



**NATIONAL STORAGE REIT
(NSR)**

NOTICE OF MEETINGS

2015

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Annual General Meeting of shareholders of National Storage Holdings Limited and Meeting of unitholders of National Storage Property Trust

Notice is hereby given by National Storage Holdings Limited (ABN 38 166 572 845) (the "**Company**") that the 2015 Annual General Meeting of shareholders of the Company will be held on **Friday, 6 November 2015 at 10.00am (Brisbane time)**.

Notice is hereby given by The Trust Company (RE Services) Limited (ABN 45 003 278 831) ("**RE**") in its capacity as the responsible entity of the National Storage Property Trust ("**NSPT**") that a meeting of the unitholders of NSPT will be held on **Friday, 6 November 2015 at 10.00am (Brisbane time)**.

Together, the Company and NSPT are referred to as "**National Storage REIT**". The Annual General Meeting of shareholders of the Company and meeting of unitholders of NSPT are being held concurrently (together, the "**Meetings**") at:

King & Wood Mallesons
Level 33
Waterfront Place
1 Eagle Street
Brisbane QLD 4000

Additional information concerning the proposed resolutions to be considered at the Meetings is contained in the Voting Notes and the Explanatory Notes which accompany and form part of this Notice of Meetings.

In this Notice of Meetings, the term "**Securityholder**" means a holder of "**Stapled Securities**" (comprising one share in the Company and one unit in NSPT) issued by National Storage REIT.

The business to be considered at the Meetings is as follows:

Ordinary Business Items

Item 1: Financial Statements and Reports (Company and NSPT)

To receive and consider the combined financial statements, directors' report and auditor's report for the Company and NSPT for the financial year ended 30 June 2015.

Note: There is no requirement for Securityholders to approve these reports.

Item 2: Remuneration Report (Company only)

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

"That the Remuneration Report for the financial year ended 30 June 2015 be adopted."

Note: In accordance with section 250R(3) of the *Corporations Act 2001* (Cth), the vote on this Item 2 is advisory only and does not bind the Directors of the Company, or the Company.

Note: A voting exclusion statement applies to this Item 2 (see the Voting Notes for details).

Noting that each Director of the Company has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Directors of the Company recommend that Securityholders vote in favour of this Item 2.

Item 3: Re-Election of Director (Company only)

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

"That Mr Laurence Brindle, a non-executive director retiring in accordance with the Company's Constitution, being eligible, is re-elected as a non-executive director of the Company."

The Directors of the Company (with Mr Brindle abstaining) recommend that Securityholders vote in favour of this Item 3.

Special Business Items

Item 4: Ratify the issue of Stapled Securities under ASX Listing Rule 7.4 (Company and NSPT)

To consider and, if thought fit, to pass the following as separate ordinary resolutions of each of the Company and NSPT:

"That for the purposes of ASX Listing Rule 7.4 and all other purposes, the Securityholders approve the issue of 4,800,000 Stapled Securities in the capital of the Company and NSPT as described in the Explanatory Notes accompanying this Notice of Meetings."

The Directors of the Company recommend that Securityholders vote in favour of this Item 4.

Note: A voting exclusion statement applies to this Item 4 (see the Voting Notes for details).

Item 5: Ratify the issue of Stapled Securities under ASX Listing Rule 7.4 (Company and NSPT)

To consider and, if thought fit, to pass the following as separate ordinary resolutions of each of the Company and NSPT:

"That for the purposes of ASX Listing Rule 7.4 and all other purposes, the Securityholders approve the issue of 38,824,749 Stapled Securities in the capital of the Company and NSPT as described in the Explanatory Notes accompanying this Notice of Meetings."

The Directors of the Company recommend that Securityholders vote in favour of this Item 5.

Note: A voting exclusion statement applies to this Item 5 (see the Voting Notes for details).

Item 6: Internalisation of Responsible Entity function - retirement of existing responsible entity and appointment of new responsible entity to National Storage Property Trust (NSPT only)

To consider and, if thought fit, to pass the following as an ordinary resolution of NSPT:

"That, in accordance with section 601FL of the Corporations Act 2001 (Cth), the retirement of The Trust Company (RE Services) Limited (ABN 45 003 278 831) as the responsible entity of National Storage Property Trust (ARSN 101 227 712) (NSPT) be accepted and National Storage Financial Services Limited (ACN 600 787 246) (NSFSL) be appointed as the new responsible entity of NSPT."

