

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

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10/07/2006

Page 1

The assistance is for the purpose of ~~XXXXXX~~ [reducing or discharging a liability incurred for the purpose of that acquisition]. † (note 1)

Please do not write in this margin

Please complete legibly, preferably in black type, or bold black lettering

The number and class of the shares acquired or to be acquired is: 181,159,501 ordinary shares of 10p each

The assistance is to be given to: (note 2) Safestore Acquisition Limited (company number 04835087)
whose registered office is at Britannic House, Stirling Way, Borehamwood, Hertfordshire WD6 2BT

The assistance will take the form of:

See Appendix 2

The person who [has acquired] ~~XXXXXX~~ † the shares is:
Safestore Acquisition Limited

† delete as appropriate

The principal terms on which the assistance will be given are:

See Appendix 3

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is Nil

The amount of cash to be transferred to the person assisted is £ See Appendix 4

The value of any asset to be transferred to the person assisted is £ N/A

The date on which the assistance is to be given is within 8 weeks of the date hereof

Please complete legibly, preferably in black type, or bold block lettering

~~X~~We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) [I/We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

(b) ~~XXX XXXXXXXX XXXXXXXX the working capital of the company, with XXXXXXXX XXXXXXXX XXXXXXXX have formed the opinion that this company will be able to pay its debts in full within 12 months of the XXXXXXXX XXXXXXXX XXXXXXXX~~* (note 3)

And ~~X~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at

Declarants to sign below

Beltane House, Stirling Way, Borehamwood

Day Month Year
on 3/00/6 2/00/6

before me

~~A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.~~

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

Appendix 1 to Form 155(6)b

Names and Addresses of all Directors of Mentmore Limited (Company Number 307397)

Stephen Williams

High Veld
Newlands Drive
Maidenhead
Berkshire
SL6 4LL

Richard Hodsden

Oransay
Misbourne Avenue
Chalfont St Peter
Buckinghamshire
SL9 0PF

Appendix 2 to Form 155(6)b

The form of the financial assistance to be given by Hallco 747 Limited (Company Number 4410941)

The entering into by the Company's direct or indirect subsidiary Hallco 747 Limited (company registration number: 4410941) (the "**Relevant Subsidiary**") of the documents listed and described below (or of documents referred to therein or relating thereto) as the same may be amended, increased, novated and/or replaced, varied, supplemented or substituted from time to time, which will be entered into, directly or indirectly, in connection with the reducing and discharging a liability incurred for the purpose of the acquisition of the issued share capital of Mentmore Limited (Company Number 00307397) (the "**Mentmore Acquisition**"):

The entering into by the Relevant Subsidiary of:

1. A senior term and working capital facilities agreement between (1) Safestore Holdings Limited (as "**Parent**"), (2) Safestore Holdings Limited, Safestore Acquisition Limited and Safestore Group Limited (as "**Original Borrowers**"), (3) Safestore Holdings Limited, Safestore Acquisition Limited, Safestore Group Limited and the Relevant Subsidiary (amongst others)(as "**Original Guarantors**"), (4) Merrill Lynch International and The Royal Bank of Scotland Plc (as lead arrangers)(the "**Arrangers**"), (5) the financial institutions listed therein as Original Lenders, (6) The Royal Bank of Scotland Plc (as agent of the other Finance Parties (as defined therein))(the "**Agent**") and, (7) The Royal Bank of Scotland Plc (as security trustee for the Secured Parties (as defined therein))(the "**Security Trustee**"), in the form of the draft produced to the meeting (the "**Senior Facilities Agreement**"), pursuant to which a £237,000,000 senior term loan facility and a £5,000,000 working capital facility (together referred to as the "**Senior Term and Working Capital Facilities**") will be made available to the Original Borrowers.
2. A CAPEX facility agreement between (1) Safestore Holdings Limited (as "**Parent**"), (2) Safestore Holdings Limited, Safestore Acquisition Limited and Safestore Group Limited (as "**Original Borrowers**"), (3) Safestore Holdings Limited, Safestore Acquisition Limited, Safestore Group Limited and the Relevant Subsidiary (amongst others)(as "**Original Guarantors**"), (4) HSBC Bank plc and The Royal Bank of Scotland Plc (as lead arrangers)(the "**Arrangers**"), (5) the financial institutions listed therein as Original Lenders, (6) The Royal Bank of Scotland Plc (as agent of the other Finance Parties (as defined therein))(the "**Agent**") and (7) The Royal Bank of Scotland Plc (as security trustee for the Secured Parties (as defined therein))(the "**Security Trustee**"), in the form of the draft produced to the meeting (the "**CAPEX Facility Agreement**") pursuant to which a CAPEX Facility of £38,000,000 (the "**CAPEX Facility**") will be made available to the Original Borrowers

