Both the data centre REITs and Iron Mountain provide an outsourced function for corporate clients. Given these similarities in terms of business model and associated risk profile, the nature of the underlying facilities and the characteristics of the customer relationship, we consider Iron Mountain to be most closely comparable to data centre REITs
- Iron Mountain's specialised facilities compare less favourably to most traditional REITs in the sense that there are limited logical buyers in the event the company wants to liquidate its real estate portfolio. Further, Iron Mountain only owns a relatively small proportion of its storage facilities and therefore its valuation does not have the net asset value support of the more traditional real estate REITs. Its AFFO is greater than its FFO due to a large non-real estate depreciation and amortisation, which is also unusual for traditional REITs
- Iron Mountain converted to a REIT relatively recently, and its shareholder base is still in the process of transitioning to an investor base that is closer aligned with its REIT structure. Due to Iron Mountain's unique business model, it will take time for it to gain support from REIT investors which typically prefer an exposure to more traditional real estate REITs, and therefore Iron Mountain may not currently warrant trading at full REIT multiples. However, progress towards market acceptance of Iron Mountain as a REIT appears to have been made as evidenced by its inclusion in the MSCI REIT and the FTSE NAREIT indices.

Based on the analysis outlined above, we consider that the market evidence derived from various categories of US listed REITs supports our selected valuation range for Iron Mountain Shares.

11.4.2 Comparison to broker target prices

As a final valuation cross-check, we have compared our selected valuation range for Iron Mountain Shares to current broker target prices. This comparison is illustrated below.

Figure 24: Broker target prices



Source: Broker reports; KPMG Corporate Finance analysis

With regard to the above comparison, we note:

- the above target prices have been sourced from the latest available broker reports, all of which were published after Iron Mountain's release of its second quarter CY15 financial results on 30 July 2015. Therefore, we consider that these target prices would reflect the most recent financial information publicly available for Iron Mountain
- the range in target prices is relatively wide, ranging from US$27 to US$43, with a median target price of US$40. Our selected valuation range falls within the lower end of the range of broker target prices
- at its closing price on 20 October 2015 of US$31.41, Iron Mountain is trading below most broker target prices. However, it is noted that target prices represent forward looking 12 month targets
- whilst it is unclear to what extent the brokers have reflected the estimated impacts of the Scheme in their target prices (particularly in relation to expected synergy and accretion benefits, and the associated costs and risks relating to implementation and integration).

Whilst our selected valuation range for Iron Mountain Shares sits at the lower end of the broker target price range, we consider it appropriate given the forward looking nature of the broker target prices.

Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (APESB). The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Ian Jedlin and Sean Collins. Each has a significant number of years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Scheme is in the best interests of Recall Shareholders. KPMG Corporate Finance expressly disclaims any liability to any Recall Shareholders who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Scheme Booklet or any other document prepared in respect of the Scheme. Accordingly, we take no responsibility for the content of the Scheme Booklet as a whole or other documents prepared in respect of the Scheme.

We note that the forward-looking financial information prepared by the Recall and Iron Mountain does not include estimates as to the potential impact of any future changes in taxation legislation in Australia. Future taxation changes are unable to be reliably determined at this time.

Independence

KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently.

In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of Recall and Iron Mountain for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Consent

KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Scheme Booklet to be issued to the shareholders of Recall. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

Appendix 2 – Sources of information

In preparing this report we have been provided with and considered the following sources of information:

Publicly available information:

- the Scheme Booklet (including earlier drafts)
- the Scheme Implementation Deed released to the ASX on 9 June 2015
- annual reports of Recall for the two years ended 30 June 2015
- press releases, public announcements, media and analyst presentations material and other public filings by Recall and Iron Mountain, including information available on each company's website
- brokers' reports and recent press articles on Recall and Iron Mountain
- security market data and related information regarding listed companies engaged in the document management industry and on acquisitions of companies and businesses in this industry
- financial information from S&P Capital IQ, Bloomberg, ThomsonONE and Connect4.

Non-public information

- Board papers, presentations, working papers and other confidential documents of Recall.

In addition, we have held discussions with, and obtained information from, the senior management of Recall and its advisors. We have also held discussions with senior management of Iron Mountain regarding factual matters only.

Appendix 3 – Information management industry

Overview

Based on industry research, Recall and Iron Mountain estimate the total size of their addressable global market to be approximately US$23 billion per annum, with approximately 35% of the market being currently outsourced by businesses to a third party such as Recall or Iron Mountain (known as vended) and the remaining 65% being wholly or partially performed by businesses in-house (known as unvended), offering an organic growth opportunity, in both developed and emerging markets[17].

Services provided by the information management industry have traditionally included storage, protection and secure destruction of physical and digital records. In recent years, industry participants have begun to broaden their service offerings to include digital information management services in order to adapt to industry changes driven by the increased digitisation of information. The information management industry is typically classified into the following market segments:

Document management services

Document management services involve the storage of primarily physical records (as well as digital information assets) in secure facilities, and the retrieval and transportation of these records upon customer request. Customers span a wide range of industries, with the largest customer segments being the financial services and healthcare sectors for which document storage requirements are largely driven by regulatory requirements.

Revenue is generated primarily through recurring charges based on the volume of records stored, and activity based charges for services provided, such as retrieval, delivery and permanent removal of stored records. Key drivers of the financial performance for the provision of document management services include:

- *Volume growth.* Fees charged to customers are a function of the volume of records stored. The level of volume growth achieved therefore directly influences the financial performance of industry participants. Volume growth can be from either organic or inorganic sources. Organic volume growth is driven by increases in volume from existing customers and new customers wins, less reductions in volume from losses of customers and scheduled destruction of stored records. Inorganic volume growth refers to the acquisition of other industry participants.
- *Facility utilisation*. Industry participants operate facilities which typically have been fit out with specialised racking, enabling records to be stored, located and retrieved. The efficiency of these facilities is measured by reference to facility utilisation[18] and racking utilisation[19]. These utilisation rates essentially reflect the proportion of the facilities which are generating storage revenue. An

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[17] Sourced from the Scheme Booklet

[18] The amount of racking that is being used to store customer materials compared to the capacity of the racking that has been installed

[19] The amount of racking that is being used to store customer materials compared to the capacity of the entire building assuming it was fully racked

improvement in utilisation rates indicates a more efficient use of facilities, which in turn improves the level of return achieved on invested capital.

- *Scale*. Industry participants benefit from scale in a number of ways, including the ability to tender for large customers which require a service provider with national or global footprint, gain economies of scale in the retrieval and delivery of records, achieve greater utilisation rates through consolidation of facilities and leverage of enhanced funding capacity to add volume growth through business acquisitions.

Secure destruction services

Secure destruction services involve the destruction of confidential or sensitive documents and other media, together with secure and eco-friendly destruction of digital assets. These services are generally provided through the distribution and servicing of bins which are used to collect confidential information before securely transporting and destroying the materials.

Revenue is generated through recurring charges for servicing bins, and from selling shredded paper to the recycling market. Key drivers of the financial performance for the provision of secure destruction services include:

- *Scale*. The financial performance of industry participants is primarily influenced by the scale of operations. Industry participants benefit from scale in a number of ways, including the ability to tender for large customers which require a service provider with national or global footprint, achieve greater asset utilisation rates through increased route density and plant utilisation, and leverage of enhanced funding capacity to pursue inorganic growth options.
- *Route density*. The business operations of industry participants have characteristics similar to logistics businesses, with route density being a key driver of profitability. An improvement in route density indicates a more efficient use of logistic assets, which in turn improves the level of return achieved on invested capital.
- *Paper prices*. The shredded paper which is produced through the destruction process is sold to the paper recycling market. The price of paper therefore directly influences the financial performance of industry participants.

Data protection services

Data protection services provide customers with secure offsite storage, as well as the rotation, protection and back-up of computer data and other media, which is integral to business continuity planning and disaster recovery. The offered solutions also protect information which requires special handling whilst providing customers with 24/7 access to a secure web-based interface to track and retrieve their information.

Revenue is generated through recurring charges from long-term agreements for the storage of customer data tapes and other media, and activity based revenues generated from fees charged for retrieval or access to the information sources stored for customers. The key drivers of the financial performance for the provision of data protection services are essentially the same as for document management services.

Digital information management services

Digital information management services is a developing market of broader technology-enabled solutions for the information management industry. These services include digital service platforms for customers, cloud storage and backup, business process automation, conversion of records from physical to digital, electronic litigation and governance support services.

Participants in the information management industry have begun developing these services as a means of complementing their existing service offerings and mitigating the risks associated with the trend to increased digitisation of information. Given the nature of these services (i.e. being Information Technology (IT) centric), traditional industry participants are increasingly facing competition from 'pure play' IT service providers in this space.

Competitive environment

Competition within the industry is driven by factors such as location of facilities, services offered, security standards, efficiency and innovation, standardisation, customer relationships and price. Larger industry players usually have higher safety and security standards and greater sophistication and efficiency, whilst smaller local players generally compete on cost and offer a narrower range of services.

The global document management market is highly fragmented, including a small number of large operators which have national or global footprints, together with a large number of smaller privately owned competitors which may service a particular city or region. Recall and Iron Mountain are the two leading global participants in the industry. Within the US and Europe, Iron Mountain is the largest operator by a considerable margin, whilst Recall holds the strongest position in ANZ. Other participants have a strong presence in particular regions, these include, Access Information Management in the US, Restore plc in the UK, Crown Records Management in Asia, and Grace Information & Records Management in Australia.

The global secure destruction market is also highly fragmented. Shred-it is the largest and the only global company which is dedicated solely to secure document destruction services. Other larger industry players in this market include Iron Mountain and to a lesser extent Recall. However, Iron Mountain no longer has a presence outside North America and Latin America, having sold its shredding business in the UK, Ireland and Australia to Shred-it in December 2014.

The information management industry has undergone several waves of consolidation in recent years. Examples of this include the merger of Shred-it and the document destruction business of Cintas Corporation in April 2014, and the current proposed combination of Iron Mountain and Recall. In addition, the other larger industry participants have also made several fold-in acquisitions of smaller privately owned competitors. These acquisitions have enabled the larger participants to achieve greater scale, improve asset utilisation, achieve synergies and expand into new regions.

Key demand drivers

Key demand drivers of the information management industry include:

- *Regulatory requirements*. In many cases, regulation dictates the length of time and the type of documents which are required to be stored. Changes to regulation therefore directly influence the demand for physical storage.
- *Volume of printed documents*. Supported by the implementation of technology, business practices and processes are changing as evidenced by an increased shift towards 'paperless' or 'digital first' ways of working. This shift is expected to reduce the volume of printed documents, which in turn, will influence physical storage and secure destruction volumes.
- *Litigation*. Growing litigation across many industries is driving businesses to retain greater amounts of information, stored in a more organised manner, to enable prompt responses to litigation related discovery requests.
- *Privacy, confidentiality*. A growing number of businesses are adopting practices aimed at protecting confidential and sensitive information. An example of this are "shred-all" policies which require secure destruction of all documents. These practices influence the demand for physical storage and secure destruction.
- *Data breach concerns*. Businesses are becoming more willing to invest to avoid security breaches and associated penalties. They are also increasingly relying on outsourced providers to establish auditable processes for handling their information management needs to enhance risk management standards.
- *Outsourcing*. Developing and maintaining in-house information security, storage and organisational tools are costly and can divert customers from their core competencies. Outsourcing to specialised providers may offer cost savings, quality improvements and reduced investment. The propensity of customers to outsource their information management function directly influences the size of the vended portion of the market.

Key industry trends

Current trends in the information management industry include:

- *Industry consolidation*. Industry consolidation is a key strategy in achieving sufficient levels of growth and profitability, particularly in markets which are highly fragmented and mature. Accordingly, the information management industry is expected to continue to consolidate as participants seek to achieve greater scale, realise operational efficiencies, and expand their footprint.
- *Shift towards storage for archival purposes*. There has been a recent trend in the physical document management services segment that customers increasingly use physical storage for archival purposes. This trend is attributed to the increased ability for customers to maintain digital records, thereby reducing the frequency in which original documents are required to be retrieved. This trend has negatively impacted the revenue and margins generated by industry participants associated with these services.

- *Digitisation of business processes*. The adoption of technology is enabling a transition in business practices away from physical printed documents to digital documents. This is influencing the volume of physical documents being produced which in turn may negatively impact on the volume of physical documents requiring storage and/or secure destruction.
- *Shift towards cloud based data protection services*. The market for traditional tape based data protection services is transitioning towards cloud based back-up, archival and replication service models which provide an alternative to tape with a clear value proposition.
- *Customer rationalisation of service providers*. In a bid to reduce costs and simplify outsourcing of non-core services, customers are seeking to reduce the number of vendors with whom they do business. This is expected to favour larger information management service providers with a broad range of service offerings and proven capability to provide consistent services and standards on a national or global basis.

Outlook

Key considerations regarding the outlook of the information management industry include:

- *Long-term outlook*. The long term outlook for the information management industry is difficult to predict. An increase in the digitisation of information, and the extent and timing of its impact on the information management industry, particularly with regard to physical document storage and secure document destruction, create significant uncertainties. However, the current regulatory landscape and uncertainty around technology security are expected to continue to be a key driver of demand for traditional information management services at least over the medium term. Further, industry participants will continue to complement their service offerings with digital solutions to mitigate the risks associated with increased digitisation and participate in the opportunities provided by digital information management services. The longer term growth prospects of the industry are also supported by the significant opportunity to increase the penetration of the unvended market. In addition, the highly fragmented nature of the industry will continue to provide inorganic growth opportunities through further industry consolidation.
- *Developed markets*. Demand for traditional information management services in developed markets is relatively mature, as evidenced by the relatively low organic net carton growth rates recorded by the leading industry participants in recent years in their developed markets. The focus of industry participants in developed markets has therefore shifted to measures of cost control, asset utilisation and customer retention, supplemented by enhanced service offerings and efforts to increase penetration of the unvended market. In addition, inorganic growth has become a key driver of the financial performance of leading industry participants and the highly fragmented nature of the industry is expected to provide further opportunity for industry participants to improve growth, scale and efficiency through industry consolidation.

- *Emerging markets*. Organic growth opportunities in emerging markets are expected to be greater than in developed markets due to higher economic growth rates and increasing trends towards outsourcing of information management solutions supported by increasingly sophisticated regulatory environments. Accordingly, the larger industry participants within developed markets are expected to continue to pursue acquisitions to expand their operations in emerging markets in order to gain exposure to regions which have higher organic growth potential relative to the developed markets they are operating in.
- *Unvended opportunities*. Significant growth opportunities still exist for market participants through greater penetration of the unvended market. This segment includes governments which have not typically outsourced their document management functions to date. Larger industry participants with scale benefits and a national or global footprint are expected to be better positioned to convert unvended opportunities.
- *Increased digitisation*. The transition from physical to digital business practices has the potential to significantly disrupt the industry, though more likely in the longer term. This transition represents a substantial threat for traditional document management services, but also provides an opportunity for industry participants to complement their service offerings with outsourced digital information management services.
- *Regulatory change*. Regulation is a key driver of long-term document storage requirements. Therefore, regulatory changes could significantly adversely affect the extent and length of time for which physical records are required to be maintained.

Appendix 4 – Overview of valuation methodologies

Capitalisation of earnings

An earnings based approach estimates a sustainable level of future earnings for a business (maintainable earnings) and applies an appropriate multiple to those earnings, capitalising them into a value for the business. The earnings bases to which a multiple is commonly applied include Revenue, EBITDA, EBIT and NPAT.

In considering the maintainable earnings of the business being valued, factors to be taken into account include whether the historical performance of the business reflects the expected level of future operating performance, particularly in cases of development, or when significant changes occur in the operating environment, or the underlying business is cyclical.

With regard to the multiples applied in an earnings based valuation, they are generally based on data from listed companies and recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples derived for comparable quoted companies are generally based on security prices reflective of the trades of small parcels of securities. As such, multiples are generally reflective of the prices at which portfolio interests change hands. That is there is no premium for control incorporated within such pricing. They may also be impacted by illiquidity in trading of the particular stock. Accordingly, when valuing a business en bloc (100%) we would also reference the multiples achieved in recent mergers and acquisitions, where a control premium and breadth of purchaser interest are reflected.

An earnings approach is typically used to provide a market cross-check to the conclusions reached under a theoretical DCF approach or where the entity subject to valuation operates a mature business in a mature industry or where there is insufficient forecast data to utilise the DCF methodology.

Discounted cash flow

Under a DCF approach, forecast cash flows are discounted back to the Valuation Date, generating a net present value for the cash flow stream of the business. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the Valuation Date to give an overall value for the business.

In a DCF analysis, the forecast period should be of such a length to enable the business to achieve a stabilised level of earnings, or to be reflective of an entire operation cycle for more cyclical industries. Typically a forecast period of at least five years is required, although this can vary by industry and by sector within a given industry.

The rate at which the future cash flows are discounted (the Discount Rate) should reflect not only the time value of money, but also the risk associated with the business' future operations. This means that in order for a DCF to produce a sensible valuation figure, the importance of the quality of the underlying cash flow forecasts is fundamental.

The Discount Rate most generally employed is the WACC, reflecting an optimal (as opposed to actual) financing structure, which is applied to unleveraged cash flows and results in an Enterprise Value for the business. Alternatively, for some sectors it is more appropriate to apply an equity approach instead, applying a cost of equity to leveraged cash flows to determine equity value.

In calculating the terminal value, regard must be had to the business' potential for further growth beyond the explicit forecast period. This can be calculated using either a capitalisation of earnings methodology or the 'constant growth model', which applies an expected constant level of growth to the cash flow forecast in the last year of the forecast period and assumes such growth is achieved in perpetuity.

Net assets or cost based

Under a net assets or cost based approach, total value is based on the sum of the net asset value or the costs incurred in developing a business to date, plus, if appropriate, a premium to reflect the value of intangible assets not recorded on the balance sheet.

Net asset value is determined by marking every asset and liability on (and off) the entity's balance sheet to current market values.

A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, market position and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the 'book' net asset value, to give a price to net assets, which can then be compared to that of similar transactions or quoted companies.

A net asset or cost based methodology is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies). A net asset approach is also useful as a cross-check to assess the relative riskiness of the business (e.g. through measures such as levels of tangible asset backing).

Enterprise or equity value

Depending on the valuation approach selected and the treatment of the business' existing debt position, the valuation range calculated will result in either an enterprise value or an equity value being determined.

An enterprise value reflects the value of the whole of the business (i.e. the total assets of the business including fixed assets, working capital and goodwill/intangibles) that accrues to the providers of both debt and equity. An enterprise value will be calculated if a multiple is applied to unleveraged earnings (i.e. revenue, EBITDA, EBITA or EBIT) or unleveraged free cash flow.

An equity value reflects the value that accrues to the equity holders. To compare an enterprise value to an equity value, the level of net debt must be deducted from the enterprise value. An equity value will be calculated if a multiple is applied to leveraged earnings (i.e. NPAT) or free cash flow, post debt servicing.

Appendix 5 – Market evidence

Sharemarket evidence – Information management industry

The table below summarises selected trading multiples of listed companies that are broadly comparable to Recall and Iron Mountain.

Table 45: Comparable companies

Company	Geographic focus	Market cap. US$m	Revenue growth FY+1	EBITDA growth FY+1	EBITDA margin FY+1	EBITDA multiple[1] LTM	NTM
Recall	Global	1,733	4.0%	8.4%	25.5%	11.3	10.5
Iron Mountain[2]	Global	6,622	-2.2%	-1.0%	30.1%	12.4	12.0
Freightways Limited	ANZ	590	6.5%	5.6%	19.9%	10.9	10.2
Restore PLC	UK	336	31.9%	37.4%	22.0%	14.8	12.3

	Unlevered beta 2-year weekly	5-year monthly	Debt to value 2-year weekly	5-year monthly	Dividend yield LTM	NTM
Recall[3]	n/a	n/a	n/a	n/a	2.6%	3.0%
Iron Mountain	0.68	0.61	41%	38%	6.0%	5.9%
Freightways Limited	0.86	0.68	18%	20%	4.3%	4.4%
Restore PLC[4]	0.55	0.74	12%	15%	1.0%	1.2%

Source: S&P Capital IQ (data as at 20 October 2015); KPMG Corporate Finance analysis
Note 1: EBITDA multiples defined as Enterprise Value (the gross capitalisation comprising the sum of the market capitalisation adjusted for minority interests, preferred equity, plus borrowings less cash) divided by EBITDA
LTM = Last Twelve Months, NTM = Next Twelve Months
Note 2: The NTM multiple of Iron Mountain is based on the average of broker consensus EBITDA forecast for CY15 and CY16
Note 3: Recall has been listed for less than two years, and therefore no two year beta is available. Recall's one year beta is 0.67, however, we note that the trading in Recall Shares during the most recent year is likely to have been heavily influenced by the trading in Iron Mountain Shares due to the scrip based nature of the consideration under the Scheme
Note 4: The two year unlevered beta of Restore PLC has been shaded to indicate that it is not statistically significant

Profiles of Recall and Iron Mountain are set out in sections 7 and 8 respectively of this report.

Freightways Limited

Freightways Limited (Freightways), provides express package and business mail services, and information management services primarily in New Zealand and Australia. It operates two segments, Express Package & Business Mail, and Information Management. Express Package & Business Mail provides network courier services under a number of brands. It also provides various postal services, including processing of letters and parcels for box-to-box and street delivery to business customers. Freightways' Information Management services include archive management, document destruction, digital conversion and online backup services. In FY15, approximately 68% of Freightways' EBITDA was attributable to its Express Package & Business Mail segment, with the remainder being attributable to its Information Management segment.

Restore PLC

Restore PLC (Restore) provides document management services and relocation services in the United Kingdom. Restore's document management services include storage and retrieval of hard copy documents, archive of magnetic data, film, conversion of hard-copy documents into electronic data, as well as shredding and recycling services. Relocations services include commercial relocations, such as physical movement of office furniture and other physical resources, international moving services, and IT relocations services, as well as secure data destruction and hardware disposal services for computer equipment. In CY14, Restore generated approximately 78% of its operating profit before tax (excluding head office costs) from record management services, with the remainder being from office relocation services.

Transaction evidence – Information management industry

The following table sets out historic EBITDA multiples implied by recent transactions which involved companies operating in the information management industry within Australia and internationally.

Table 46: Transaction evidence

Date closed	Acquirer	Target	Geographic focus[1]	Percentage acquired	Transaction value (US$m)[2]	EBITDA multiple LTM[3]
01-Oct-15	Stericycle, Inc.	Shred-it International	US/CA/EU	100%	2,300.0	12.9[4]
06-Nov-14	Restore PLC	Cintas Document Management UK Limited	UK	100%	43.4	nmf
17-Oct-13	Iron Mountain Information Management, LLC	Cornerstone Records Management LLC	US	100%	191.0	9.6
29-Aug-13	Iron Mountain Peru S.A.	File Service, S.A.	PE	100%	16.0	10.7
29-Feb-12	Restore PLC	Harrow Green Limited	UK	100%	20.5	9.2
16-Dec-05	Recall Corporation	Ausdoc Group Pty Limited	AU/NZ	100%	193.2	n/a[5]
16-Jul-03	Iron Mountain Europe Limited	Hays Information Management Services	UK/EU/US	100%	295.9	9.6
26-Sep-02	ABN AMRO Capital Australia	Ausdoc Group Pty Limited	AU/NZ	100%	179.9	8.0
01-Feb-00	Iron Mountain Incorporated	Pierce Leahy Corp.	US/CA	100%	1,207.4	12.2
13-Sep-99	Britannia Data Management Limited	Stortext, Document Storage Business	UK	100%	15.9	9.0
28-Jun-99	Lason International, Inc.	M-R Group	UK	100%	133.1	9.8

Source: Company financial statements and announcements; S&P Capital IQ; KPMG Corporate Finance analysis
Note 1: US = United States of America; CA = Canada; EU = Europe; PE = Peru; UK = United Kingdom; AU = Australia; NZ = New Zealand
Note 2: Transaction value refers to enterprise values as of the date of completion
Note 3: LTM multiples calculated based on EBITDA from most recently available results as at the transaction announcement date, after normalisation adjustments
Note 4: Based on operating EBITDA which includes adjustments for full year contribution for acquisitions completed, and related synergies achieved, during the 12 months to 29 March 2015, but excludes the remaining portion of identified synergies expected to be realised by the end of CY16
Note 5: Sufficient information is not publicly available to imply the EBITDA multiple relating to this transaction. Based on Ausdoc's FY05 underlying EBITA of A$16 million, the implied multiple is 16.3 times

A brief description of each transaction is outlined below.

Acquisition of Shred-it International Inc. by Stericycle Inc.

On 1 October 2015, Stericycle Inc. (Stericycle) acquired the issued capital of Shred-it International Inc. (Shred-it) for cash consideration of US$2.3 billion. Shred-it provides secure destruction services worldwide. Its services include corporate paper shredding, destruction of documents after the imaging process, destruction and disposal of old files, and permanently destroying hard drives and electronic media. Shred-it serves a variety of clients including governments, healthcare facilities, universities, colleges, and banks, primarily in the Americas region.

Acquisition of Cintas Document Management UK Limited by Restore PLC

On 3 October 2014, a subsidiary of Restore PLC acquired Cintas Document Management UK Limited (CDMUK) for cash consideration of £23.5 million. CDMUK was one of the UK's 10 largest providers of information management services, operating 12 sites across mainland Britain. The company offers hard copy archiving, document scanning, confidential document shredding and destruction, pallet and self-storage, online backup, security, and collection/delivery services, as well as records management services.

For the 12 months ended 31 May 2014, CDMUK recorded EBITA of £0.2 million, and an operating loss of £0.4 million. The poor financial performance of CDMUK resulted in the implied EBITA multiple not being meaningful. Restore PLC stated that this acquisition is consistent with its strategy of consolidating the UK information management industry and provides significant synergistic opportunities to improve CDMUK's operational and financial performance.

Acquisition of Cornerstone Records by Iron Mountain

On 17 October 2013, Iron Mountain completed the acquisition of Cornerstone Records Management LLC (Cornerstone) for cash consideration of approximately US$190 million. Cornerstone predominately provides records storage, along with document shredding and data protection services to small and mid-sized organisations. The company operates throughout the Mid-Atlantic and Northeast regions of the US as well as in Sothern California, Denver and Houston.

Acquisition of File Service S.A. by Iron Mountain Peru S.A.

On 29 August 2013, Iron Mountain Peru S.A completed the acquisition of File Service S.A (File Service) for consideration of US$16.0 million, subject to working capital and net debt adjustments. File Service offered document storage and records management services in Peru.

Acquisition of Harrow Green Limited by Restore PLC

On 29 February 2012, Restore PLC completed the acquisition of Harrow Green Limited (Harrow) for consideration of £12.9 million. Harrow offered a wide range of services including project management, commercial relocation services, engineering services, storage and warehousing, and equipment recycling services. In addition, it offered storage solutions, which included document storage and records management, asset auditing, customised storage facilities, outsourced warehouse management, and consultation services. Harrow operates in the UK, and its customers include small to medium businesses, multinationals and public sector organisations.

Acquisition of Ausdoc Group Pty Limited by Recall Corporation

On 16 December 2005, Recall completed the acquisition of Ausdoc Group Pty Limited (Ausdoc) for cash consideration of A$260 million following a sale by ABN AMRO Capital Australia. Ausdoc's information management segment provided secure information management services, such as storage, cataloguing, retrieval, and destruction of business records. The company's document exchange, business mail, and couriers segment included a network of document exchanges, business mail, and mail aggregation services; and a network of urgent and time sensitive courier services provided to a variety of clients from industry and government. The company's outsource segment offered distribution and logistics, as well as facilities management of back office functions. The company also had a Canadian information management business which provided a range of data storage services, and managed geophysical information in support of the petroleum and minerals exploration industry. The majority of Ausdoc's operations were in Australia with additional facilities in New Zealand, Canada, and Indonesia.

In the year to 30 June 2005, Ausdoc reported underlying EBITA of A$16 million, implying a multiple of 16.3 times.

Acquisition of Hays Information Management Services by Iron Mountain

On 16 July 2003, Iron Mountain completed the acquisition of Hays Information Management Services (Hays) for cash consideration of approximately £185.5 million. Hays was a provider of records and information management services in the United Kingdom, continental Europe, and the US, serving customers in a variety of sectors such as energy, healthcare, financial services, pharmaceuticals and the public sector.

Acquisition of Ausdoc Group Pty Limited by AMRO Capital

On 26 September 2002, AMRO Capital completed the acquisition of Ausdoc for cash consideration of A$185.8 million. Ausdoc's business is described above.

Acquisition of Pierce Leahy Corp. by Iron Mountain

On 1 February 2000, Iron Mountain completed the acquisition of Pierce Leahy Corp. (Pierce Leahy) via a scrip-for-scrip merger valued approximately US$1.2 billion including the assumption of approximately US$570 million of outstanding debt. At the time of the transaction, Pierce Leahy was the largest hardcopy records management company in North America, as measured by its cubic feet of records under management. It had an international presence and was a, full-service provider of records management and related services, enabling customer to outsource their data and records management functions. It offered storage for all major media, including paper, computer tapes, optical disks, microfilm, videotapes and X-rays. In addition, it provided next day or same day records retrieval and delivery, allowing customers prompt access to all stored material. Pierce Leahy also offered other data management services, including customer records management programs, imaging services and records management consulting services, as well as marketing literature storage and fulfilment services.

Acquisition of Stortext Document Storage Business by Britannia Data Management Limited

On 13 September 1999, Britannia Data Management Limited completed the acquisition of Stortext Document Storage Business (Stortext) for £9.9 million, including the acquisition of debt of £1.1 million. Stortext was a provider of records and information management services. The company operated seven facilities in Edinburgh and Glasgow, Scotland.

Acquisition of M-R Group plc by Lason International Inc.

On 28 June 1999, Lason International Inc. (Lason) completed the acquisition of M-R Group plc (M-R Group). Under the terms of the agreement, M-R Group shareholders received 4.877 new shares of Lason common stock for every 100 shares held in M-R Group, implying consideration of approximately US$2.628 per M-R Group share, with consideration totalling approximately US$133.1 million. M-R Group was a leading document and data management company headquartered in the UK.

Sharemarket evidence – US listed REIT sector

The table below summarises dividend yields and trading multiples of listed REITs.

Table 47: US listed REITs

Company	Market cap (US$m)	Dividend Yield CY15 (F)	P/FFO mulitple CY15 (F)	P/AFFO mulitple CY15 (F)
Storage REITs				
Public Storage	39,288	2.9%	26.5	27.7
Extra Space Storage Inc.	9,914	2.8%	25.5	26.6
CubeSmart	4,714	2.3%	22.8	24.1
Sovran Self Storage Inc.	3,523	3.3%	20.3	23.2
National Storage Affiliates	344	5.1%	9.9	9.4
Industrial REITs				
Prologis, Inc.	22,412	3.6%	19.1	22.6
EastGroup Properties Inc.	1,829	4.1%	15.4	20.7
DCT Industrial Trust Inc.	3,227	3.1%	17.6	25.2
PS Business Parks Inc.	2,285	2.6%	13.8	19.2
First Industrial Realty Trust Inc.	2,457	2.3%	16.4	21.9
Duke Realty Corporation	7,257	3.2%	17.9	19.9
Liberty Property Trust	5,155	5.5%	12.8	17.7
First Potomac Realty Trust	691	5.1%	11.7	17.4
Rexford Industrial Realty, Inc.	832	3.4%	18.7	22.8
STAG Industrial, Inc.	1,366	6.8%	13.3	13.3
Terreno Realty Corp.	953	2.9%	21.9	29.6
Cell Tower REITs				
American Tower Corporation	41,020	1.9%	22.6	19.3
Crown Castle International Corp.	27,759	4.0%	18.8	19.4
Data Centre REITs				
CoreSite Realty Corporation	1,489	3.1%	11.2	13.6
Cyrusone Inc.	2,264	3.6%	15.4	15.1
DuPont Fabros Technology, Inc.	1,952	5.7%	9.9	9.1
Digital Realty Trust Inc.	10,573	4.7%	14.5	18.6
Equinix, Inc.	16,709	2.6%	23.2	19.2
QTS Realty Trust, Inc.	1,815	2.9%	18.3	19.1
Billboard REITs				
Lamar Advertising Co.	5,447	4.9%	12.5	12.7
Outfront Media Inc.	3,239	6.0%	11.7	11.9
Prison REITs				
Corrections Corporation of America	3,514	7.1%	11.2	11.4
The GEO Group, Inc.	2,347	7.8%	11.5	9.5
Median - Storage REITs		*2.9%*	*22.8*	*24.1*
Median - Industrial REITs		*3.4%*	*16.4*	*20.7*
Median - Cell tower REITs		*3.0%*	*20.7*	*19.4*
Median - Data centre REITs		*3.4%*	*15.0*	*16.9*
Median - Billboard REITs		*5.5%*	*12.1*	*12.3*
Median - Prison REITs		*7.5%*	*11.4*	*10.5*

Source: S&P Capital IQ (data as at 20 October 2015); KPMG Corporate Finance analysis

A brief description of each of these REIT categories is outlined below.

Storage REITs

Storage REITs own, develop, and operate self-storage facilities which are leased for personal and commercial use, often on short term (month-to-month) contracts. Storage REITs also typically offer ancillary services including tenant reinsurance, and merchandise sales, however ancillary revenue tends not to be a key source of revenue compared to some other REIT groups including Data Centres and Prisons. The majority of the storage stores are owned, and typically, the REITs have little, or no international exposure outside of the US. The US storage REIT industry is highly fragmented, with the majority of self-storage facilities owned by smaller, local operators. This provides the larger listed storage REITs with scale advantages over the smaller market players, and future opportunities for further industry consolidation.

Industrial REITs

Industrial REITs own, develop, manage, and lease industrial properties including warehousing, distribution, service and manufacturing facilities. Industrial REITs derive the majority of income from rental agreements with customers, some of which also include reimbursements for operating costs. The level of ancillary services provided by Industrial REITs is typically not significant. Some of the comparable REITs included in our list also own and operate retail and office properties. Tenants often lease industrial property space under medium term contracts (around 4 to 6 years). The majority of the industrial properties are owned, and typically, the REITs operate only within the US, although some have more significant international portfolios.

Cell Tower REITs

Cell tower REITs own, operate and lease shared wireless infrastructure, which is predominantly multi-tenant towers. The core business for Cell Tower REITs is comprised of site rental activities, with ancillary services being offered in the form of installation of tenant equipment, subsequent augmentation, and other site development services. Ancillary services contributed 18.5%, and 2.3% of total revenue for Crown Castle International Corp., and American Tower Corporation, respectively in CY14. Tenants who lease tower space operate in a broad range of industries including wireless service providers, radio and television broadcasters, data providers, government agencies, and municipalities. Tower space is typically leased via long-term contracts (around 15 to 20 years). In the majority of instances, the REITs lease the land on which the wireless infrastructure is located. Crown Castle International Corp. almost exclusively operates in the US, while American Tower Corporation has more substantial international operations, generating approximately 33.3% of its CY14 revenue outside of the US.

Data Centre REITs

Data centre REITs own, manage and lease data centre facilities. Data centres are specialised and secure buildings that protect and ensure the continued operation of information technology infrastructure, including servers, storage devices, switches, routers, and fibre optic transmission equipment. Data centres serve customers in a broad range of industries, providing power, cooling and network connectivity to operate the housed equipment. In addition to providing colocation (rental of space for computer hardware), data centres typically provide technical services to tenants, such as interconnection services, and managed IT infrastructure services including installation of customer equipment and cabling, monitoring, rebooting, power cycling, and emergency equipment replacement. The majority of the data centre properties are owned, and most of the REITs operate only within the US, whilst some also have international exposure.

Billboard REITs

Billboard REITs lease space on out-of-home advertising structures and sites, which comprise transit advertising space, and billboards. Billboards are principally located on heavily travelled highways and roadways, and transit advertising relates to space on the exterior and interior of public transportation vehicles, transit shelters and benches. Transit advertising displays are generally leased under multi-year contracts with municipalities, while billboard displays are generally leased under short term contracts. Billboard REITs provide ancillary services including pre-campaign category research, creative design support, placement and maintenance, and post-campaign tracking and analytics. The Billboard REITs lease the majority of property sites beneath their advertising structures, and predominantly operate in the US market, with a small degree of international exposure.

Prison REITs

Prison REITs provide government outsourced services through their ownership, leasing and operation of a range of correctional and detention facilities including prisons, detention centres, and community based re-entry facilities. The Prison REITs own the majority of properties on which the facilities are located, while they also manage a small number of facilities owned by government agencies. In addition to housing inmates, prison REITs offer a range of services including prisoner transportation, security, supervision, rehabilitation, education, religious services, life skills and employment training, substance abuse treatment, food services, work and recreational programs, and healthcare. Corrections Corporation of America operates exclusively in the US, whilst The GEO Group, Inc. has international operations outside of the US which contributed approximately 15.0% of CY14 revenue.

Appendix 6 – Discount Rate

Where cash flow forecasts consist of free cash flows to all providers of funding, the WACC is commonly employed as the basis for determining an appropriate discount rate. For the purposes of our high-level DCF analysis, we have adopted a WACC for Recall in the range of 7.0% to 7.5%, which we consider appropriately reflects the expected return of a hypothetical prudent purchaser, based upon the perceived risks associated with an investment in Recall's business operations.

The WACC represents an estimate of the weighted average required return from both debt holders and equity investors. The WACC calculation is typically based on the assumptions of:

- a constant optimal capital structure
- interest payments on debt being tax deductible.

The WACC is derived using the following formula:

WACC = [Kd * Wd * (1-t)] + [Ke * We]

Table 48: WACC parameters

Parameter	Description
Kd	Cost of debt
Wd	Percentage of debt in capital structure
Ke	Cost of equity
We	Percentage of equity in capital structure
t	Company tax rate

Source: *KPMG Corporate Finance analysis*

The cost of equity is derived using a modified Capital Asset Pricing Model (CAPM) as follows:

Ke = Rf + ß * (Rm - Rf) + α

Table 49: Cost of equity parameters

Parameter	Description
Rf	Risk free rate, representing the return on risk-free assets
Rm	Market rate of return, representing the expected average return on a market portfolio
(Rm - Rf)	Market risk premium, representing the excess return that a market portfolio is expected to generate over the risk free rate
β	Beta factor, being a measure of the systematic risk of a particular asset relative to the risk of a market portfolio
α	Specific risk factor, which may be included to compensate for risks which are not adequately captured in the other parameters

Source: KPMG Corporate Finance analysis

The selection of the appropriate discount rate to apply to the forecast cash flows of any asset or business operation is fundamentally a matter of judgement rather than a precise calculated outcome. Whilst there is commonly adopted theory that provides a framework for the derivation of an appropriate discount rate, it is important to recognise that given the level of subjectivity involved, the calculated discount rate should be treated as broad guidance rather than objective truth. Furthermore, discount rate assessments need to consider both current market conditions and future expectations, and to the extent that there are any changes in conditions and expectations over time, an adjustment to the discount rate at a future point in time may be warranted.

Given the forecast cash flows are denominated in US$, we have utilised the following parameters reflective of the US capital markets environment in determining an appropriate WACC range for Recall.

Table 50: Selected WACC parameters

Parameter	Input	Description
Kd	5.0% – 6.0%	In selecting a market benchmark cost of debt, we have considered the yield on US$ denominated BB-rated corporate bonds in terms of the spot rate, average yields, the overall trend in those yields and the volatility of these yields. We have also considered the current debt funding structure of Recall and Iron Mountain. The selected cost of debt range represents the long-term 'all-in' rate, including an allowance for upfront/refinance costs.
Wd We	30% 70%	Based on Recall's target gearing range and the gearing observed for comparable companies. We note that the sensitivity of the overall WACC to changes in the selected gearing is relatively low.
t	35%	Based on Recall's effective global tax rate.
Rf	2.9%	The risk free rate has been selected by reference to the spot yield on 30 year US Treasury Bonds at 20 October 2015
(Rm - Rf)	6.0%	A market risk premium of 6.0% is regarded as appropriate by KPMG Corporate Finance for the current long-term investment climate in the US. It also falls within the range of market risk premiums commonly adopted by valuation practitioners in the US, and is supported by published studies and surveys analysing market risk premiums for the US.
β	0.75 – 0.80	The selected beta has been referenced to the 2-year and 5-year unlevered betas of comparable companies as detailed in Appendix 5.

Source: KPMG Corporate Finance analysis, S&P Capital IQ

Appendix 7 – Glossary

Abbreviation	Description
AFFO	Adjusted funds from operations
APESB	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the financial market that it operates (that is the Australian Securities Exchange), as the context requires
ATO	Australia Taxation Office
A$/US$	Australian dollar US dollar exchange rate
Business Day	A weekday on which trading banks in Sydney and New York are open for trading and the ASX and NYSE are open for trading
CAPM	Capital asset pricing model
Cash Alternative	In respect of a Recall Share, the Australian dollar equivalent of US$0.50 plus the Cash Base Amount (subject to the Scale Back Mechanism)
Cash Base Amount	In respect of a Recall Share, an amount equal to A$8.50 less the Australian dollar equivalent of US$0.50, subject to the Scale Back Mechanism
Cash Pool	The aggregate amount of the Cash Base Amounts available to satisfy Cash Elections, being A$225 million
Cash Supplement Amount	The Australian dollar equivalent of US$0.50 based on the A$/US$ exchange rate as at the Record Date (the Cash Supplement Amount)
CDI	A CHESS depository interest, being a unit of beneficial interest in shares of a foreign company registered in the name of the CDI Nominee
CDI Nominee	CHESS Depository Nominees Pty Limited (ACN 071 346 506)
CHESS	The clearing house electronic subregister system of share transfers operated by ASX Settlement.
CGT	Capital gains tax
Combined Group	The combined Recall Group and Iron Mountain Group following implementation of the Scheme
Corporations Act, or the Act	Corporations Act 2001 (Cth)
CY	Calender year
DCF	Discounted cash flow
DMS	Document management solutions
DPS	Document protection services
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Effective Date	The date on which the Scheme becomes effective
EPS	Earnings per share
FIRB	Foreign Investment Review Board
FFO	Funds from operations as defined by the NAREIT, as net income excluding gains and losses on the sale or write-down of real estate assets plus depreciation on real estate assets
FOP 1	Recall's first Facility Optimisation Program
FOP 2	Recall's second Facility Optimisation Program
FY	Financial year ended 30 June
IER	Independent Expert's Report
Ineligible Foreign Shareholder	Ineligible Foreign Shareholder as defined in the Scheme Booklet
Iron Mountain	Iron Mountain Incorporated

Abbreviation	Description
Iron Mountain Group	Iron Mountain and its related bodies corporate
Iron Mountain Share	A validly issued, fully paid and non-assessable share of Iron Mountain common stock
IRS	Internal Revenue Service
KPMG Corporate Finance	KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division)
KMP	Key management personnel
Listing Rules	The listing rules of the ASX
LTM	Last twelve months of available financial information
n/a	Not available
NAREIT	National Association of Real Estate Investment Trusts
NASDAQ	NASDAQ Stock Market
New Iron Mountain Security	A New Iron Mountain Share or New Iron Mountain CDI (as applicable) to be issued as Scheme Consideration
NPAT	Net profit after tax
NYSE	New York Stock Exchange
OIBDA	Operating income before depreciation and amortisation
PLR	Private letter ruling
QRS	Qualified REIT subsidiaries
Recall	Recall Holdings Limited (ABN 27 116 537 832)
Recall Group	Recall and its subsidiaries
Recall Performance Right	A performance right in respect of a Recall Share granted under the Recall Performance Share Plan prior to 8 June 2015
Recall Share	A fully paid ordinary share in the issued capital of Recall
Recall Shareholder	Each person who is recorded in the Recall Share Register as the legal holder of a Recall Share
Record Date	5.00pm (Sydney time) on the fifth Business Day after the Effective Date, or such later date as may be agreed to in writing by Iron Mountain and Recall, being the date and time which determines the entitlement of Recall Shareholders to Scheme Consideration for implementation of the Scheme
REIT	Real estate investment trust
RG 111	Regulatory Guide 111 'Content of expert reports'
TRS	Taxable REIT subsidiary
Scheme	The members' scheme of arrangement under Part 5.1 of the Corporations Act between Recall and the Recall Shareholders pursuant to which Recall Shareholders will transfer each of their Recall Shares to a wholly owned Australian subsidiary of Iron Mountain in exchange for the Scheme Consideration
Scheme Booklet	The document dated 23 October 2015 provided to Recall Shareholders regarding the Scheme, including all of the appendices and forms which accompany the document
Scheme Consideration	The consideration to be provided by Iron Mountain to Recall Shareholders under the Scheme for the transfer of each Recall Share held on the Record Date
SDS	Secure destruction services
SEC	Securities and Exchange Commission
Standard Consideration	0.1722 New Iron Mountain Securities plus the Cash Supplement Amount
UK	United Kingdom
US	United States of America
VWAP	Volume weighted average price
WACC	Weighted average cost of capital

KPMG Corporate Finance
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Part Two – Financial Services Guide

Dated 23 October 2015

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by KPMG Financial Advisory Services (Australia) Pty Ltd **ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Corporate Finance is a division) **(KPMG Corporate Finance)** and Mr Ian Jedlin as an authorised representative of KPMG Corporate Finance, authorised representative number 404177 and Mr Sean Collins as an authorised representative of KPMG Corporate Finance, authorised representative number 404189 **(Authorised Representative)**.

This FSG includes information about:

- KPMG Corporate Finance and its Authorised Representative and how they can be contacted
- the services KPMG Corporate Finance and its Authorised Representative are authorised to provide
- how KPMG Corporate Finance and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Corporate Finance and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and the compensation arrangements that KPMG Corporate Finance has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Corporate Finance.
This FSG forms part of an Independent Expert's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Corporate Finance and the Authorised Representative are authorised to provide

KPMG Corporate Finance holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investment schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Corporate Finance to provide financial product advice on KPMG Corporate Finance's behalf.

KPMG Corporate Finance and the Authorised Representative's responsibility to you

KPMG Corporate Finance has been engaged by Recall Holdings Limited (Client) to provide general financial product advice in the form of a Report to be included in Scheme Booklet (Document) prepared by the Client in relation to scheme of arrangement involving Iron Mountain Incorporated (Transaction).
You have not engaged KPMG Corporate Finance or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Corporate Finance nor the Authorised Representative are acting for any person other than the Client.
KPMG Corporate Finance and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Corporate Finance has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.
You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.
You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Corporate Finance may receive and remuneration or other benefits received by our representatives

KPMG Corporate Finance charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG Corporate Finance $450,000 for preparing the Report. KPMG Corporate

Finance and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.
KPMG Corporate Finance officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Corporate Finance's representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.
Further details may be provided on request.

Referrals

Neither KPMG Corporate Finance nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Corporate Finance is controlled by and operates as part of the KPMG Partnership. KPMG Corporate Finance's directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Corporate Finance and the Authorised Representative and not by the KPMG Partnership.
From time to time KPMG Corporate Finance, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.
KPMG entities have provided, and continue to provide, a range of tax and advisory services to the Client and to the Australian subsidiary of Iron Mountain Incorporated for which professional fees are received. Over the past two years professional fees of $219,370 and $123,848 have been received from the Client and the Australian subsidiary of Iron Mountain Incorporated respectively. None of those services have related to the transaction or alternatives to the transaction.
No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Corporate Finance or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.
Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Corporate Finance or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.
Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:
Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001
Telephone: 1300 78 08 08
Facsimile: (03) 9613 6399 Email: info@fos.org.au.
The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Corporate Finance has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Corporate Finance or the Authorised Representative using the contact details:
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APPENDIX 2
Investigating Accountant's Report

The Directors
Recall Holdings Limited
697 Gardeners Road
Alexandria NSW 2015
Australia

The Directors
Iron Mountain Incorporated
One Federal Street
Boston MA 02110
USA

23 October 2015

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on Recall, Iron Mountain and the Combined Group historical and pro forma historical financial information and Financial Services Guide

We have been engaged by Recall Holdings Limited (**Recall**) and Iron Mountain Incorporated (**Iron Mountain**) (collectively, the **Companies**) to report on the adjusted and pro forma historical financial information of the Companies and the Merged Group (as described in the Scheme Booklet) for inclusion in the Scheme Booklet dated on or about 23 October 2015 and relating to the proposed transaction under which the shares of Recall will be acquired by Iron Mountain by way of a scheme of arrangement (**Merger**).

Expressions and terms defined in the Scheme Booklet have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
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Scope

Financial Information

You have requested PricewaterhouseCoopers Securities Ltd to review the following historical and pro forma historical financial information of Recall, Iron Mountain and the Combined Group (as described in the Scheme Booklet) following the implementation of the Merger included in the Scheme Booklet:

a. **Recall Pro Forma Historical Financial Information** being the:

   i. Recall Balance Sheet as at 30 June 2015;
   ii. Recall Pro Forma Historical Income Statements for the years ended 30 June 2013, 30 June 2014 and 30 June 2015; and
   iii. Recall Pro Forma Historical Cash Flow Statements for the years ended 30 June 2013, 30 June 2014 and 30 June 2015.

   Recall management has made a number of adjustments, primarily to remove the impact of significant items, which are defined by paragraph 15(v)(iii) of ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as pro forma in nature.

b. **Iron Mountain Historical Financial Information** being the:

   i. Iron Mountain Balance Sheet as at 30 June 2015;
   ii. Iron Mountain Historical Income Statements for the years ended 31 December 2013 and 31 December 2014 and the half-year ended 30 June 2015; and
   iii. Iron Mountain Historical Cash Flow Statements for the years ended 31 December 2013 and 31 December 2014 and half-year ended 30 June 2015.

c. **Pro Forma Historical Financial Information for the Combined Group** being the:

   i. Pro Forma Historical Balance Sheet for the Combined Group as at 30 June 2015;
   ii. Pro Forma Historical Income Statements for the Combined Group for the year ended 31 December 2014 and the half-year ended 30 June 2015; and
   iii. Pro Forma Historical Cash Flow Statements for the Combined Group for the year ended 31 December 2014 and the half-year ended 30 June 2015.

(collectively **Financial Information**).

The Financial Information has been prepared in accordance with the stated basis of preparation, being:

a. The **Recall Pro Forma Historical Financial Information** has been derived from Recall's financial reports for the years ended 30 June 2014 and 30 June 2015 and the half-year ended 31 December 2014 (the **Recall Financial Reports**), after adjusting for the effects of pro forma adjustments described in section 9.4 of the Scheme Booklet. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and Recall's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 9.4 of the Scheme Booklet, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Recall Pro Forma Historical Financial Information does not represent Recall's actual or prospective financial position, financial performance, and/or cash flows. The Recall financial reports for the years ended 30 June 2014 and 30 June 2015 were audited and the financial reports for the half year ended 31 December 2014 reviewed by PricewaterhouseCoopers in accordance with the Australian Auditing Standards. PricewaterhouseCoopers issued unmodified audit and review opinions, as appropriate on the Recall financial reports.

b. The **Iron Mountain Historical Financial Information** has been derived from Iron Mountain's financial reports for the years ended 31 December 2013 and 31 December 2014 and the quarter ended 30 June 2015 (the **Iron Mountain Financial Reports**). The stated basis of preparation is the recognition and measurement principles contained in Accounting Principles Generally Accepted in the United States (**US GAAP**) and Iron Mountain's adopted accounting polices applied to the historical financial information, as described in section 10.11 of the Scheme Booklet. Due to its nature, the Iron Mountain Historical Financial Information does not represent Iron Mountain's prospective financial position, financial performance, and/or cash flows. The Iron Mountain financial reports for the years ended 31 December 2013 and 31 December 2014 were audited by Deloitte & Touche LLP in accordance with the standards of the Public Company Accounting Oversight Board (United States). Deloitte & Touche LLP issued an unqualified audit opinion on the Iron Mountain financial report for the years ended 31 December 2013 and 31 December 2014. Deloitte & Touche LLP performs reviews of Iron Mountain's interim financial statements filed with the Securities Exchange Commission (SEC) in accordance with the standards of the Public Company Accounting Oversight Board (United States).

c. The **Pro Forma Historical Financial Information for the Combined Group** has been derived from Recall's Financial Reports and Iron Mountain's Financial Reports, after adjusting for the effects of pro forma adjustments described in section 11.9 of the Scheme Booklet. The stated basis of preparation is the recognition and measurement principles contained in US GAAP and Iron Mountain's adopted accounting polices applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 11.9 of the Scheme Booklet, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information for the Combined Group does not represent the Combined Group's actual or prospective financial position, financial performance, and/or cash flows.

The Financial Information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' responsibility

As described in sections 9.4, 10.11 and 11.9 in the Scheme Booklet responsibility for the Financial Information is as follows:

- the directors of Recall are responsible for the preparation of the Recall Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of adjustments included in the Recall Pro Forma Historical Financial Information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the Recall directors determine are necessary to enable the preparation of Recall Pro Forma Historical Financial Information that are free from material misstatement.

- the directors of Iron Mountain are responsible for the preparation of the Iron Mountain Historical Financial Information, including its basis of preparation and the selection and determination of adjustments included in the Iron Mountain Historical Financial Information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the Iron Mountain directors determine are necessary to enable the preparation of the Iron Mountain Historical Financial Information that are free from material misstatement.

- the directors of Iron Mountain are responsible for the preparation of the Pro Forma Historical Financial Information for the Combined Group, including its basis of preparation and the selection and determination of pro forma adjustments included in the Pro Forma Historical Financial Information for the Combined Group. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of Pro Forma Historical Financial Information for the Combined Group that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

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Conclusions

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Financial Information as described in sections 9.4, 10.11 and 11.9 of the Scheme Booklet, and comprising:

a. **Recall Pro Forma Historical Financial Information** being the:

   i. Recall Balance Sheet as at 30 June 2015;
   ii. Recall Pro Forma Historical Income Statements for the years ended 30 June 2013, 30 June 2014 and 30 June 2015; and
   iii. Recall Pro Forma Historical Cash Flow Statements for the years ended 30 June 2013, 30 June 2014 and 30 June 2015.

   Recall management has made a number of adjustments, primarily to remove the impact of significant items, which and are defined by paragraph 15(v)(iii) of ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as pro forma in nature.

b. **Iron Mountain Historical Financial Information** being the:

   i. Iron Mountain Balance Sheet as at 30 June 2015;
   ii. Iron Mountain Historical Income Statements for the years ended 31 December 2013 and 31 December 2014 and the half-year ended 30 June 2015; and
   iii. Iron Mountain Historical Cash Flow Statements for the years ended 31 December 2013 and 31 December 2014 and the half-year ended 30 June 2015.

c. **Pro Forma Historical Financial Information for the Combined Group** being the:

   i. Pro Forma Historical Balance Sheet for the Combined Group as at 30 June 2015;
   ii. Pro Forma Historical Income Statements for the Combined Group for the year ended 31 December 2014 and the half-year ended 30 June 2015; and
   iii. Pro Forma Historical Cash Flow Statements for the Combined Group for the year ended 31 December 2014 and the half-year ended 30 June 2015.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in sections 9.4, 10.11 and 11.9 of the Scheme Booklet being:

a. in the case of the Recall Pro Forma Historical Financial Information, the recognition and measurement principles contained in Australian Accounting Standards and Recall's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 9.4 of the Scheme Booklet, as if those events or transactions had occurred as at the date of the historical financial information;

b. in the case of the Iron Mountain Historical Financial Information, the recognition and measurement principles contained in US GAAP and Iron Mountain's adopted accounting policies applied to the historical financial information, as described in section 10.11 of the Scheme Booklet; and

c. in the case of the Pro Forma Historical Financial Information for the Combined Group, the recognition and measurement principles contained in US GAAP and Iron Mountain's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 11.9 of the Scheme Booklet, as if those events or transactions had occurred as at the date of the historical financial information.

Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to section 11.9 of the Scheme Booklet, which describes the purpose of the financial information, being for inclusion in the Scheme Booklet. As a result, the financial information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Scheme Booklet. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Scheme Booklet.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

Sean Gregory
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 23 October 2015

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) (**PwC Securities**) has been engaged by Recall Holdings Limited (**Recall**) and Iron Mountain Incorporated (**Iron Mountain**) to provide a report in the form of an *Independent Accountant's Report* in relation to the proposed transaction under which the shares of Recall will be acquired by Iron Mountain by way of a scheme of arrangement (the **Report**) for inclusion in the Scheme Booklet dated on or around 23 October 2015.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide (**FSG**) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement

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with the person who engages us. In the preparation of this Report our fees are charged on an hourly basis and as at the date of this Report amount to A$1.0m.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business. PricewaterhouseCoopers is the auditor of Recall.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service ("**FOS**"), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.

8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Sean Gregory
201 Sussex Street, Sydney, NSW, 2000

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APPENDICES

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Iron Mountain Incorporated

Iron Mountain Acquisition Holdings Pty Ltd

Deed Poll

Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia
T +61 2 9230 4000
F +61 2 9230 5333
www.allens.com.au

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This Deed Poll is made on 19 October 2015

By

1 **Iron Mountain Incorporated** of One Federal Street, Boston, Massachusetts 02110 (***Iron Mountain***).

2 **Iron Mountain Acquisition Holdings Pty Ltd** (ACN 608 590 521) of Level 1, 785 Toorak Road, Hawthorne East, Victoria Australia 3123 (***Iron Mountain Sub***).

in favour of each holder of fully paid ordinary shares in Recall Holdings Limited (ABN 27 116 537 832) (***Recall***) as at the Record Date.

Recitals

A Iron Mountain and Recall have entered into the Implementation Deed.

B In the Implementation Deed, Iron Mountain agreed to enter into this deed poll.

C Iron Mountain and Iron Mountain Sub are entering into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their obligations under the Implementation Deed and the Scheme.

This Deed Poll provides as follows:

1 Definitions and Interpretation

1.1 Definitions

In this deed poll:

(a) ***Implementation Deed*** means the scheme implementation deed entered into between Iron Mountain and Recall dated 8 June 2015;

(b) ***Scheme*** means the scheme of arrangement under Part 5.1 of the Corporations Act between Recall and the Scheme Shareholders, the form of which is attached to this deed poll, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Iron Mountain, Iron Mountain Sub and Recall; and

(c) unless the context otherwise requires, terms defined in the Implementation Deed or the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Clause 1.2 of the Implementation Deed applies to the interpretation of this deed poll, except that references to “Implementation Deed” or “Deed” are to be read as references to “deed poll”.

1.3 Nature of deed poll

Iron Mountain and Iron Mountain Sub acknowledge that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

2 Conditions to obligations

(a) The obligations of Iron Mountain and Iron Mountain Sub under this deed poll are subject to the Scheme becoming Effective.

(b) The obligations of Iron Mountain and Iron Mountain Sub under this deed poll to Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no further force or effect if:

(i) the Implementation Deed is terminated in accordance with its terms; or

(ii) the Scheme is not Effective by the End Date.

(c) If this deed poll is terminated under clause 2(b), in addition and without prejudice to any other rights, powers or remedies available to it:

(i) Iron Mountain and Iron Mountain Sub are released from their obligations to further perform this deed poll except those obligations under clause 6.2; and

(ii) each Scheme Shareholder retain any rights they have against Iron Mountain and Iron Mountain Sub in respect of any breach of this deed poll which occurred before it was terminated.

3 Consideration under the Scheme

3.1 Undertaking to issue and pay the Scheme Consideration

Subject to clause 2, Iron Mountain and Iron Mountain Sub undertake in favour of each Scheme Shareholder to:

(a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and

(b) undertake all other actions attributed to it under the Scheme,

subject to and in accordance with the Scheme.

3.2 Shares to rank equally

Iron Mountain and Iron Mountain Sub covenant in favour of each Scheme Shareholder that the New Iron Mountain Shares which are issued to each Scheme Shareholder and CDN in accordance with the Scheme will:

(a) rank equally with all existing Iron Mountain Shares; and

(b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4 Warranties

Iron Mountain and Iron Mountain Sub represent and warrant that:

(a) it is a corporation validly existing under the laws of Delaware (in the case of Iron Mountain) and Australia (in the case of Iron Mountain Sub);

(b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll; and

(d) this deed poll is valid and binding on it.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

(a) Iron Mountain and Iron Mountain Sub have fully performed its obligations under this deed poll; or

(b) the earlier termination of this deed poll under clause 2(b).

6 General

6.1 Notices

Any notice under this deed poll to Iron Mountain or Iron Mountain Sub:

(a) must be in legible writing;

(b) must be in English; and

(c) must be addressed as shown below:

(i) Iron Mountain Incorporated/ Iron Mountain Acquisition Holdings Pty Ltd
One Federal Street
Boston, Massachusetts, 02110
Attention: Ernest W. Cloutier
email: ernest.cloutier@ironmountain.com

Copy to: Minter Ellison
Governor Macquarie Tower, 1 Farrer Place
Sydney NSW 2000
Australia
Attention: Costas Condoleon
Fax: 61 2 9921 8174

Copy to: Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Michael J. Aiello
Fax: 212-310-8007

(d) must be delivered or sent by email to the email address, of the addressee, in accordance with clause; and

(e) is regarded as received by the addressee:

(i) if emailed, when a delivery confirmation report is received by the sender which records the time that the email was delivered to the addressee's email address (unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee), unless it is not a Business Day in the place of receipt, or is after 5pm on a Business Day in the place of receipt, when that communication will be regarded as received at 9am on the next Business Day in the place of receipt; and

(ii) if delivered by hand, on delivery at the address of the addressee as provided in this clause, unless delivery is not made on a Business Day, or after 5pm on a Business Day, when that communication will be regarded as received at 9am on the next Business Day.

6.2 Stamp duty

Iron Mountain will:

(a) pay all stamp duties and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and

(b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 6.2(a).

6.3 Governing law and jurisdiction

(a) This deed poll is governed by the laws of New South Wales.

(b) Iron Mountain and Iron Mountain Sub irrevocably submit to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts. Iron Mountain and Iron Mountain Sub irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

6.4 Waiver

Iron Mountain and Iron Mountain Sub may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver

6.5 Variation

A provision of this deed poll may not be varied unless the variation is agreed to by Recall, and the Court indicates that the variation would not of itself preclude approval of the Scheme, in which event Iron Mountain and Iron Mountain Sub will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation

6.6 Cumulative rights

The rights, powers and remedies of Iron Mountain and Iron Mountain Sub and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

6.7 Assignment

(a) The rights created by this deed poll are personal to Iron Mountain and Iron Mountain Sub and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Iron Mountain.

(b) Any purported dealing in contravention of clause 6.7(a) is invalid.

6.8 Further action

Iron Mountain and Iron Mountain Sub must, at their own expense, do all things and execute all documents necessary to give effect to this deed poll.

Executed and delivered as a Deed.

Executed as a deed by **Iron Mountain Incorporated**:

Director Signature	Director/Secretary Signature
William L. Meaney	**Ernest W. Cloutier**
Print Name	Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Iron Mountain Acquisition Holdings Pty Ltd:**

Director Signature	Director/Secretary Signature
Ernest W. Cloutier	WONI ARDI
Print Name	Print Name

Annexure

Scheme of arrangement

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Iron Mountain Incorporated

Recall Holdings Limited

Scheme of Arrangement

Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia
T +61 2 9230 4000
F +61 2 9230 5333
www.allens.com.au

Scheme of arrangement

This scheme of arrangement is made under section 411 of the Corporations Act 2001 (Cth)

Between the parties

1 Recall Holdings Limited (ABN 27 116 537 832) of 697 Gardeners Road, Alexandria, Sydney, Australia (***Recall***)

2 The holders of fully paid ordinary shares in Recall recorded in the Recall Share Register as at the Record Date (***Scheme Shareholders***).

1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this Scheme are set out below.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.

Business Day means a weekday on which trading banks in Sydney and New York are open for trading and the ASX and the NYSE are open for trading.

Cash Election is defined in clause 4.4(a).

Cash Election Form is defined in clause 4.4(a).

CDN means CHESS Depositary Nominees Pty Limited ACN 071 346 506.

CHESS means the clearing house electronic sub register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Court means the Federal Court of Australia, Sydney Registry or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Iron Mountain and Recall.

Deed Poll means the deed poll dated 19 October 2015 under which Iron Mountain and Iron Mountain Sub covenant in favour of the Scheme Shareholders to perform their obligations under the Scheme.

Effective means when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date has the meaning given in the Implementation Deed.

Fixed Register Date means the date which is three trading days on the ASX after the date of the Implementation Deed.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.

Implementation Date means the fourth calendar day after the Record Date, or such other day as the parties agree.

Implementation Deed means the implementation deed dated 8 June 2015 between Recall and Iron Mountain relating to the implementation of the Scheme.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address shown in the Recall Share Register is a place which Iron Mountain reasonably determines is a place that it is unlawful or unduly onerous to issue that Scheme Shareholder with New Iron Mountain Shares when the Scheme becomes Effective (provided that a Scheme Shareholder whose address shown in the Recall Share Register is within Australia and its external territories, New Zealand, United Kingdom (provided further that such Scheme Shareholder certifies to the reasonable satisfaction of Iron Mountain that such Scheme Shareholder is a "qualified investor" as defined in Article 2.1(e) of the EU Prospectus Directive), Hong Kong, Singapore, Canada or the United States will not be an Ineligible Foreign Shareholder). For the avoidance of doubt, any Scheme Shareholder whose address shown in the Recall Share Register is within the United Kingdom that does not certify to the reasonable satisfaction of Iron Mountain that such Scheme Shareholder is a "qualified investor" as defined in Article 2.1(e) of the EU Prospectus Directive will be considered an Ineligible Foreign Shareholder.

Iron Mountain means Iron Mountain Incorporated of One Federal Street, Boston, Massachusetts 02110.

Iron Mountain Group means Iron Mountain and each of its subsidiaries and a reference to a 'Iron Mountain Group Member' or a 'member of the Iron Mountain Group' is to Iron Mountain or any of its subsidiaries.

Iron Mountain Register means the register of shareholders maintained by Iron Mountain or its agent.

Iron Mountain Sub means Iron Mountain Acquisition Holdings Pty Limited (ACN 608 590 521), a wholly owned subsidiary of Iron Mountain.

New Iron Mountain CDI means CHESS Depositary Interest, being a unit of beneficial ownership in a new Iron Mountain Share registered in the name of CDN, to be issued under the Scheme.

New Iron Mountain Share means a new Iron Mountain Share to be issued under the Scheme.

Recall Registry means Link Market Services Limited (ACN 083 214 537).

Recall Share means a fully paid ordinary share in Recall.

Recall Shareholder means a person who is recorded in the Recall Share Register as the holder of one or more Recall Shares.

Recall Share Register means the register of members of Recall maintained in accordance with the Corporations Act.

Record Date means 5pm on the fifth Business Day after the Effective Date.

Sale Agent means a person appointed by Iron Mountain (after consultation with Recall and with Recall's approval, not to be unreasonably withheld) to sell the New Iron Mountain Shares that are to be issued under clause 4.6(a) of this Scheme.

Scheme means this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Recall and Iron Mountain.

Scheme Booklet means as defined in the Implementation deed.

Scheme Consideration means the consideration to be provided by the Iron Mountain to each Scheme Shareholder for the transfer to Iron Mountain Sub of each Scheme Share, as determined in accordance with clause 4.3.

Scheme Meeting means the meeting of Recall Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Share means a Recall Share held by a Scheme Shareholder as at the Record Date.

Scheme Shareholder means a holder of fully paid ordinary shares in Recall recorded in the Recall Share Register as at the Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard.

subsidiary has the meaning set out in the Corporations Act.

1.2 Interpretation

In this Scheme:

(a) Headings and bold type are for convenience only and do not affect the interpretation of this Scheme.

(b) The singular includes the plural and the plural includes the singular.

(c) Words of any gender include all genders.

(d) Other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning.

(e) An expression importing a person includes any company, partnership, joint venture, association, corporation, limited liability company or other body corporate and any Government Agency as well as an individual.

(f) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme and a reference to this Scheme includes any schedule, attachment and exhibit.

(g) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re enactments of any of them.

(h) A reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document.

(i) a reference to 'Australian dollar equivalent' shall mean the amount in Australian dollars based on the mid-point of the buy/sell price quoted in the Australian Financial Review (print edition) on the Record Date (or if it is not published on that day, then the mid-point of the buy/sell price quoted in the Australian Financial Review when it is next published in a print.

(i) A reference to '$' or 'dollar' is to Australian currency.

(j) A reference to 'US$' is to the lawful currency of the United States of America.

(k) A reference to any time is a reference to that time in Sydney.

(l) A term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme.

(m) A reference to a party to a document includes that party's successors and permitted assignees.

(n) No provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision.

(o) A reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:

  (i) which ceases to exist; or

  (ii) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

1.3 Interpretation of inclusive expressions

Specifying anything in this scheme after the words ‘include’ or ‘for example’ or similar expressions does not limit what else is included.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

2 Preliminary matters

(a) Recall is a public company registered in New South Wales, Australia.

(b) As at 5 June 2015

  (i) 313,674,711 Recall Shares were on issue; and

  (ii) 7,094,336 Recall Performance Rights, of which 2,193,598 are Recall Retention rights, were on issue (which, under the terms of their issue, would vest upon Recall giving the holders of those rights notice of approval by the Court of this Scheme).

(c) Iron Mountain is a company governed under the laws of the State of Delaware.

(d) Iron Mountain Sub is a company registered under the laws of Australia.

(e) If the Scheme becomes Effective:

  (i) Iron Mountain will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with the Scheme; and

  (ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to Iron Mountain Sub and Recall will enter the name of Iron Mountain Sub in the Recall Share Register in respect of the Scheme Shares.

(f) Recall and Iron Mountain have agreed, by executing the Implementation Deed, to implement the Scheme.

(g) Iron Mountain and Iron Mountain Sub have agreed, by executing the Deed Poll, to perform their obligations under this Scheme, including the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders.

3 Conditions to the Scheme

(a) This Scheme is conditional on:

  (i) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8am on the Second Court Date;

(ii) subject to clause 8.1, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme have been satisfied or waived;

(iii) approval of this Scheme by the Court pursuant to section 411(4)(b) of the Corporations Act either unconditionally or on conditions consented to by Recall and Iron Mountain in accordance with clause 8.1; and

(iv) the Implementation Deed not having been terminated by either party to that deed before 8am on the Second Court Date.

(b) The satisfaction of the conditions precedent in clause 3(a) is a condition precedent to the operation of clause 4.

(c) The Scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the End Date or any later date Recall and Iron Mountain agree.

(d) Recall and Iron Mountain will provide to the Court at the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not the conditions precedent in the Implementation Deed and this Scheme (other than the condition in the Implementation Deed relating to Court approval of this Scheme) have been satisfied or waived as at 8am on the Second Court Date. The certificate constitutes conclusive evidence that such conditions precedent are satisfied, waived or taken to be waived.

4 Implementation of the Scheme

4.1 Lodgement of Court orders

Recall will lodge with ASIC office copies of the Court orders under section 411(10) of the Corporations Act approving the Scheme by 5pm on the first Business Day after the day on which the Court approves the Scheme, or such later date as Iron Mountain and Recall agree.

4.2 Transfer of Scheme Shares

On the Implementation Date:

(a) subject to the provision of the Scheme Consideration in the manner contemplated by this clause 4, all of the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to Iron Mountain Sub, without the need for any further act by any Scheme Shareholder, by:

(i) Recall effecting a valid transfer or transfer of the Scheme Shares to Iron Mountain Sub under section 1074D of the Corporations Act; or

(ii) if the procedure in clause 4.2(i) is not available for any reason:

(A) Recall delivering to Iron Mountain Sub duly completed and executed share transfer forms (or a master share transfer form), duly executed on behalf of the Scheme Shareholders by Recall, to transfer all the Scheme Shares to Iron Mountain Sub; and

(B) Iron Mountain Sub duly executing the share transfer forms (or master share transfer form), attending to the stamping of the share transfer forms (or master share transfer form) (if required) and delivering the share transfer forms (or master share transfer form) to Recall for registration; and

(b) immediately after receipt of the share transfer forms (or master share transfer form) in accordance with clause 4.2(a)(ii) or the transfer being effected under section 1074D of the Corporations Act (as the case may be), Recall must enter, or procure the entry of, the name of Iron Mountain Sub in the Recall Share Register in respect of all the Scheme Shares.

4.3 Scheme Consideration

(a) Subject to the terms and conditions of the Scheme, Iron Mountain will in consideration of the transfer to Iron Mountain Sub of each Recall Share held by a Scheme Shareholder under the terms of the Scheme, on the Implementation Date:

(i) procure that Iron Mountain Sub will accept that transfer; and

(ii) provide to each Scheme Shareholder the Scheme Consideration set out in clause 4.3(b) for the Scheme Shares held by that Scheme Shareholder on the Record Date, in accordance with the terms of this Scheme.

(b) Subject to the terms and conditions of this Scheme (including clause 4.7 relating to Ineligible Foreign Shareholders), the Scheme Consideration to be provided to each Scheme Shareholder will be:

(i) where that Scheme Shareholder has not made a valid Cash Election - the issue by Iron Mountain to that Scheme Shareholder of:

(A) (i) where the address of that Scheme Shareholder in the Recall Share Register is within Australia (subject to clause 4.3(c)) - 0.1722 of a New Iron Mountain CDI for each of their Scheme Shares or (ii) where the address of that Scheme Shareholder in the Recall Share Register is outside Australia (subject to clause 4.3(d)) - 0.1722 of a New Iron Mountain Share for each of their Scheme Shares and

(B) the Australian dollar equivalent of US$0.50 in cash for each of their Scheme Shares,

(ii) where that Scheme Shareholder has made a valid Cash Election:

(A) the Australian dollar equivalent of US$0.50 in cash for each of their Scheme Shares, and

(B) subject to the scale back provisions in clause 4.5, $8.50 (less the Australian dollar equivalent of US$0.50) cash for each of their Scheme Shares,

(c) If the address of a Scheme Shareholder in the Recall Share Register is within Australia and either:

(i) the condition precedent in clause 3.1(a)(iii) of the Implementation Deed is waived by Recall in accordance with the Deed; or

(ii) Recall in its discretion, following a written request from that Scheme Shareholder prior to the Record Date, determines to do so,

any Scheme Consideration which would otherwise be provided to that Scheme Shareholder in the form of New Iron Mountain CDIs is to be provided to that Scheme Shareholder in the form of New Iron Mountain Shares (or partly in the form of New Iron Mountain Shares and partly in the form of New Iron Mountain CDIs).

(d) If the address of a Scheme Shareholder in the Recall Share Register is outside Australia and Recall in its discretion, following a written request from that Scheme Shareholder prior to the Record Date, determines to do so, any Scheme Consideration which would otherwise be provided to that Scheme Shareholder in the form of New Iron Mountain Shares is to be provided in the form of New Iron Mountain CDIs (or partly in the form of New Iron Mountain CDIs and partly in the form of New Iron Mountain Shares).

(e) Where after the date of the Deed, Iron Mountain issues any Iron Mountain Shares under the exception in paragraph (e)(i) or (e)(iv) of the definition of "Iron Mountain Prescribed Occurrence", but does so at a price per share which is less than the VWAP of an Iron Mountain Share over the 10 consecutive trading days on the NYSE ending on the trading day on the NYSE before the date of issue (the Current Market Price per Share), the exchange ratio referred to in clause 4.2(b) and in the Scheme of 0.1722 of a New Iron Mountain Shares or New Iron Mountain CDIs for each Scheme Share will be adjusted by multiplying 0.1722 (or the exchange ratio which applies by virtue of an earlier application of this clause) by the following fraction:

A ÷ (B+C)

Where:

A is the number of Iron Mountain Shares on issue immediately after the issue of such additional Iron Mountain Shares;

B is the number of Iron Mountain Shares on issue immediately before the issue of such additional Iron Mountain Shares; and

C is the number of Iron Mountain Shares which the aggregate consideration (if any) received for the issue of such additional Iron Mountain Shares would purchase at the Current Market Price per Share.

4.4 Cash Election Mechanism

(a) A Scheme Shareholder (other than a Scheme Shareholder to whom the payment of cash consideration under the Scheme is prevented or prohibited by any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency) may make a valid cash election for the purposes of clause 4.3(b)(ii) by:

(i) completing a cash election form in the form accompanying the Scheme Booklet (a ***Cash Election Form***) in accordance with the instructions specified on the form or set out in the Scheme Booklet; and

(ii) returning the completed Cash Election Form so that it is received in accordance with the instructions by no later than 5:00 p.m. (Sydney time) on the Business Day following the Effective Date, subject to the Scheme Shareholder not having given notice in accordance with the instructions prior to the Record Date that it is withdrawing that election,

(a ***Cash Election***).

(b) Subject to clauses 4.4(d) and 4.5, any Cash Election which is made by a Scheme Shareholder will be deemed to apply to all of their Scheme Shares.

(c) For the avoidance of doubt, a Scheme Shareholder may make a valid Cash Election by complying with the procedure in clause 4.4(a) even though it has validly withdrawn one or more prior such elections.

(d) If a Scheme Shareholder holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, Recall may (at its sole discretion and subject to such conditions as it thinks fit) allow that Scheme Shareholder to make separate Cash Elections in relation to each of those parcels of Scheme Shares. For the purpose of calculating the Scheme Consideration to which that Scheme Shareholder is entitled in those circumstances, each such parcel of Scheme Shares will be treated as though it were held by a separate Scheme Shareholder, provided that:

(i) the aggregate cash consideration in respect of any such parcel of Scheme Shares will be determined under clause 4.5(b)(ii), unless Recall is satisfied that the underlying beneficial holder of such parcel was the underlying beneficial owner of that parcel as at the Fixed Register Date and continued to be the underlying beneficial owner of that parcel until the Record Date, in which case the aggregate cash consideration in respect of any such parcel of Scheme Shares will be determined under clause 4.4(b)(i); and

(ii) even if the requirement of the immediately preceding paragraph (i) is satisfied, the aggregate cash consideration in respect of any such parcel of Scheme Shares, and all other parcels of Scheme Shares which satisfy the requirement of the immediately preceding paragraph (i), will be determined under clause 4.5(b)(ii), rather than 4.5(b)(i), if the cash consideration payable in respect of all such parcels under 4.5(b)(i) would cause the total aggregate cash consideration payable to all relevant Scheme Shareholders to exceed $225,000,000.

(e) Subject to clause 4.4(f), an election which is not made or deemed to have been made in accordance with this clause 4.4 will not be a valid election for the purpose of the Scheme and will not be recognised by Recall, Iron Mountain Sub or Iron Mountain for any purpose.

(f) Recall may, with the agreement of Iron Mountain, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election, and any such decision will be conclusive and binding on Recall, Iron Mountain, Iron Mountain Sub and the relevant Scheme Shareholder.

4.5 Scale back

(a) This clause 4.5 applies if the valid Cash Elections made by Scheme Shareholders are such that the aggregate amount of cash consideration that would be required to be paid by Iron Mountain under clause 4.3(b)(ii)(B) exceeds $225,000,000.

(b) Where this clause applies, the aggregate cash consideration to which a Scheme Shareholder who has made a valid Cash Election would otherwise be entitled under clause 4.3(b)(ii)(B) will be as follows:

(i) if the relevant Scheme Shareholder was a Recall Shareholder as at the Fixed Register Date, that Scheme Shareholder will receive:

(A) $8.50 cash (less the Australian dollar equivalent of US$0.50) per Scheme Share for their first 5,000 Scheme Shares held by them as at the Fixed Register Date and which they continue to hold until the Record Date (or, where that Scheme Shareholder holds less than 5,000 such Scheme Shares, $8.50 cash (less the Australian dollar equivalent of US$0.50) per Scheme Share for the number of Scheme Shares held by that Scheme Shareholder as at the Fixed Register Date and which they continue to hold until the Record Date), provided that, if by using 5,000 as the relevant number in this clause 4.5(b)(i)(A), the total aggregate cash consideration which is payable to all relevant Scheme Shareholders under this clause 4.5(b)(i)(A) would exceed $225,000,000, the 5,000 number will be reduced to the extent required for such total to equal $225,000,000; plus

(B) an amount determined in accordance with the following formula:

(A-B) x (C÷D)

Where:

A is $225,000,000;

B is the aggregate of the amounts which would be payable to all relevant Scheme Shareholders under clause 4.5(b)(i)(A);

C is the number of Scheme Shares held by the relevant Scheme Shareholder (other than those for which the relevant Scheme Shareholder is entitled to payment under clause 4.5(b)(i)(A)); and

D is the aggregate number of Scheme Shares held by all relevant Scheme Shareholders (other than those for which any Scheme Shareholder is entitled to payment under clause 4.5(b)(i)(A)).

(ii) if the relevant Scheme Shareholder was not a Recall Shareholder as at the Fixed Register Date, that Scheme Shareholder will receive:

(A-B) x (C÷D)

Where:

A is $225,000,000;

B is the aggregate of the amounts which would be payable to all relevant Scheme Shareholders under clause 4.5(b)(i)(A);

C is the number of Scheme Shares held by the relevant Scheme Shareholder (other than those for which the relevant Scheme Shareholder is entitled to payment under clause 4.5(b)(i)(A));

D is the aggregate number of Scheme Shares held by all relevant Scheme Shareholders (other than those for which any Scheme Shareholder is entitled to payment under clause 4.5(b)(i)(A)).

(c) To the extent that the application of clause 4.5(b) results in an aggregate entitlement of a Scheme Shareholder to cash consideration that is less than the aggregate amount equal to $8.50 (less the Australian dollar equivalent of US$0.50) under clause 4.3(b)(ii)(B) multiplied by the number of Scheme Shares that the Scheme Shareholder holds, the Scheme Shareholder will be entitled to receive under clause 4.3(b)(ii)(B), an aggregate number of New Iron Mountain CDIs or New Iron Mountain Shares determined in accordance with the following formula:

((X-Y) ÷ X) x Z

Where:

X is the amount obtained by multiplying the number of Scheme Shares held by that Scheme Shareholder, by $8.50 (less the Australian dollar equivalent of US$0.50);

Y is the aggregate cash consideration which the relevant Scheme Shareholder is entitled to receive under clause 4.5(b); and

Z is the aggregate amount of New Iron Mountain CDIs or New Iron Mountain Shares that Scheme Shareholder would have been entitled to receive under clause 4.3(b)(i) if it had not made a valid Cash Election.

(d) If Recall or Iron Mountain are of the opinion that several Scheme Shareholders have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage in terms of the aggregate cash consideration to be received in accordance with clause 4.5(b), then Recall and Iron Mountain must consult in good faith to determine whether such matters have arisen and if agreement is reached between Recall and Iron Mountain following such consultation Recall must give notice to those Scheme Shareholders:

(i) setting out the names and registered addresses of all of them;

(ii) stating that opinion; and

(iii) attributing to one of them specifically identified in the notice the Recall Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of the Scheme, be taken to hold all those Recall Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme, be taken to hold no Recall Shares.

4.6 Fractional entitlements

(a) Where the calculation of the aggregate number of New Iron Mountain CDIs or New Iron Mountain Shares to be issued to a particular Scheme Shareholder would result in the issue of a fraction of a New Iron Mountain CDI or New Iron Mountain Share, the number will be rounded:

(i) if the fractional entitlement is less than 0.5 - down to the nearest whole number of New Iron Mountain CDIs or New Iron Mountain Shares (as the case may be); and

(ii) otherwise – up to the nearest whole number of New Iron Mountain CDIs or New Iron Mountain Shares (as the case may be).

(b) Where the calculation of the aggregate cash consideration payable to a particular Scheme Shareholder would result in the payment of a fraction of a cent, the amount will be rounded:

(i) if the fractional entitlement is less than 0.5 - down to the nearest cent; and

(ii) otherwise – up to the nearest cent.

(c) If Recall or Iron Mountain are of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Recall Shares which results in a rounding under this clause 4.6, have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to such rounding, then Recall and Iron Mountain must consult in good faith to determine whether such matters have arisen and if agreement is reached between Recall and Iron Mountain following such consultation Recall must give notice to those Scheme Shareholders:

(i) setting out the names and registered addresses of all of them;

(ii) stating that opinion; and

(iii) attributing to one of them specifically identified in the notice the Recall Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of the Scheme, be taken to hold all those Recall Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme, be taken to hold no Recall Shares.

4.7 Ineligible Foreign Shareholders

(a) Iron Mountain has no obligation to allot or issue New Iron Mountain Shares to an Ineligible Foreign Shareholder under the Scheme and, instead:

(i) Iron Mountain must issue the New Iron Mountain Shares attributable to, and which would otherwise be required to be provided to, the Ineligible Foreign Shareholder under the Scheme to the Sale Agent;

(ii) Iron Mountain must procure that, within 20 Business Days after the Implementation Date, the Sale Agent, in consultation with Iron Mountain, sells or procures the sale (including on an aggregated or partially aggregated basis), in the ordinary course of trading on the NYSE, of all the New Iron Mountain Shares issued to the Sale Agent and remits to Iron Mountain the proceeds of sale (after deduction of any applicable brokerage, stamp duty and other costs, taxes and charges) (the ***Proceeds***); and

(iii) Iron Mountain must, within 25 Business Days after the Implementation Date, pay, or procure the payment, to each Ineligible Foreign Shareholder the amount calculated in accordance with the following formula and rounded down to the nearest cent:

A=(B/C) x D

where

A is the amount to be paid to the Ineligible Foreign Shareholder;

B is the number of New Iron Mountain Shares attributable to, and that would otherwise have been issued to, that Ineligible Foreign Shareholder had it not been a Ineligible Foreign Shareholder and which are instead issued to the Sale Agent;

C is the total number of New Iron Mountain Shares attributable to, and which would otherwise have been issued to, all Ineligible Foreign Shareholders collectively and which are instead issued to the Sale Agent; and

D is the Proceeds (as defined in clause 4.7(a)(ii)).

(b) None of Iron Mountain, Recall or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Iron Mountain Shares described in this clause 4.7, and the sale of the New Iron Mountain Shares under this clause 4.7 will be at the risk of the Ineligible Foreign Shareholder.

4.8 Shares to rank equally

Iron Mountain covenants in favour of Recall (in its own right and on behalf of the Scheme Shareholders) that:

(a) the New Iron Mountain Shares to be issued under the Scheme (including those issued to CDN in connection with the New Iron Mountain CDIs) will rank equally in all respects with all existing Iron Mountain Shares; and

(b) on issue each such New Iron Mountain Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4.9 Provision of Scheme Consideration

Subject to the other provisions of this clause 4, the obligation of Iron Mountain and Iron Mountain Sub to provide or procure the provision of the Scheme Consideration to Scheme Shareholders will be satisfied:

(a) in the case of Scheme Consideration that is required to be provided to Scheme Shareholders in the form of New Iron Mountain Shares, by Iron Mountain procuring that:

(i) the name and address of each such Scheme Shareholder is entered into the Iron Mountain Register on the Implementation Date in respect of the New Iron Mountain Shares to which it is entitled under this clause 4; and

(ii) a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each such Scheme Shareholder representing the number of New Iron Mountain Shares issued to the Scheme Shareholder pursuant to this Scheme;

(b) in the case of Scheme Consideration that is required to be provided to Scheme Shareholders in the form of New Iron Mountain CDIs, by Iron Mountain:

(i) issuing to CDN to be held on trust that number of New Iron Mountain Shares that will enable CDN to issue New Iron Mountain CDIs as envisaged by this clause 4 on the Implementation Date;

(ii) procuring that the name and address of CDN is entered into the Iron Mountain Register in respect of those New Iron Mountain Shares on the Implementation Date and that a share certificate or holding statement (or equivalent document) in the name of CDN representing those New Iron Mountain Shares is sent to CDN;

(iii) procuring that on the Implementation Date, CDN issues to each such Scheme Shareholder the number of New Iron Mountain CDIs to which it is entitled under this clause 4;

(iv) procuring that on the Implementation Date, the name of each such Scheme Shareholder is entered in the records maintained by CDN as the holder of the New Iron Mountain CDIs issued to that Scheme Shareholder on the Implementation Date;

(v) in the case of each such Scheme Shareholder who held Scheme Shares on the CHESS subregister – procuring that the CDIs are held on the CHESS subregister on the Implementation Date and sending or procuring the sending of an allotment advice that sets out the number of New Iron Mountain CDIs issued and procuring that ASX Settlement and Transfer Corporation Pty Ltd will provide at the end of the month of allotment a CDI holding statement confirming the number of New Iron Mountain CDIs held on the CHESS subregister by that Scheme Shareholder; and

(vi) in the case of each such Scheme Shareholder who held Scheme Shares on the issuer sponsored subregister – procuring that the New Iron Mountain CDIs are held on the issuer sponsored subregister on the Implementation Date and sending or procuring the sending of a CDI holding statement to each such Scheme Shareholder which sets out the number of New Iron Mountain CDIs held on the issuer sponsored subregister by that Scheme Shareholder; and

(c) in the case of Scheme Consideration that is required to be provided to Scheme Shareholders in cash:

(i) by Iron Mountain no later than the Business Day before the Implementation Date, deposit in cleared funds an amount equal to the aggregate amount of the cash Scheme Consideration payable to each such Scheme Shareholder, in an Australian dollar denominated trust account operated by Recall as trustee for those Scheme Shareholders and notified to Iron Mountain at least 3 Business Days prior to Implementation Date (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Iron Mountain's account);

(ii) on the Implementation Date, subject to funds having been deposited in accordance with clause 4.9(c)(i), Recall must pay or procure the payment from the trust account referred to in clause 4.9(c)(i), the cash Scheme Consideration to each such Scheme Shareholder based on the number of Scheme Shares held by such Scheme Shareholder as set out in the Share Register on the Scheme Record Date;

(iii) the obligations of Recall under clause 4.9(c)(ii) will be satisfied by Recall (in its absolute discretion):

(A) where a Scheme Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Recall Registry to receive dividend payments from Recall by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or

(B) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 4.9(c)(iii), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their registered address in the Recall Share Register (as at the Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 4.12); and

(iv) to the extent that, following satisfaction of Recall's obligations under clause 4.9(c)(ii), there is a surplus in the amount held by Recall as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus shall be paid by Recall to Iron Mountain.

4.10 Unclaimed monies

(a) Recall may cancel a cheque issued under this clause 4 if the cheque:

(i) is returned to Recall; or

(ii) has not been presented for payment within six months after the date on which the cheque was sent.

(b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Recall (or the Recall Registry), Recall must reissue a cheque that was previously cancelled under this clause 4.10.

(c) The Unclaimed Money Act 2008 (VIC) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the Unclaimed Money Act 2008 (VIC)).

4.11 Orders of a court or Government Agency

(a) Recall may deduct and withhold from any consideration which would otherwise be payable to a Scheme Shareholder by Recall in accordance with this clause 4, any amount which Recall and Iron Mountain determines is required to be deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency.

(b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing agency.

(c) If written notice is given to Recall of an order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency that:

(i) requires that any consideration which would otherwise be payable or required to be issued to a Scheme Shareholder by Recall in accordance with this clause 4 must instead be paid or provided to a Government Agency or other third party, then Recall will be entitled to pay or provide that consideration in accordance with that order, direction or notice (and payment or provision of that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Shareholder); or

(ii) prevents Recall from providing consideration to any particular Scheme Shareholder in accordance with this clause 4, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Recall shall be entitled to retain that consideration until such time as provision of the consideration in accordance with this clause 4 is permitted by that order or direction or otherwise by law.

4.12 Joint holders

In the case of joint holders of Scheme Shares:

(a) the New Iron Mountain Shares or New Iron Mountain CDIs representing New Iron Mountain Shares to be issued under this Scheme will be issued to and registered in the names of the joint holders;

(b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Recall Share Register; and

(c) any other document required to be sent under this Scheme, will be forwarded to the holder whose name appears first in the Recall Share Register as at the Record Date.

5 Issue and trading

(a) The Scheme Shareholders to be issued New Iron Mountain Shares or New Mountain CDIs agree to be bound by Iron Mountain's certificate of incorporation and bylaws.

(b) Each Scheme Shareholder to be issued New Iron Mountain Shares or New Mountain CDIs shall be deemed to have irrevocably appointed Iron Mountain and each of its directors and officers (jointly and severally) as its attorneys for the purpose of executing any form of application, letter of transmittal or other instruments or documents required for the New Iron Mountain Shares or New Iron Mountain CDIs.

6 Dealings in Recall Shares

(a) To establish the identity of the Scheme Shareholders, dealings in Recall Shares will only be recognised if:

(i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Recall Share Register as the holder of the relevant Recall Shares by the Record Date; and

(ii) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Record Date at the place where the Recall Share Register is kept.

(b) Recall must register registrable transmission applications or transfers of the kind referred to in clause 6(a)(ii) by the Record Date (provided that, for the avoidance of doubt, nothing in this clause 6(b) requires Recall to register a transfer that would result in a Recall Shareholder holding a parcel of Recall Shares that is less than a 'marketable parcel' (as defined in the Market Rules of the ASX)).

(c) If the Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date.

(d) Recall will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Recall Shares received after the Record Date.

(e) For the purpose of determining entitlements to the Scheme Consideration, Recall must maintain the Recall Share Register in accordance with the provisions of this clause 6 until the Scheme Consideration has been paid to the Scheme Shareholders. The Recall Share Register in this form will solely determine entitlements to the Scheme Consideration.

(f) All statements of holding for Recall Shares will cease to have effect from the Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Recall Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Recall Shares relating to that entry.

(g) As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, Recall will ensure that details of:

(i) the names, registered addresses and holdings of Recall Shares for each Scheme Shareholder as shown in the Recall Register on the Record Date;

(ii) the names, registered addresses and holdings of each Ineligible Foreign Shareholder on the Record Date; and

(iii) details of all Share Election Forms and Sale Election Forms validly submitted and not revoked are available to Iron Mountain in the form Iron Mountain reasonably requires.

7 Quotation of Recall Shares

(a) Recall will apply to the ASX to suspend trading on the ASX in Recall Shares from the close of trading on the Effective Date.

(b) On a date after the Implementation Date to be determined by Iron Mountain, Recall will apply:

(i) for termination of the official quotation of Recall Shares on the ASX; and

(ii) to have itself removed from the official list of the ASX.

8 General provisions

8.1 Consent to amendments to the Scheme

If the Court proposes to approve the Scheme subject to any alterations or conditions, Recall may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Iron Mountain has consented. For the avoidance of doubt, Recall must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Iron Mountain.

8.2 Scheme Shareholders' agreements and warranties

(a) Each Scheme Shareholder:

(i) agrees to the transfer of their Recall Shares in accordance with the Scheme and agrees to the variation, cancellation or modification of the rights attached to their Recall Shares constituted by or resulting from the Scheme; and

(ii) acknowledges that the Scheme binds all Scheme Shareholders.

(b) Each Scheme Shareholder is taken to have warranted to Recall, Iron Mountain and Iron Mountain Sub, and appointed and authorised Recall as its attorney and agent to warrant to Iron Mountain and Iron Mountain Sub, that all of their Recall Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, security interests (including any 'security interests' within the meaning if section 12 of the *Personal Property Securities Act 2009* (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Recall Shares to Iron Mountain Sub together with any rights attaching to those shares.

8.3 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Recall Shares transferred under the Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.

(b) Iron Mountain Sub will be beneficially entitled to the Recall Shares transferred to it under the Scheme pending registration by Recall of Iron Mountain Sub in the Recall Share Register as the holder of the Recall Shares.

8.4 Appointment of sole proxy

Upon the Scheme becoming Effective, and until Recall registers Iron Mountain Sub as the holder of all Scheme Shares in the Recall Share Register, each Scheme Shareholder:

(a) is deemed to have appointed Iron Mountain Sub as attorney and agent (and directed Iron Mountain Sub in each such capacity) to appoint any director, officer, secretary or agent nominated by Iron Mountain Sub as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 8.4(a));

(b) must take all other actions in the capacity of a registered holder of Scheme Shares as Iron Mountain Sub reasonably directs; and

(c) acknowledges and agrees that in exercising the powers referred in clause 8.4(a), the Iron Mountain Sub and any director, officer, secretary or agent nominated by Iron Mountain Sub under clause 8.4(a) may act in the best interest of Iron Mountain Sub as the intended registered holder of the Scheme Shares.

8.5 Authority given to Recall

(a) Scheme Shareholders will be deemed to have authorised Recall, and all its directors, officers and secretaries, to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary to implement the scheme, including (without limitation) executing, as agent and attorney of each Scheme Shareholder, a share transfer form (or a master share transfer form) in relation to Scheme Shares as contemplated by clause 8.5(b).

(b) Each Scheme Shareholder, without the need for any further act, irrevocably appoints Recall and all of its directors, officers and secretaries (jointly and severally) as its attorney and agent for the purpose of executing any document necessary to give effect to the Scheme including without limitation, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares.

9 General

9.1 Stamp duty

Iron Mountain will pay all stamp duty payable in connection with the transfer of Recall Shares to Iron Mountain Sub.

9.2 Consent

The Scheme Shareholders consent to Recall and Iron Mountain doing all things necessary or incidental to the implementation of the Scheme.

9.3 Notices

If a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to Recall, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Recall registered office or at the office of the Recall Share Registrar.

9.4 Inconsistencies

This Scheme binds Recall and all Recall Shareholders, and to the extent of any inconsistency, overrides the Recall constitution.

9.5 No liability when acting in good faith

None of Iron Mountain, Recall nor any director, officer, secretary or employee of them will be liable to any person for anything done or omitted to be done in good faith in the performance of this Scheme or the Deed Poll.

9.6 Governing law

(a) The Scheme is governed by the laws in force in New South Wales.

(b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.7 Further action

Recall and each Scheme Shareholder must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

A5 Notice of Scheme Meeting

RECALL HOLDINGS LIMITED (ABN 27 116 537 832)

By order of the Court made on 22 October 2015, a Scheme Meeting of the holders of ordinary shares in Recall Holdings Limited (***Recall***) will be held at Museum of Sydney, Corner Phillip Street & Bridge Street, Sydney NSW 2000 on Thursday, 3 December 2015 at 10.00am (Sydney time).

The Court has directed that Ian Blackburne be Chairman of the Scheme Meeting or failing him Neil Chatfield.

Information on the Scheme is set out in this Booklet (of which this notice forms part). Terms used in this notice have the same meaning as set out in the glossary in Section 17, unless indicated otherwise.

BUSINESS

To consider and, if thought fit, to pass the following resolution:

"That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Recall and the holders of Recall Shares, the terms of which are contained in and more precisely described in the Scheme Booklet (of which the notice convening the Scheme Meeting forms part) is approved (with or without alterations or conditions as approved by the Federal Court of Australia)."

By order of the Board

Barry Medintz
COMPANY SECRETARY

RECALL HOLDINGS LIMITED

23 October 2015

EXPLANATORY NOTES

Shareholders who are entitled to vote

Only Recall Shareholders, other than a Recall Shareholder which is an entity within the Iron Mountain Group, registered at 7.00pm (Sydney time) on 1 December 2015 are entitled to vote on the resolution.

Recall is not aware of any entity or any associate of any entity within the Iron Mountain Group holding Recall Shares. If such an entity does hold Recall Shares, they would not be entitled to vote (and any votes cast would be disregarded) at the Scheme Meeting.

Majorities required

In accordance with section 411(4)(a)(ii) of the Corporations Act, the resolution must be passed by:

- more than 50% in number of Recall Shareholders who are present and voting, either in person or by proxy, by attorney or, in the case of a corporation, by its duly appointed corporate representative, at the Scheme Meeting; and
- at least 75% of the total number of votes cast on the Scheme Resolution.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) must be approved by an order of the Court. If the resolution put to this Scheme Meeting is passed by the requisite majorities and the other Conditions Precedent are satisfied or waived (if applicable), Recall intends to apply to the Court on 16 December 2015 for approval of the Scheme.

Voting

Entitlement to vote

Each Recall Shareholder who is on the Recall Share Register at 7.00pm (Sydney time) on 1 December 2015 is entitled to attend and vote at the Scheme Meeting.

Iron Mountain and its associates will not vote on the Scheme Resolution.

How to vote

Recall Shareholders can vote:

- in person, by attending the Scheme Meeting;
- by proxy, by completing, signing and lodging the original Scheme Meeting Proxy Form in accordance with the instructions set out on the form. You should arrange to have your proxy or proxies attend (if you are appointing a person other than the Chairman of the Scheme Meeting as your proxy);
- by attorney, by appointing an attorney to attend and vote at the Scheme Meeting on your behalf, and providing a duly executed power of attorney to the registered office of Recall by 10.00am (Sydney time) on Tuesday, 1 December 2015; or
- by corporate representative (if you are a body corporate), by appointing a corporate representative to attend and vote at the Scheme Meeting on your behalf, and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to admission to the Scheme Meeting.

Voting in person, by attorney or by corporate representative

If possible, Recall Shareholders should arrive at the Scheme Meeting venue 30 minutes before the time designated for the Scheme Meeting, so that their shareholding can be checked against Recall Share Register and attendances noted.

Attorneys should bring with them original or certified copies of the power of attorney under which they have been authorised to attend and vote at the Scheme Meeting.

Corporate representatives should bring with them satisfactory evidence of their appointment including any authority under which that appointment is signed (unless previously given to the Recall Registry).

Voting by proxy

A Recall Shareholder entitled to attend and vote at the Scheme Meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate. If entitled to cast two or more votes, the Recall Shareholder may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the Recall Shareholder's voting rights. If the proportion is not specified, each proxy may exercise half of the Recall Shareholder's voting rights. Fractional votes will be disregarded.

Recall Shareholders should read carefully the instructions on the Scheme Meeting Proxy Form and consider how they wish to direct the proxy to vote on their behalf. Recall Shareholders may direct the proxy to vote 'for', 'against' or 'abstain' from voting on the resolution or may leave the decision to the appointed proxy after the discussion at the Scheme Meeting.

A proxy need not be a Recall Shareholder.

The Scheme Meeting Proxy Form must be signed by the Recall Shareholder or the Recall Shareholder's attorney. Proxies given by corporations must be signed in accordance with the corporation's constituent documents, or as authorised by the Corporations Act.

To be valid, the Scheme Meeting Proxy Form must be received by 10.00am (Sydney time) on Tuesday, 1 December 2015. You can lodge a Scheme Meeting Proxy Form:

- online at www.recall.com.au or www.linkmarketservices.com.au;
- by mail to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 (using the reply paid envelope provided) or the registered office of Recall;
- by fax to 02 9287 0309 (within Australia), or +61 2 9287 0309 (outside Australia); or
- in person during business hours to the Recall Registry at Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

In the case of joint Recall Shareholders, the names of all joint Recall Shareholders should be shown and one or each of the joint Recall Shareholders can sign the Scheme Meeting Proxy Form.

Corporate Directory

RECALL HOLDINGS LIMITED
(ABN 27 116 537 832)

One Recall Center
180 Technology Parkway
Norcross, GA 30092 US

Recall Directors

Ian Blackburne (Independent Chairman)
Neil Chatfield (Independent Non-Executive Director)
Tahira Hassan (Independent Non-Executive Director)
Wendy Murdock (Independent Non-Executive Director)
Doug Pertz (President and CEO)

Recall Registry

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Financial advisers

Merrill Lynch Markets (Australia) Pty Limited
Level 38, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

UBS AG, Australia Branch
Chifley Tower
2 Chifley Square
Sydney NSW 2000

Australian legal adviser

Allens
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126 Phillip Street
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Australian legal adviser to the Recall Board

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10 Shelley Street
Sydney NSW 2000

Investigating Accountant

PricewaterhouseCoopers Securities Ltd
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