Noting that the Directors of the Company are also Directors of NSFSL, the Directors of the Company recommend that Securityholders vote in favour of this Item 6.

Item 7: Amendment to the Constitution of NSPT (NSPT only)

Subject to the resolution in Item 6 being passed, to consider and, if thought fit, to pass the following as a special resolution of NSPT:

*"That the Constitution of National Storage Property Trust (ARSN 101 227 712) ("**NSPT Constitution**") be amended to replace all references to "The Trust Company (RE Services) Limited" with "the Manager as appointed by the members from time to time", and certain other amendments as described in the Explanatory Notes, in each case in accordance with the provisions of the Supplemental Deed in the form tabled at the Meetings and initialled by the Chairperson of the Meetings for the purpose of identification, and that The Trust Company (RE Services) Limited (ABN 45 003 278 831) is authorised to execute the Supplemental Deed and lodge it with the Australian Securities and Investments Commission to give effect to these amendments to the NSPT Constitution."*

The Directors of the Company recommend that Securityholders vote in favour of this Item 7.

VOTING NOTES

Voting Exclusion Statements

Voting Exclusion - Item 2

No votes may be cast on **Item 2** by or on behalf of members of the key management personnel of the Company (being a Director, or a member of the senior management of the Company whose remuneration is included in the Remuneration Report of the Company) ("**KMP**") or their "**closely related parties**" (as defined in the *Corporations Act 2001* (Cth) to include, amongst other persons, a spouse, dependant and certain other close family members, as well as companies controlled by a member of the KMP).

However, a vote may be cast on **Item 2**:

- by a member of the KMP, or their closely related party, if the vote is cast as a proxy for a person who is entitled to vote on this **Item 2**, and the proxy appointment is in writing and specifies how the proxy is to vote on **Item 2**; or
- by the Chairperson of the Meetings, if the vote is cast as a proxy appointed in writing that does not specify the way the proxy is to vote on **Item 2**, and expressly authorises the Chairperson of the Meetings to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

If you appoint the Chairperson of the Meetings as your proxy, and you do not direct your proxy how to vote on **Item 2**, you will be expressly authorising the Chairperson of the Meetings to exercise your proxy even if **Item 2** is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairperson intends to vote all available proxies in favour of **Item 2**.

Voting Exclusion - Item 4

The Company and NSPT will disregard any votes cast on **Item 4** by:

- any person that participated in the issue of Stapled Securities; or
- an associate of any of those persons.

However, the Company and NSPT need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form (see "Voting Options", below); or
- it is cast by the Chairperson of the Meetings as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Exclusion - Item 5

The Company and NSPT will disregard any votes cast on **Item 5** by:

- any person that participated in the issue of Stapled Securities; or
- an associate of any of those persons.

However, the Company and NSPT need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form (see "Voting Options", below); or
- it is cast by the Chairperson of the Meetings as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting restrictions applying to the Responsible Entity of NSPT

In accordance with section 253E of the *Corporations Act 2001* (Cth), The Trust Company (RE Services) Limited (ABN 45 003 278 831) as the Responsible Entity of NSPT, and its associates, are not entitled to vote on any resolution of NSPT if they have an interest in the resolution other than as a member of NSPT.

Entitlement to Attend and Vote at the Meetings

The Directors of the Company and the responsible entity of NSPT have determined that for the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) and ASX Settlement Operating Rule 5.6.1, registered holders of Stapled Securities as at **7.00pm (AEDT) on Wednesday, 4 November 2015** will be eligible to attend and vote at the Meetings. Accordingly, transfers of Stapled Securities registered after that time will be disregarded in determining entitlements to attend and vote at the Meetings.

Stapled Securities

The Company and NSPT only have Stapled Securities on issue. A Stapled Security consists of one (1) share in the Company and one (1) unit in NSPT. These securities are "stapled" together in accordance with the respective Constitutions of the Company and NSPT and quoted jointly on the Australian Securities Exchange ("**ASX**"). This means that all shareholders of the Company must also be a unitholder in NSPT (and vice versa) and, as such, the Meetings of the Company and of NSPT may be held concurrently.

Voting procedure

Section 253J of the *Corporations Act 2001* (Cth) provides that the resolution in **Item 7**, being a special resolution (that is, a resolution which must be passed by at least 75% of the votes cast by Securityholders entitled to vote on the resolution), must be decided on a poll.

Section 253J(2) of the *Corporations Act 2001* (Cth) provides that the resolutions in **Item 4, Item 5 and Item 6** (to the extent they relate to NSPT) must be decided on a show of hands, unless a poll is demanded. The resolution is passed on a poll if it has been passed by at least 50% of the votes cast by Securityholders entitled to vote on the resolution. On a show of hands, a declaration by the Chairperson is conclusive evidence of the result. Neither the Chairperson nor the minutes need to state the number or proportion of the votes recorded in favour or against.

Voting Options

Attending the Meetings in person

Eligible Securityholders may attend the Meetings and vote in person.

If you intend to attend the Meetings and vote in person, you do not need to submit a Proxy Form (enclosed with this Notice of Meetings).

You may still attend the Meetings and vote in person if you have appointed a proxy. You will be provided with a poll voting card on the day. If you have previously submitted a Proxy Form, your attendance will suspend your proxy appointment while you are present at the Meetings.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meetings. If you do not bring your Proxy Form with you, you can still attend the Meetings but representatives of Computershare will need to verify your identity. You can register your attendance at the Meetings from 9.00am (Brisbane time) on the day of the Meetings.

Appointing a proxy

A Securityholder may appoint a proxy to attend and vote on their behalf as an alternative to attending the Meetings in person.

To appoint a proxy, complete Step 1 on the Proxy Form. You can direct your proxy how to vote on **Items 2 to 7** by marking either "For", "Against" or "Abstain". For further information refer to "Voting Directions to Proxies", below.

The proxy does not have to be a Securityholder. A proxy may be an individual or a company. If you are entitled to cast two (2) or more votes on a resolution at the Meetings, you may appoint up to two (2) proxies to attend and vote on your behalf at the Meetings. If you appoint two (2) proxies, you should complete two (2) separate Proxy Forms and specify the percentage or number of votes each proxy is appointed to exercise. If you do not specify a percentage or number, each proxy may exercise half of the votes (disregarding any fraction of votes due to an apportionment). You must return both Proxy Forms together. If you require an additional Proxy Form, please contact Computershare.

If you intend to appoint someone other than the Chairperson of the Meetings as your proxy, please write the individual or company's name clearly on your Proxy Form. Please be aware that you are also appointing the Chairperson of the Meetings as your alternate proxy if you do not correctly and legibly name a proxy on your Proxy Form or your named proxy does not attend the Meetings.

If you sign the enclosed Proxy Form and do not complete Step 1, the Chairperson will be appointed as your proxy. The Chairperson currently intends to vote undirected proxies on, and in favour of, each proposed resolution.

If you appoint a proxy, you may still attend the Meetings. However, your proxy's rights to speak and vote will be suspended while you are present.

Voting Directions to Proxies

You may direct your proxy on how you wish them to vote at the Meetings and may use the instructions on the Proxy Form to do so. Please note, if you mark more than one box on the Proxy Form relating to a resolution, any vote on that resolution by your proxy may be invalid.

If you appoint the Chairperson as proxy and you do not direct the Chairperson on how you wish for them to vote on a resolution, you are expressly authorising the Chairperson to cast

your undirected proxy on all proposed resolutions in accordance with the Chairperson's intentions set out below.

If you appoint a member of the KMP or their 'closely related party' or associate as your proxy, they may not be able to vote your proxy on **Item 2** (Remuneration Report), unless you have directed them how to vote on that item.

"Closely related party" is defined in section 9 of the *Corporations Act 2001* (Cth) and will include, amongst other persons, a spouse or child of the KMP, certain other dependants and close family members of the KMP, as well as any companies controlled by the KMP.

If you intend to appoint a KMP or the Chairperson of the Meetings as your proxy, you are encouraged to direct them how to vote on **Item 2** (Remuneration Report) by marking "For", "Against" or "Abstain" where prompted to do so on your Proxy Form.

The Chairperson's voting intentions

Unless the Chairperson of the Meetings is subject to a voting restriction on a particular resolution, the Chairperson intends to vote all available proxies on, and in favour of, each proposed resolution. If there is a change to how the Chairperson intends to vote available proxies, National Storage REIT (ASX: NSR) will make an announcement to the market.

The Chairperson's decision as to whether a vote cast by a proxy or vote cast in person is valid, is conclusive.

Proxy Forms

To be effective, a Proxy Form must be completed, signed by the Securityholder or their attorney (please see "Powers of Attorney", below) and lodged together with any relevant power of attorney with Computershare by no later than **10.00am (Brisbane time) on Wednesday, 4 November 2015**, being 48 hours before the commencement of the Meetings in one of the ways listed below:

- **online** at www.investorvote.com.au and logging in using the control number, SRN/HIN and post code located on the front of your enclosed Proxy Form. Or scanning the QR code located on the front of the Proxy Form with your mobile device and inserting your postcode. Intermediary Online Subscribers (Institution/Custodians) may lodge their proxy instruction online by visiting www.intermediaryonline.com; or
- **mailing** it to:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
(A reply paid envelope is enclosed)
- **facsimile** to: (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555

Corporate Securityholders or representatives

A corporate Securityholder may appoint an individual as its representative to attend the Meetings on its behalf and to exercise any of the powers the corporate Securityholder may

exercise at the Meetings including voting on resolutions. Such an appointment must comply with sections 250D and 253B of the *Corporations Act 2001* (Cth). Should a corporate Securityholder wish to appoint a representative, the representative must bring to the Meetings evidence of his or her appointment, including the authority under which the appointment is issued. The appointment may be effective either for these Meetings only or for all meetings of National Storage REIT. Securityholders can download and fill out the 'Appointment of Corporate Representation' form from www.investorcentre.com/au.

Power of Attorney

If a Securityholder has appointed an attorney to attend and vote at the Meetings or if the Proxy Form is signed by an attorney, the power of attorney must, unless it has previously been lodged with Computershare for notation, be received by Computershare by the voting deadline (i.e. by 10.00am (Brisbane time) on Wednesday, 4 November 2015).

The Meetings

Quorum

A quorum necessary to convene the Meetings is two (2) shareholders in the Company and two (2) unitholders in NSPT (in the case of unitholders in NSPT the two (2) members must also hold at least 10% of the units in NSPT) in accordance with the Constitutions of each of the Company and NSPT respectively.

If a quorum is not present within 30 minutes after the scheduled time for the Meetings, the Meetings will be adjourned.

Chairperson

The Chairperson of the Meetings will be appointed by each of the Company and the RE in accordance with the Constitutions of the Company and NSPT, and the *Corporations Act 2001* (Cth).

Questions from Securityholders

Securityholders may direct questions during the Meetings to the Chairperson about the operations and management of National Storage REIT, or to the Company's auditor about the content of the auditor's report and the conduct of the audit.

In addition, a question form has been included in this Notice of Meetings to make it easier for Securityholders to submit written questions. Question forms should be submitted no later than 5.00pm Brisbane time on **Friday, 30 October 2015** to:

National Storage REIT Chairperson
c/- Company Secretary
National Storage REIT
GPO Box 3239
BRISBANE QLD 4000

By order of the Board of directors of National Storage Holdings Limited (ABN 38 166 572 845).

By order of the Board of directors of The Trust Company (RE Services) Limited (ABN 45 003 278 831) in its capacity as the responsible entity of the National Storage Property Trust (ARSN 101 227 712).

Patrick Rogers
Company Secretary
National Storage Holdings Limited

EXPLANATORY NOTES

These Explanatory Notes contain further information about the resolutions that will be considered at the Annual General Meeting of the Company and the meeting of unitholders of NSPT to be held on **Friday, 6 November 2015 at 10.00am (Brisbane time)**. The meetings are important. You should read these Explanatory Notes and the Notice of Meetings carefully and, if necessary, seek your own independent advice on any aspect about which you are not certain.

Item 1 – Financial statements and reports (Company and NSPT)

As required by section 317 of the *Corporations Act 2001* (Cth) ("**Corporations Act**"), the financial report, directors' report and auditor's report for the financial year ended 30 June 2015 will be laid before the Meetings. There is no requirement for Securityholders to approve these reports. However, the Chairperson of the Meetings will allow a reasonable opportunity for Securityholders to ask questions about, or make comments on, the operations and management of National Storage REIT. Securityholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the auditor's report.

There is no requirement for a formal resolution on this item of business.

Item 2 – Remuneration Report (Company only)

As required by the Corporations Act, the Company has prepared a Remuneration Report to be provided to shareholders of the Company for consideration and adoption by way of a non-binding resolution at the Meetings. The Remuneration Report for the financial year ended 30 June 2015 forms part of the Directors' Report and is set out in pages 47-57 of the Company's Annual Report. The Directors' Report and Annual Report are also available on the Company's website at nationalstorageinvest.com.au.

The Remuneration Report sets out the Company's remuneration policy and arrangements for the Directors and senior executives of the Company. The Remuneration Report must, pursuant to the Corporations Act, be put to a resolution of shareholders at the Company's Annual General Meeting. In accordance with section 250R(3) of the Corporations Act, the vote on the resolution concerning the Remuneration Report is advisory only and does not bind the Directors of the Company, or the Company.

The Chairperson of the Meetings will allow a reasonable opportunity for Securityholders to ask questions about, or make comments on, the Remuneration Report at the meeting before calling for a vote on the adoption of the Remuneration Report. The Directors of the Company will consider the outcome of the vote and comments made by Securityholders on the Remuneration Report at the meeting when reviewing the Company's remuneration practices and policies.

Securityholders are directed to the Voting Exclusion Statement for this item of business in the Notice of Meetings and reminded that the Directors of the Company and KMP are not permitted to vote on this Item 2.

Noting that each Director of the Company has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Directors of the Company recommend that Securityholders vote in favour of this Item 2.

Item 3 – Re-Election of Director (Company only)

Section 11.3(b) of the Company's Constitution provides that there must be an election of directors at each Annual General Meeting of the Company. This can be satisfied in a number of ways including that the Director of the Company who has been a Director of the Company for the longest without re-election must retire and stand for re-election. Further, if two or more Directors of the Company have been a Director of the Company the longest and an equal time without re-election, then in default of agreement, the Director to retire will be determined by ballot. The Company confirms that Mr Laurence Brindle, a non-executive director of the Company has agreed to retire and stand for re-election in accordance with section 11.3(b) of the Company's Constitution, at the meeting.

ASX Listing Rule 14.4 and section 11.3(a) of the Constitution of the Company provide that directors must not hold office for longer than the third Annual General Meeting following their appointment or three (3) years, whichever is longer, without seeking re-election at an Annual General Meeting. No directors will be seeking re-election in accordance with ASX Listing Rule 14.4 or section 11.3(a) of the Constitution of the Company at the meeting given the Company was only incorporated in December 2013.

The re-election of Mr Brindle as a non-executive director of the Company will be decided by ordinary resolution of Securityholders at the meeting.

Mr Brindle, BCom, BE (Hons), MBA has extensive experience in funds management, finance and investment. Until 2009, he was an executive with Queensland Investment Corporation ("QIC"). During his twenty-one years with QIC Mr Brindle served in various senior positions including Head of Global Real Estate where he was responsible for a portfolio of \$9 billion. Mr Brindle was also a long term member of QIC's Investment Strategy Committee and provides advice to a number of investment institutions on real estate investment and funds management matters.

Mr Brindle holds a Bachelor of Engineering (Honours) and a Bachelor of Commerce from the University of Queensland, and a Master of Business Administration from Cass Business School, London. He is a former Chairman of the Shopping Centre Council of Australia and a former director of Westfield Retail Trust and Scentre Group. Mr Brindle serves on the National Storage REIT Audit and Risk Committees and is Chairman of the Nomination and Remuneration Committees.

The Board of Directors of the Company considers that Mr Brindle, if re-elected, will qualify as an independent Director of the Company.

The Directors of the Company (with Mr Brindle abstaining) recommend that Securityholders of the Company vote in favour of this Item 3.

Item 4 – Ratify issue of Stapled Securities under ASX Listing Rule 7.4 (Company and NSPT)

On 21 November 2014, National Storage REIT (ASX: NSR) announced that it had completed a placement of Stapled Securities to Capital Business Park (Holdings) Pty Ltd and Antares Pty Ltd, each being institutional investors ("Placement"). The Placement resulted in the issuance

of 4,800,000 Stapled Securities at an issue price of \$1.25 per Stapled Security. Stapled Securities issued under the Placement rank equally with those securities on issue.

The Placement was conducted to raise funds to facilitate National Storage REIT's acquisition of three (3) storage centres in the Canberra market located in Hume, Mitchell and Phillip and a fourth storage centre located in Queanbeyan, NSW, in line with its growth and acquisition strategy and to further strengthen National Storage REIT's balance sheet.

Pursuant to ASX Listing Rule 7.1, an entity must not, subject to specified exceptions, issue or agree to issue equity securities during any 12 month period if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides an exception to ASX Listing Rule 7.1 where securityholders subsequently approve the issue of securities provided the prior issue did not breach ASX Listing Rule 7.1. In such a case, those securities issued will be deemed to have been issued with securityholder approval for the purposes of ASX listing Rule 7.1.

The subsequent approval of the issue of Stapled Securities under the Placement and the 2015 Placement (see Item 5, below) by Securityholders will refresh National Storage REIT's ability to issue Stapled Securities up to the 15% annual placement capacity contained in ASX Listing Rule 7.1 without the requirement to obtain further Securityholder approval, should it elect to do so.

The Directors of the Company recommend that Securityholders vote in favour of this Item 4.

Item 5 – Ratify issue of Stapled Securities under ASX Listing Rule 7.4 (Company and NSPT)

On 27 March 2015, National Storage REIT (ASX: NSR) announced that it had completed a fully underwritten placement of Stapled Securities to institutional and professional investors ("**2015 Placement**"). The 2015 Placement resulted in the issuance of 38,824,749 Stapled Securities at an issue price of \$1.48 per Stapled Security. Stapled Securities issued under the 2015 Placement rank equally with those securities on issue.

The 2015 Placement was conducted in order to reduce existing debt levels and to provide National Storage REIT with financial flexibility to pursue acquisition opportunities.

Pursuant to ASX Listing Rule 7.1, an entity must not, subject to specified exceptions, issue or agree to issue equity securities during any 12 month period if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides an exception to ASX Listing Rule 7.1 where securityholders subsequently approve the issue of securities provided the prior issue did not breach ASX Listing Rule 7.1. In such a case, those securities issued will be deemed to have been issued with securityholder approval for the purposes of ASX listing Rule 7.1.

The subsequent approval of the issue of Stapled Securities under both the Placement (see Item 4, above) and the 2015 Placement by Securityholders will refresh National Storage REIT's ability to issue Stapled Securities up to the 15% annual placement capacity contained in ASX Listing Rule 7.1 without the requirement to obtain further Securityholder approval, should it elect to do so.

The Directors of the Company recommend that Securityholders vote in favour of this Item 5.

Item 6 – Internalisation of Responsible Entity function - retirement of the existing responsible entity and appointment of new responsible entity of NSPT (NSPT only)

The Proposal

The proposal is to internalise within National Storage REIT the role of the responsible entity of the NSPT. Currently, National Storage REIT pays for this role to be carried out by an external service provider – RE. The Company has requested that RE agree to retire as responsible entity of NSPT and RE has agreed to the Company's request. Accordingly, RE proposes to retire and be replaced by National Storage Financial Services Limited (ACN 600 787 246) ("**NSFSL**"), a member of the National Storage Group, as responsible entity of NSPT. The retirement of RE and appointment of NSFSL as responsible entity of NSPT is anticipated to take place within two (2) business days after the Meetings.

Background

National Storage REIT was admitted to the official list of the ASX on 19 December 2013, following an initial public offering of Stapled Securities comprising one (1) fully paid ordinary share in the Company and one (1) unit in NSPT ("**IPO**"). The Stapled Securities were subsequently listed on the ASX and commenced trading on an unconditional but deferred basis on 23 December 2013.

Due to the fact that the Company did not hold an Australian Financial Services Licence ("**AFSL**") at the time, RE was appointed as responsible entity of the NSPT as part of the IPO process and entered into a management agreement with the Company to manage the assets of NSPT on its behalf ("**Management Agreement**"). Executives of the Company have worked closely with RE since the IPO to manage NSPT and assist RE in performing its obligations as the responsible entity of NSPT. In addition, under the Management Agreement, the Company is required to obtain an AFSL from ASIC so the Company could perform any services under the Management Agreement for which it is required to hold an AFSL.

NSFSL, a wholly owned subsidiary of the Company now holds an offer of an AFSL from ASIC to permit NSFSL to act as the responsible entity of NSPT. The Company proposes that NSFSL will become the responsible entity of NSPT subject to the members approving its appointment at the meeting.

Benefits of the Proposal

The Board of the Company considers that the appointment of NSFSL as responsible entity for NSPT will provide a number of benefits to National Storage REIT, including:

1. **Lower Costs:** The amount of fees payable to RE which is an external third party responsible entity of NSPT will be reduced. Under the current Management Agreement the fees payable to RE in the 2015 financial year were \$602,916.

There are expected to be additional costs incurred by the Company in meeting compliance obligations previously assumed by RE, including the net tangible assets required to be held by NSFSL in relation to the AFSL.

However, it is anticipated that the amount of the anticipated fee reduction will exceed the likely cost of internalising the responsible entity functions resulting in a material cost saving for National Storage REIT. This cost benefit is expected to be increasingly compelling as the scale of National Storage REIT's asset portfolio grows over time.

2. **Operational Efficiency:** Operational efficiencies will be generated insofar as NSFSL would be based in the same location as, and share common management with, the Company. This will provide a benefit to National Storage REIT as it is expected to increase the efficiency with which the Company and NSPT can conduct the business of National Storage REIT and which, looking forward, will allow the Company to act more swiftly to take advantage of commercial opportunities as they arise.
3. **Risk Management:** There will be additional compliance obligations for the Company and its subsidiaries ("**Group**") in facilitating the performance of NSFSL's functions as responsible entity of NSPT. The Company proposes to expand the existing risk management and compliance function of the Group to meet any additional compliance obligations. This will provide a more seamless management framework for risk.

Other Considerations

Notwithstanding the benefits outlined above, should Securityholders approve the proposed change of responsible entity to NSFSL from RE, any benefits of having a third party and independent responsible entity will no longer be available to NSPT.

However, the Directors of the Company, including all of the independent Directors, take the view that the benefits of the proposal are compelling. The Directors believe that the Group will be able to fully carry out the duties as the responsible entity of NSPT and has, or will implement, all of the necessary resourcing, compliance and risk management infrastructure to undertake this task.

Implementation

To facilitate the transition of the responsible entity of NSPT, NSFSL was incorporated as a wholly owned subsidiary of, and will share a common Board of Directors and Company Secretary with, the Company. NSFSL is required to comply with certain regulatory requirements concerning the maintenance of a level of net tangible assets. These requirements may change from time to time depending on the value of the total assets held by NSFSL or any other person such as a custodian on behalf of NSPT (the custodian is not being changed as part of this proposal). The net tangible assets required at the date of appointment will depend on the NSPT portfolio value at that time. The Company has estimated that NSFSL will be required to hold net tangible assets valued at approximately \$3,000,000 at the date of appointment and the Company has advised that the required funds will be sourced from internal Group funds, or third party guarantee facilities and will be in place prior to the proposed appointment date.

Securityholders are being asked to consider and, if thought fit, to pass the resolution in Item 6 as an ordinary resolution having the effect of approving the appointment of NSFSL as responsible entity of the NSPT following the retirement of RE, effective immediately on ASIC updating its records.

Noting that the Directors of the Company are also directors of NSFSL, the Directors of the Company recommend that Securityholders vote in favour of this Item 6.

Item 7 – Amendment to the Constitution of NSPT

Subject to the resolution in Item 6 being passed, RE proposes that the Constitution of NSPT be amended to remove references to “The Trust Company (RE Services) Limited” and to replace them with the “the Manager as appointed by the members from time to time”. This change will facilitate the change of RE as recommended above in Item 6.

Further, based on the Company's recommendation and in line with the resolution in Item 6, the RE also proposes that the Constitution of NSPT be amended to specify the fees payable to NSFSL out of the scheme property in relation to the proper performance of its duties and in accordance with section 601GA(2) of the Corporations Act. It is noted, that whilst NSFSL is the responsible entity, any fees paid to NSFSL will not be an external cost to National Storage REIT and will be eliminated on consolidation of NSPT's and the Company's accounts (whilst the securities remain stapled) – they will represent an internalised charge to National Storage REIT, not a cost payable to an external third party.

Under the proposal in Item 6, it will be NSFSL which carries the cost of providing the responsible entity services. Therefore it will be necessary to ensure that NSFSL has the necessary funding to carry out the role.

Accordingly, the Constitution of NSPT is to be changed to remove the fees payable to RE and to insert the following fees that may be payable to NSFSL in respect of the proper performance of its duties as the responsible entity for NSPT commencing on NSFSL's proposed appointment date:

Fee	Fee amount
Application fee	NIL
Management fee	Up to 0.65% per annum of the “Gross Value of the Assets” of NSPT, being the aggregate value of NSPT's assets (including the property rights and income of NSPT), but without deducting any liabilities such as debt financing
Acquisition fee	NIL
Other fee	NIL

The management fee will be payable in annualised instalments within 14 days of the end of each calendar month (note that this payment will constitute an internalised payment within the National Storage REIT whilst NSFSL is the Responsible Entity and the securities remain stapled). The amount of any management fee must be paid first out of the income of NSPT, then out of the capital of the scheme, and will be calculated on a pro-rata basis for any part of a calendar month.

The Constitution of NSPT will also be amended to remove the previous ‘CPI adjustment’ mechanism in relation to the management fee and the ‘Other fees’ which were payable to RE under the current fee structure arrangements in the Constitution and in accordance with the terms of the Management Agreement.

These amendments, as reflected in the Supplemental Deed to be tabled at the meeting are intended to specify the revised fee structure of NSFSL, as the proposed incoming responsible entity of NSPT, as well as certain other necessary amendments to facilitate the transition of the responsible entity from RE to NSFSL.

The resolution in this Item 7 is conditional on Securityholders passing the resolution in Item 6 at the Meetings. This is on the basis that the proposed amendments to the Constitution relate to the appointment of NSFSL as the proposed incoming responsible entity of NSPT and do not apply to RE. Accordingly, if Securityholders do not pass the resolution in Item 6 at the Meetings, the proposed amendments to the Constitution will not be adopted.

The Directors of the Company recommend that Securityholders vote in favour of this Item 7.

QUESTION FORM

Securityholders may direct questions during the Meetings to the Chairperson about the operations and management of National Storage REIT, or to the Company's auditor about the content of the auditor's report and the conduct of the audit.

Securityholders can use this Question Form to submit their questions by no later than **5.00pm Brisbane time on Friday 30 October 2015.**

Mail this form to:

National Storage REIT Chairperson
c/- Company Secretary
National Storage REIT
GPO Box 3239
BRISBANE QLD 4001

Name: Contact Number: Email Address:	
Question One	
Question Two	
Question Three	
Question Four	
Question Five	



National Storage Holdings Limited (ACN 166 572 845)
The Trust Company (RE Services) Limited (ACN 003 278 831 AFSL 235150)
as responsible entity for
National Storage Property Trust (ARSN 101 227 712)



Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 NSR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10:00am (Brisbane time) Wednesday 4 November 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each Item of Business. Subject to voting restrictions set out in the Notice of Meetings, if you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an Item of Business your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the "For", "Against" or "Abstain" box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the Meetings and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of National Storage Holdings Limited or the National Storage Property Trust.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with Computershare, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meetings

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the Meetings you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions, please write them on the Question Form accompanying the Notice of Meetings and submit to the National Storage REIT, no later than 5:00pm Brisbane time on Friday, 30 October 2015.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of National Storage Holdings Limited and National Storage Property Trust hereby appoint

☐ the Chairman
of the Meetings **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meetings. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meetings, as my/our proxy to act generally at the Meetings on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of shareholders of National Storage Holdings Limited (**Company**) and meeting of unitholders of National Storage Property Trust (**NSPT**) together, the "Meetings" to be held at **King & Wood Mallesons, Level 33, Waterfront Place, 1 Eagle Street, Brisbane, QLD 4000 on Friday, 6 November 2015 at 10:00am (Brisbane time)** and at any adjournment or postponement of the Meetings.

If the Chairman is your proxy or becomes your proxy by default: Where I/we have appointed the Chairman of the Meetings as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 2** (except where I/we have indicated a different voting intention below) even though **Item 2** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meetings is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 2** by marking the appropriate box in step 2 below.

The Chairman of the Meetings intends to vote all undirected or available proxies in favour of each Item of Business.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business Items

	For	Against	Abstain
2 Remuneration Report (Company only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-Election of Mr Laurence Brindle as a Director (Company only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business Items

4 Ratify the issue of 4,800,000 Stapled Securities under ASX Listing Rule 7.4 (Company and NSPT)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratify the issue of 38,824,749 Stapled Securities under ASX Listing Rule 7.4 (Company and NSPT)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Retirement of existing responsible entity and appointment of new responsible entity to NSPT (NSPT only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Amendment to the Constitution of NSPT (NSPT only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In exceptional circumstances, the Chairman of the Meetings may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /

NSR

200985A

Computershare +