(the Senior Term and Working Capital Facilities and CAPEX Facility are together referred to as the "**Facilities**" and the Senior Facilities Agreement and the CAPEX Agreement are together referred to as the "**Facilities Agreements**").
3. A guarantee substantially in the form contained in the Senior Facilities Agreement (the "**Senior Guarantee**") pursuant to which the Relevant Subsidiary will guarantee to each Finance Party the obligations of the Obligors to the Finance Parties (the "**Senior Guarantee Obligations**").

4. A guarantee substantially in the form contained in the CAPEX Facility Agreement (the "**CAPEX Guarantee**") pursuant to which the Relevant Subsidiary will guarantee to each Finance Party the obligations of the Obligor to the Finance Parties (the "**CAPEX Guarantee Obligations**")

(The Senior Guarantee Obligations and the CAPEX Guarantee Obligations are together referred to as the "**Guarantee Obligations**" and the Senior Guarantee and the CAPEX Guarantee are together referred to as the "**Guarantees**").

5. A debenture substantially in the form of the draft produced to the meeting (the "**Debenture**") over all of its property, assets and undertaking, present and future in favour of the Security Trustee (on behalf of the Secured Parties) by way of security for the Guarantee Obligations to the Secured Parties.
6. An intra-company loan agreement (the "**Intra-Group Loan Agreement**"), pursuant to which monies may be loaned or borrowed by each party thereto or otherwise transferred between the parties thereto.
7. An intercreditor agreement (the "**Intercreditor Agreement**") with the Security Trustee and others pursuant to which the parties thereto will regulate certain of their rights against the Relevant Subsidiary.

Definitions

In this declaration, unless otherwise defined above, defined terms have the meanings given to them below:

"Obligors"

means Safestore Holdings Limited (company number: 4726380), Safestore Group Limited (company number: 4834430), Safestore Acquisition Limited (company number: 4835087), Mentmore Limited (company number: 307397), Hallco 747 Limited (company number: 4410941), Mentmore Fulham Limited (company number: 4340703), Spaces Personal Storage Limited (company number: 3512289), Whiteley Spring Limited (company number: 078371C), Safestore Limited (company number: 5512707), Metrostore Group Limited (company number: 2771451), Safestore Trading Limited (company number: 3474118), Hallco 1102 Limited (company number: 5227603), Storage World Limited (company number: 5107357), Storage World Self-Storage Limited (company number: 4506825), Safestore Properties Limited (company number: 3146412), Safestore Bermondsey Limited (company number: 4184682) and Starmodex Limited (company number: 3171644).

"Finance Documents"

means the Facilities Agreements and the other finance and security documents referred to therein.

"Finance Parties"

means HSBC Bank plc, Merrill Lynch International and The Royal Bank of Scotland plc (as Arranger) The Royal Bank of Scotland plc (as Agent, Arranger and Security Trustee) and any other financial institution from time to time party to the Facilities Agreements as a Lender.

Appendix 3 to Form 155(6)b

Principal terms on which Financial assistance will be given by Halco 747 Limited (Company Number 4410941)

Terms defined in Appendix 2 have the same meaning in this Appendix 3

1. By executing the Senior Facilities Agreement pursuant to which the Senior Term and Working Capital Facilities will be made available to the Original Borrowers, the Relevant Subsidiary will agree that the Agent may require it to pay all sums due under the Finance Documents (including costs and expenses (by way of indemnity or otherwise) and other sums due in connection with the reducing or discharging of liabilities incurred for the purpose of the Mentmore Acquisition. The Relevant Subsidiary also agrees that any Finance Party may set off any matured obligation due from an Obligor under the Finance Documents against any matured obligation owed by the Finance Party to that Obligor.
2. By executing the CAPEX Facility Agreement pursuant to which the CAPEX Facility will be made available to the Original Borrowers, the Relevant Subsidiary will agree that the Agent may require it to pay all sums due under the Finance Documents (including costs and expenses (by way of indemnity or otherwise) and other sums due in connection with the reducing or discharging of liabilities incurred for the purpose of the Mentmore Acquisition. The Relevant Subsidiary also agrees that any Finance Party may set off any matured obligation due from an Obligor under the Finance Documents against any matured obligation owed by the Finance Party to that Obligor.
3. By executing the Senior Guarantee the Relevant Subsidiary will:
 - 3.1 guarantee as principal obligor and not merely as surety the prompt performance by each relevant obligor of the Senior Guarantee Obligations (including sums due from the Buyer in connection with the Mentmore Acquisition);
 - 3.2 undertake that it will on demand upon a default in the payment of any sum due under or in connection with the Finance Documents pay such sum, as if it was expressed to be the primary obligor, together with interest payable thereon; and
 - 3.3 give an indemnity to the Finance Parties against any loss or liability suffered by them under the Finance Documents as a result of any obligation guaranteed by it being or becoming unenforceable, invalid or illegal.
4. By executing the CAPEX Guarantee the Relevant Subsidiary will:
 - 4.1 guarantee as principal obligor and not merely as surety the prompt performance by each relevant obligor of the CAPEX Guarantee Obligations (including sums due from the Buyer in connection with the Mentmore Acquisition);
 - 4.2 undertake that it will on demand upon a default in the payment of any sum due under or in connection with the Finance Documents pay such sum, as if it was expressed to be the primary obligor, together with interest payable thereon; and
 - 4.3 give an indemnity to the Finance Parties against any loss or liability suffered by them under the Finance Documents as a result of any obligation guaranteed by it being or becoming unenforceable, invalid or illegal.
5. By executing the Debenture the Relevant Subsidiary will:

- 5.1 as primary obligor and not merely as surety, covenant with the Security Trustee (on behalf of the Secured Parties) pay or discharge the Guarantee Obligations and all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Finance Parties by the Relevant Subsidiary, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not the Finance Party shall be an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses (by way of indemnity or otherwise) which the Finance Party may incur in respect of those matters, and so that interest shall be computed and compounded monthly as well after as before any demand made or decree obtained under or in relation to the Debenture; and
- 5.2 as beneficial owner, as security for the payment, discharge and performance of the same, charge in favour of the Security Trustee substantially all its assets and undertaking by way of fixed and floating charges by way of security for the same;
- 5.3 agree to indemnify the Security Trustee and any receiver fully forthwith on demand against all losses incurred by (or brought against) it or him as a result of any failure by an Obligor to perform any of its obligations under the Debenture; the exercise of any powers or rights conferred by the Debenture;
- 5.4 agree that at its own cost at the Security Trustee's request execute any deed or document and take any action required by the Security Trustee to perfect this security or further to secure the Guarantee Obligations.
6. By executing the Intra-Group Loan Agreement the Relevant Subsidiary will make available monies which may be loaned or borrowed by each party thereto or otherwise transferred between the parties thereto, to be used by the Group Companies, to inter alia, make payments when due under the Finance Documents, provided that the Relevant Subsidiary shall only be obliged to make advances if, inter alia, the aggregate of all monies standing to the credit of its bank accounts exceeds the amount of the proposed advance and the Relevant Subsidiary is solvent.
7. By executing the Intercreditor Agreement the Relevant Subsidiary acknowledges and agrees to the arrangements regulating, inter alia, the priority of the security held by the Security Trustee and the other parties thereto.

Appendix 4 to Form 155(6)b

Amount of cash to be transferred to persons assisted

The amount of any advances, up to a maximum of £300,000,000, made from time to time under the terms of the Intra Group Loan Agreement (as defined in Appendix 2)

The Directors
Mentmore Limited
Brittanic House
Stirling Way
Borehamwood
Herts
WD6 2BT

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham B3 2DT
Telephone: +44 (0) 121 265 5000
Facsimile: +44 (0) 121 232 2725
www.pwc.com/uk

30 June 2006

Dear Sirs

Auditors' report to the directors of Mentmore Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Mentmore Limited (the "Company") dated 30 June 2006 in connection with the proposal that the Company's subsidiary undertaking, Hallco 747 Limited, should give financial assistance for the purpose of the reduction or discharge of liabilities incurred in connection with the acquisition of shares in the Company. This report, including the opinion, has been prepared for and only for the Company and the Company's directors in accordance with Section 156 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion set out below, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors