CubeSmart
Form DEF 14A
April 10, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(RULE 14A-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant To Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.   )

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement.
¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**
x Definitive Proxy Statement.
¨ Definitive Additional Materials.
¨ Soliciting Material Pursuant to § 240.14a-12.

CUBESMART
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
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¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

Table of Contents

5 Old Lancaster Road
Malvern, Pennsylvania 19355

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on May 28, 2014

Dear Shareholder:

You are cordially invited to attend our 2014 annual meeting of shareholders to be held on May 28, 2014, at 8:00 a.m., Eastern Time, at the Four Seasons Hotel, One Logan Square, Philadelphia, Pennsylvania 19103, for the following purposes:

1. To elect as Trustees the eight individuals named in the accompanying proxy statement to serve until our 2015 annual shareholders meeting and until their successors are duly elected and qualified;

2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2014;

3. To cast an advisory vote to approve our executive compensation; and

4. To transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

Only shareholders of record at the close of business on March 14, 2014 will be entitled to notice of and to vote at the meeting.

Your vote is important. Whether or not you plan to attend the annual meeting, please vote your shares electronically via the Internet, by telephone or, if you receive a paper copy of the proxy materials, by signing, dating and completing the accompanying proxy card in the enclosed postage-paid envelope. Voting electronically via the Internet, by telephone, or by returning your proxy card in advance of the meeting does not deprive you of your right to attend the meeting. If you attend the meeting, you may vote your shares in person, even if you have previously submitted a proxy in writing, by telephone or via the Internet. Our Proxy Statement includes additional instructions on voting procedures for shareholders whose shares are held by a brokerage firm or other custodian.

By Order of the Board of Trustees,

Jeffrey P. Foster

Secretary

Malvern, Pennsylvania
April 10, 2014

Table of Contents

5 Old Lancaster Road
Malvern, Pennsylvania 19355

PROXY STATEMENT
FOR THE 2014 ANNUAL MEETING
OF SHAREHOLDERS

The Board of Trustees of CubeSmart is soliciting proxies to be voted at the annual meeting of shareholders to be held on May 28, 2014, at 8:00 a.m., Eastern Time, and at any adjournment or postponement of the meeting. This proxy statement, the form of proxy and our 2013 Annual Report on Form 10-K are first being furnished to shareholders and made available electronically on our website at www.cubesmart.com under Investor Relations beginning on or about April 10, 2014.

At the meeting, we will ask the holders of record of our common shares of beneficial interest as of the close of business on March 14, 2014 to consider and vote on the proposals listed below:

(1) To elect as Trustees the eight individuals named in the accompanying proxy statement to serve until our 2015 annual shareholders meeting and until their successors are duly elected and qualified;

(2) To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2014;

(3) To cast an advisory vote to approve our executive compensation; and

(4) To transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

Our Board of Trustees knows of no other business that will be presented for consideration at the meeting. If any other matter should be properly presented at the meeting or any adjournment or postponement of the meeting for action by the shareholders, the persons named in the proxy form will vote the proxy in accordance with their best judgment on such matter.

Important Notice Regarding the Availability of Proxy Materials
for the Shareholders Meeting to Be Held on May 28, 2014

This proxy statement, the form of proxy and our 2013 Annual Report to Shareholders
are available at http://investors.cubesmart.com/CorporateProfile.aspx?iid=4095755

Table of Contents

TABLE OF CONTENTS

Table of Contents

ABOUT THE MEETING

Introduction; Proposals for Shareholder Consideration.

We have provided to our shareholders a Notice of Internet Availability of Proxy Materials, which instructs you as to how you may access and review all of the proxy materials on the Internet. The Notice also instructs you as to how you may submit your proxy on the Internet. If you would like to receive a paper or email copy of our proxy materials, at no charge, you should follow the instructions for requesting such materials in the Notice.

This proxy statement and the form of proxy, which are first being furnished to shareholders on or about April 10, 2014, contain information related to the solicitation of proxies for use at our 2014 annual meeting of shareholders, to be held on May 28, 2014, at 8:00 a.m., Eastern Time, at the Four Seasons Hotel, One Logan Square, Philadelphia, Pennsylvania 19103, for the following proposals:

- to elect as Trustees eight individuals to serve until our 2015 annual shareholders meeting and until their successors are duly elected and qualified;
- to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2014;
- to cast an advisory vote to approve our executive compensation; and
- to transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

This solicitation is made by CubeSmart on behalf of our Board of Trustees. We, our, us and the Company refer to CubeSmart, a Maryland real estate investment trust.

What are the Board s recommendations?

Our Board recommends that you vote:

- **FOR** the election as Trustees of the individuals nominated and named in this proxy statement to serve as Trustees;

- **FOR** the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2014; and

- **FOR** the approval, on an advisory basis, of our executive compensation.

Who is entitled to vote at the annual meeting?

Only holders of record of our common shares at the close of business on March 14, 2014, the record date for the annual meeting, are entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting. Our common shares are the only class of securities entitled to vote at the meeting. As of the record date, there were 141,533,208 common shares outstanding.

Who can attend the annual meeting?

All holders of our common shares at the close of business on March 14, 2014, the record date for the annual meeting, or their duly appointed proxies, are authorized to attend the annual meeting. If you attend the meeting, you may be asked to present valid picture identification, such as a driver s license or passport, before being admitted. Cameras, recording devices, and other electronic devices will not be permitted at the meeting. If you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of the brokerage statement reflecting your share ownership as of March 14, 2014, or a legal proxy from your broker.

Table of Contents

What will constitute a quorum at the annual meeting?

A quorum is required to hold a valid meeting of our shareholders. The presence at the meeting, in person or by proxy, of the holders of a majority of the common shares outstanding at the close of business on March 14, 2014 will constitute a quorum, permitting the shareholders to conduct business at the meeting. The shares of a shareholder whose ballot on any or all proposals is marked as abstain will be included in the number of shares present at the meeting for the purpose of determining the presence of a quorum. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will be considered as present for purposes of determining a quorum, but will not be voted with respect to that matter.

How do I vote my shares that are held by my bank or broker?

If your shares are held by a bank or broker, you should follow the voting instructions provided to you by the bank or broker. Although most banks and brokers offer voting by mail, telephone and on the Internet, availability and specific procedures will depend on their voting arrangements. If you do not provide voting instructions to your bank or broker, your shares are referred to as uninstructed shares. Whether your bank or broker has the discretion to vote these shares on your behalf depends on the ballot item. Under the rules of the New York Stock Exchange (the NYSE), your bank or broker does not have discretion to vote uninstructed shares on non-routine matters, such as Proposals 1 and 3, and as such, may not vote uninstructed shares on such proposals. However, your bank or broker has discretion to vote your shares on routine matters, such as Proposal 2.

What vote is required to approve each proposal?

Voting Rights Generally. Each common share outstanding on the record date entitles its holder to cast one vote on each matter to be voted upon at the annual meeting. Shareholders have no cumulative voting rights. Although the advisory vote on Proposal 3 is non-binding, as provided by law, our Board will review the results of the vote and, consistent with our record of shareowner engagement, will take the result into account in making a determination concerning executive compensation.

Proposal 1: *Election of Trustees*. Trustees are elected by a plurality of the votes cast at the annual meeting. Shareholders may vote in favor of all nominees, withhold their votes as to all nominees, or withhold their votes as to specific nominees. Votes cast exclude abstentions and any votes withheld by banks or brokers in the absence of instructions from street-name holders (broker non-votes). Abstentions and broker non-votes will therefore have no effect on the outcome of the vote on this proposal.

Proposal 2: *Ratification of KPMG LLP as Our Independent Registered Public Accounting Firm.* Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2014 requires the affirmative vote of a majority of all votes cast on this proposal (which means the votes cast for the proposal must exceed the votes cast against the proposal). Accordingly, abstentions and broker non-votes will have no effect on the outcome of the vote on this proposal.

Proposal 3: *Advisory Vote on Executive Compensation*. Approval, on an advisory basis, of our executive compensation requires the affirmative vote of a majority of all votes cast on this proposal. Abstentions and broker non-votes will therefore have no effect on the outcome of the vote on this proposal.

How do I vote if I am the record holder of my shares?

If you are a shareholder of record, there are several ways for you to vote your common shares at the annual meeting:

Voting by Internet. You may vote your shares through the Internet by signing on to the website identified on the proxy card and following the procedures described on the website. Internet voting is available 24 hours a day until 11:59 p.m. ET on the day before the annual meeting, and the procedures are designed to authenticate votes cast by using a personal identification number located on the proxy card. The procedures allow you to appoint a proxy to vote your shares and to confirm that your instructions have been properly recorded. If you vote through the Internet, you should not return your proxy card.

Table of Contents

Voting by Mail. If you choose to vote by mail, simply complete the accompanying proxy card, date and sign it, and return it in the postage-paid envelope provided.

Voting by Telephone. You may vote your shares by telephone by calling toll-free 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries. Telephone voting is available 24 hours a day until 11:59 p.m. ET on the day before the annual meeting, and the procedures are designed to authenticate votes cast by using a personal identification number located on the proxy card. The procedures allow you to appoint a proxy to vote your shares and to confirm that your instructions have been properly recorded. If you vote by telephone, you should not return your proxy card.

In Person Attendance. You may vote your shares in person at the annual meeting. Even if you plan to attend the annual meeting in person, we recommend that you submit the accompanying proxy card or voting instructions, or vote by telephone or via the Internet, by the applicable deadline so that your vote will be counted if you later decide not to attend the annual meeting.

May I change my vote after I return my proxy?

Yes. You may revoke a previously granted proxy at any time before it is exercised by submitting to our Secretary a notice of revocation or a duly executed proxy bearing a later date, or by attending the meeting and voting in person.

How are proxy votes counted?

If you vote your common shares by completing the accompanying proxy card, or by voting on the Internet or by phone, and you do not revoke such proxy, your shares will be voted as directed by you. Unless contrary instructions are given, the persons designated as proxy holders on the proxy card will vote **FOR** the election of all nominees for our Board of Trustees named in this proxy statement, **FOR** the ratification of KPMG LLP as our independent registered public accounting firm, **FOR** the approval on an advisory basis of our executive compensation, and as recommended by our Board of Trustees with regard to any other matters which may properly come before the annual meeting, or, if no such recommendation is given, the persons designated as proxy holders on the proxy card will vote in accordance with their best judgment on such matter.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, you should vote each of your accounts by Internet, phone or mail. If you mail proxy cards, please sign, date and return each proxy card to assure that all of your shares are voted.

Who pays the costs of soliciting proxies?

We will pay the costs of soliciting proxies. We hired Georgeson Inc. to serve as our proxy solicitors at a cost of $7,500. In addition to soliciting proxies by mail, our officers, Trustees and other employees, without additional compensation, may solicit proxies personally or by other appropriate means. We anticipate that banks, brokers, fiduciaries, custodians and nominees will forward proxy soliciting materials to their principals and that we will reimburse such persons out-of-pocket expenses.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. Final voting results for Proposals 1 through 3 will be published in a Current Report on Form 8-K and filed with the Securities and Exchange Commission, or SEC, within four business days following the annual meeting.

Table of Contents

How can I obtain our Annual Report on Form 10-K?

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 is available electronically on our website at http://investors.cubesmart.com/CorporateProfile.aspx?iid=4095755. Our 2013 Annual Report on Form 10-K is not incorporated into this proxy statement and shall not be considered proxy solicitation material.

If you wish to have printed copies of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, as well as a copy of any exhibit specifically requested, or printed copies of this proxy statement, we will mail these documents to you without charge. Requests should be sent to: Secretary of the Company, CubeSmart, 5 Old Lancaster Road, Malvern, Pennsylvania 19355. Our 2013 Annual Report on Form 10-K has been filed with the SEC and may be accessed from the SEC s homepage at www.sec.gov.

Who should I contact if I have any questions?

If you have any questions about the annual meeting, these proxy materials or your ownership of our common shares, please contact our Secretary by telephone at (610) 535-5700 or by fax at (610) 535-5720.

Table of Contents

PROPOSAL 1: ELECTION OF TRUSTEES

Our Board of Trustees is currently comprised of eight Trustees. The term of each Trustee expires at the annual meeting. Our Board, upon the recommendation of its Corporate Governance and Nominating Committee, has nominated all eight of the current Trustees for re-election: William M. Diefenderfer III, Piero Bussani, John W. Fain, Marianne M. Keler, Christopher P. Marr, John F. Remondi, Jeffrey F. Rogatz and Deborah R. Salzberg.

The Board of Trustees recommends that shareholders vote in favor of the election of each of the eight nominees to serve as Trustees until the 2015 annual meeting of shareholders and until their successors are duly elected and qualified. Based on its review of the relationships between the Trustee nominees and us, the Board of Trustees affirmatively determined that seven of the eight nominees (William M. Diefenderfer III, Piero Bussani, John W. Fain, Marianne M. Keler, John F. Remondi, Jeffrey F. Rogatz and Deborah R. Salzberg) are independent Trustees under the rules of the NYSE. See Corporate Governance Independence of Trustees.

The Board of Trustees knows of no reason why any nominee would be unable or unwilling to serve as a Trustee. If any nominee is unable or unwilling to serve, the Board of Trustees may designate a substitute nominee and the persons designated as proxy holders will vote for the substitute nominee recommended by the Board of Trustees, or the Board of Trustees may decrease the size of our Board of Trustees, as permitted by our bylaws. Each nominee has consented to be named in this proxy statement and has agreed to serve if elected.

When considering whether nominees for Trustee have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board of Trustees to fulfill its oversight responsibilities effectively in light of our business and structure, the Corporate Governance and Nominating Committee and the Board of Trustees focused primarily on the information summarized in each of the Trustees individual biographies set forth below.

Nominees for Election

We have summarized below the backgrounds and principal occupations of each of our nominees for Trustee and the period during which he or she has served as a Trustee.

William M. Diefenderfer III, 68, has served as our Chairman of the Board of Trustees since February 2007 and as a Trustee since our initial public offering in October 2004. Mr. Diefenderfer has been a partner in the law firm of Diefenderfer, Hoover, Boyle & Wood since 1991. He served as Chief Executive Officer and President of Enumerate Solutions Inc., a privately-owned technology company that he co-founded, from 2000 to 2002. From 1992 to 1996, Mr. Diefenderfer served as Treasurer and Chief Financial Officer of Icarus Aircraft, Inc., a privately-owned aviation technology company. Mr. Diefenderfer served a two-year term on the Public Company Accounting Oversight Board s Standing Advisory Group from 2004 through 2005. In October 2006, he accepted appointment to the Commission on the Future of American Veterans, the purpose of which is to formulate a clear plan to guide the U.S. Department of Veteran s Affairs for the next twenty years. Mr. Diefenderfer serves as Vice-Chairman of the Board of Directors of Enumerate Solutions Inc., as well as chairman of its Audit Committee. He currently serves on the board of SLM Corporation, a publicly-traded company more commonly known as Sallie Mae, a leading provider of student loans and administrator of college savings plans. He is Chairman of Sallie Mae s Finance and Operations Committee.

Relevant Areas of Experience: Mr. Diefenderfer has experience serving on boards of directors and has a background in accounting, including serving a term on the Public Company Accounting Oversight Board s Standing Advisory Group.

Piero Bussani, 49, has served as a Trustee since February 2010. Since December 2004, Mr. Bussani has been General Counsel and Executive Vice President for WHM LLC (aka Luxury Resorts and Hotels), a leading luxury hotel management company that manages hotels and resorts owned by affiliates of the Blackstone Group. Mr. Bussani is responsible for overseeing and managing the legal, human resources and risk functions for the management and operation of hotels and resorts throughout the U.S. and Caribbean. While continuing to provide legal oversight and consulting services for Luxury Resorts and Hotels, in March 2013, Mr. Bussani became Chief Legal Officer for Invitation Homes, Blackstone s residential home business. From June 1996 through June 2007,

Table of Contents

Mr. Bussani served as General Counsel and Executive Vice President for Extended Stay America, Inc. and Extended Stay Hotels in Spartanburg, South Carolina. From July 1995 through June 1996, Mr. Bussani was Senior Real Estate Counsel for Blockbuster Entertainment Group in Fort Lauderdale, Florida. Mr. Bussani started his career as an associate in the litigation and real estate groups of Arent Fox Kintner Plotkin & Kahn in Washington D.C. where he worked from August 1991 through July 1995.

Relevant Areas of Experience: Mr. Bussani has significant experience as a general counsel in the hospitality industry, including combined business and legal experience with regard to customer retention, occupancy, and risk mitigation.

John W. Fain, 60, has served as a Trustee since May 2012. Mr. Fain has served in various capacities at Overnite Transportation Company now a part of UPS Freight, a subsidiary of UPS since 1982, including as Senior Vice President Sales and Marketing (1998 to 2012), Senior Vice President Operations (1995-1998), and General Counsel (1982-1992). Mr. Fain was an associate, practicing real estate law, at McGuire Woods from 1978 until 1982. Mr. Fain is a member of the board of directors of the Virginia Trucking Association, the Greater Richmond YMCA (on which he has served as chairman emeritus since 2002), the Virginia Commonwealth University Foundation and Ramp Access Made Possible by Students (RAMPS). Mr. Fain also served as a director and a member of the audit committee of the Virginia Business Bank from 2006 until June 2011.

Relevant Areas of Experience: Mr. Fain has knowledge and experience in the transportation and logistics arena. In addition, Mr. Fain has also gained knowledge of our industry through his real estate law practice and his involvement in the operation and management of a large, logistics organization with multiple facilities nationwide.

Marianne M. Keler, 59, has served as a Trustee since March 2007. From 1985 to February 2006, Ms. Keler served in various positions with SLM Corporation, a publicly-traded company more commonly known as Sallie Mae. From 2005 to 2006, she served as Executive Vice President, Corporate Strategy, Consumer Lending and Administration, where she led several business lines, including SLM Financial. From 2001 to 2004, she was Executive Vice President and General Counsel for SLM. Ms. Keler was an attorney at the U.S. Securities and Exchange Commission from 1981 to 1984. She is a partner of Keler & Kershow, PLLC, a private law firm, and chairs the board of the American University in Bulgaria as well as the board of Building Hope, a charter school lender. Ms. Keler is a member of the Board of Directors of Sallie Mae Bank and the Institute for American Universities, and she serves on the Board of Regents of Georgetown University and the Board of Visitors of the Georgetown Law Center.

Relevant Areas of Experience: Ms. Keler has extensive finance, merger and acquisition, management, governance and risk management experience, including over 20 years of service as a senior corporate officer at a Fortune 100 financial services company.

Christopher P. Marr, 49, has been our President and Chief Executive Officer since January 2014 and also has served as a member of our Board of Trustees since that time. Previously, Mr. Marr served as our President, Chief Operating Officer, and Chief Investment Officer having assumed the President and Chief Investment Officer roles in 2008 and, additionally, the Chief Operating Officer role in May 2012. Mr. Marr joined CubeSmart in 2006, serving as Chief Financial Officer and Treasurer until November 2008. Prior to joining CubeSmart, Mr. Marr was Senior Vice President and Chief Financial Officer of Brandywine Realty Trust, a publicly-traded office REIT, from August 2002 to June 2006. Prior to joining Brandywine Realty Trust, Mr. Marr served as Chief Financial Officer of Storage USA, Inc., a publicly-traded self-storage REIT, from 1998 to 2002. Mr. Marr currently serves on the board of STAG Industrial, Inc., a publicly-traded industrial REIT, and also as a member of the National Association of Real Estate Investment Trusts Board of Governors.

Relevant Areas of Experience: Mr. Marr has experience with boards of directors and real estate investment trusts and, in particular, knowledge and experience in the self-storage industry. Mr. Marr has gained extensive knowledge of our business through his service to our Company since 2006 and his position with Storage USA, Inc.

John F. Remondi, 51, has served as a Trustee since November 2009. Mr. Remondi is President, Chief Executive Officer and a member of the board of SLM Corporation, a publicly-traded company more commonly known as Sallie Mae. Prior to rejoining SLM in 2008, Mr. Remondi served as Portfolio Manager to PAR Capital Management Corp. in Boston, Massachusetts, from 2005 to 2008. From 1999 to 2005, Mr. Remondi served in several financial

Table of Contents

positions with SLM, including Executive Vice President, Corporate Finance. In addition to his experience at SLM Corporation, Mr. Remondi served in corporate finance positions with New England Education Loan Marketing Corporation and BayBank Boston. Mr. Remondi is the Chairman of the Board of Directors of RIF Reading is Fundamental as well as a member of the board of directors for Nellie Mae Education Foundation.

Relevant Areas of Experience: Mr. Remondi has considerable financial management experience, including service as chief financial officer at a Fortune 100 financial services company.

Jeffrey F. Rogatz, 52, has served as a Trustee since January 2011. Mr. Rogatz is Managing Director with Robert W. Baird & Co., an investment banking firm. Previously, Mr. Rogatz was the co-founder of Palladian Realty Capital which provides consulting and advisory services to public and private real estate companies. In addition to Palladian Realty Capital, Mr. Rogatz was the founder and President of Triangle Real Estate Advisors LLC, a real estate asset management company, which is the manager of Triangle Real Estate Securities Fund LLC. Mr. Rogatz is also founder and President of Ridgeway Capital LLC, a real estate investment and advisory firm that invests in office, industrial and retail leased assets in the Mid-Atlantic area. Prior to founding Ridgeway Capital in 2001, Mr. Rogatz was chief financial officer of Brandywine Realty Trust, a NYSE-listed real estate investment trust. Prior to joining Brandywine in 1999, Mr. Rogatz was a managing director and head of the REIT practice for Legg Mason Wood Walker, Incorporated. Mr. Rogatz was a member of the Board of Directors of CapLease, Inc., a publicly-traded diversified real estate investment trust, until its sale in 2013. Currently Mr. Rogatz is a member of the Friends of Woodlawn Library, Inc. and Opera Delaware, and a member of the William and Mary Business School Foundation Board.

Relevant Areas of Experience: Mr. Rogatz has experience serving on boards of directors and has knowledge and experience working with real estate investment trusts. Mr. Rogatz has also gained knowledge of our industry as a result his involvement in real estate ownership, strategy, operation and investment through his roles with Palladian Realty Capital and Triangle Real Estate Advisors, LLC.

Deborah R. Salzberg, 60, has served as a Trustee since May 2013. Ms. Salzberg is the President of Forest City Washington, Inc., a Washington, D.C. based real estate firm specializing in the development, construction, ownership and management of mixed-use, commercial, residential, and military housing developments and has served in various capacities with Forest City since 1985. Ms. Salzberg was President of RMS Investment Corporation, a privately held real estate management company in Cleveland, Ohio, from 1999 to 2013. Prior to joining Forest City, Ms. Salzberg was a trial attorney in the Civil Division of the U.S. Department of Justice. Ms. Salzberg is a member of the Board of Directors of Forest City Enterprises, Inc. and the Boards of Trustees for George Washington University, Kenyon College, the District of Columbia Building Industry Council, and the White House Fellows Regional Selection Committee.

Relevant Areas of Experience: Ms. Salzberg has experience serving on boards of directors and has knowledge and experience in the planning, development, construction and management of new construction, adaptive re-use and redeveloped real estate projects through her roles and responsibilities with Forest City Washington, Inc.

OUR BOARD OF TRUSTEES UNANIMOUSLY
RECOMMENDS A VOTE FOR EACH OF THE ABOVE NOMINEES.

Table of Contents

CORPORATE GOVERNANCE

Corporate Governance Documents

Our Board of Trustees maintains corporate governance guidelines and a code of business conduct and ethics. To view the corporate governance guidelines and code of business conduct and ethics, as well as the charters of each of the committees of the Board, please visit our website at www.cubesmart.com. Each of these documents is also available in print, free of charge, to any shareholder who requests them in writing to the Secretary, CubeSmart, 5 Old Lancaster Road, Malvern, Pennsylvania 19355.

Independence of Trustees

NYSE listing standards require listed companies to have a majority of independent board members and to have each of the nominating/corporate governance, compensation and audit committees comprised solely of independent Trustees. Under the listing standards and other independence requirements of the NYSE, in order for a Trustee to qualify as independent, our Board of Trustees must affirmatively determine that the Trustee has no material relationship with us (either directly or as a partner, shareholder or officer of an organization that has a relationship with us). The NYSE rules currently provide that a Trustee who has any of the following relationships or arrangements will not qualify as independent:

- The Trustee is, or has been within the last three years, an employee of ours, or an immediate family member of the Trustee is, or has been within the last three years, an executive officer of ours.

- The Trustee has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $120,000 in direct compensation from us (excluding compensation in the form of Board fees and Board committee fees and pension or other forms of deferred compensation not contingent on continued service).

- (A) The Trustee or an immediate family member is a current partner of a firm that is our internal or external auditor; (B) the Trustee is a current employee of such a firm; (C) the Trustee has an immediate family member who is a current employee of such a firm and who participates in the firm s audit, assurance or tax compliance (but not tax planning) practice; or (D) the Trustee or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on our audit within that time.

- The Trustee or an immediate family member of the Trustee is, or has been within the last three years, employed as an executive officer of another company where any of our present executive officers at the same time serves or served on that company s compensation committee.

- The Trustee is a current employee, or an immediate family member of the Trustee is a current executive officer, of a company that has made payments to, or received payments from, us for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million or 2% of such other company s consolidated gross revenues.

Our Board of Trustees evaluated the status of each Trustee who served on our Board during 2013. After broadly considering all facts and circumstances (including Mr. Rogatz s affiliation with Baird & Co.), our Board of Trustees affirmatively determined that each of our Trustees (other than Mr. Marr and Dean Jernigan, who served on our Board through December 31, 2013) meets the independence requirements of the NYSE because each has no known relationship (material or otherwise) with us. Our Board determined that Messrs. Marr and Jernigan are not independent because of their current or former positions with us as executive officers.

Table of Contents

Hedging Policy; Restriction on Pledges

Our executives and Trustees are prohibited from hedging their ownership or offsetting any decline in the market value of our shares, including by trading in publicly-traded options, puts, calls or other derivative instruments related to our shares. In addition, in February 2013, we changed our restrictive policy on pledges of company securities to prohibit executives and Trustees from pledging company securities. Our prohibition applies to pledges effected from and after the date of the change and not to pledges in effect prior to the change. None of our current Trustees or executives have pledged company securities.

Oversight of Risk Management

Risk is inherent in business and we are exposed to a number of risks and we regularly identify and evaluate these risks and develop enterprise-based plans to manage them effectively. Our Board of Trustees and management consider risk for these purposes to be the possibility that an undesired event could occur that adversely affects the achievement of our objectives. Risks vary in many ways, including the ability of the Company to anticipate and understand the risk, the types of adverse impacts that could occur if the undesired event occurs, the likelihood that an undesired event and a particular adverse impact would occur, and the ability of the Company to control the risk and the potential adverse impacts. A discussion of particular risks identified by the Company is included in our most recent Annual Report on Form 10-K filed with the SEC on February 28, 2014.

Our Board of Trustees and the relevant Board Committees that report on their deliberations to the Board have oversight of our risk management policies and procedures. In addition, our President and Chief Executive Officer, Chief Financial Officer and Chief Legal Officer are directly responsible for our enterprise risk management function and report to our Board of Trustees and the relevant Board Committees in this regard to discuss the risks facing us, highlight any new risks that may have arisen since they last met, and develop programs and recommendations to determine the sufficiency of risk identification and the appropriate manner in which to control risk. The relevant Board Committees then report their discussions with the President and Chief Executive Officer, Chief Financial Officer and Chief Legal Officer regarding our risk management efforts to our Board of Trustees for consideration. Our Board of Trustees and its Committees oversee risks associated with their respective principal areas of focus as summarized below:

Board Committee	Primary Area of Risk Oversight
Audit	Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting, financial policies, investment guidelines and credit and liquidity matters.
Corporate Governance and Nominating	Risks and exposures associated with leadership and succession planning; and corporate governance.
Compensation	Risks and exposures associated with executive compensation programs and arrangements, including incentive plans. See Compensation Discussion and Analysis Additional Compensation Information Compensation and Risks.

In fulfilling their risk management responsibilities, our President and Chief Executive Officer, Chief Financial Officer and Chief Legal Officer have developed management reporting processes that are designed to provide visibility to the Board about the identification, assessment, and management and mitigation of critical risks. Our President and Chief Executive Officer, Chief Financial Officer and Chief Legal Officer work closely with members of executive and senior management, the heads of each Company department, and financial and accounting staff to maintain these management reporting processes. Not less than quarterly, the President and Chief Executive Officer, Chief Financial Officer and Chief Legal Officer conduct a risk disclosure meeting with all members of senior management and the heads of each Company department to discuss financial (accounting, credit, liquidity, and tax),

Table of Contents

legal, regulatory, compliance and reputational risks. Our executives also report directly to our Board on at least an annual basis to apprise them directly of our risk management efforts.

Members of our senior management also participate in the implementation of our risk management policy. Not less than annually, senior management and the heads of each Company department conduct a review of all enterprise risk management policies and procedures and recommend revisions to company controls and policies. Finally, we retain outside consultants to review risks facing us and to recommend policies and programs to minimize the impact of any risks identified in connection with such review.

Communications with the Board

Shareholders and other interested parties may communicate with the Board of Trustees or with the non-management Trustees, as a group or individually, by communicating directly with the Chairman of the Board of Trustees. Please send any correspondence in writing to the Chairman of the Board c/o Secretary of CubeSmart, 5 Old Lancaster Road, Malvern, Pennsylvania 19355, who will then directly forward your correspondence to the Chairman of the Board of Trustees. The Chairman will decide what action should be taken with respect to the communication, including whether such communication should be reported to the Board of Trustees.

Table of Contents

POLICIES AND PROCEDURES REGARDING REVIEW, APPROVAL OR RATIFICATION OF TRANSACTIONS WITH RELATED PERSONS

Under our declaration of trust, we may enter into any contract or transaction with a Trustee, officer, employee or agent, or any person affiliated with any of them, in which such person has a material financial interest, provided that (i) the Board of Trustees is made aware of the interest and a majority of the disinterested Trustees approves or ratifies the contract or transaction; (ii) our shareholders are made aware of the interest and holders of a majority of our outstanding shares entitled to vote (excluding shares owned by the interested party) approve or ratify the contract or transaction; or (iii) the contract or transaction is fair and reasonable to us.

As set forth in our corporate governance guidelines, our Board of Trustees adopted a policy providing that transactions with a Trustee who has a personal or financial interest (direct or indirect) should be scrutinized carefully to ensure that the transaction is in our best interests and will not otherwise create a conflict of interest. Without the approval of a majority of the disinterested Trustees, we will not enter into a transaction or arrangement (including utilizing the services of any Trustee to provide legal, accounting, financial, consulting or other similar services) in which a Trustee has a material personal or financial interest (direct or indirect). Whether an interest is a material personal or financial interest in a transaction or arrangement will be determined by the Board of Trustees on a case-by-case basis, but at a minimum a Trustee will be considered to have a material personal or financial interest in a transaction or arrangement if we would be required to disclose such transaction or arrangement in our proxy statement or in our Annual Report on Form 10-K. The interested Trustee will not participate in any Board discussion regarding the matter in which he or she has such an interest. For purposes of this policy, the disinterested Trustees will consider the interests of any entity with which a Trustee is affiliated, any immediate family member of a Trustee, and any entity in which a Trustee s immediate family member has a material interest.

Pursuant to its charter, our Corporate Governance and Nominating Committee is responsible for reviewing any transactions and arrangements with our Trustees and making a recommendation to the Board of Trustees concerning such transactions and arrangements. The Corporate Governance and Nominating Committee maintains written procedures regarding general related party transactions and office lease agreements between the Company and related parties. Below is a description of the material features of these procedures, including types of transactions that are covered by them and the standards applied in evaluating transactions and arrangements with Trustees and executive officers.

General Related Party Transaction Procedures

The General Related Party Transaction Procedures govern the review of transactions and arrangements in which Trustees or executive officers may have a direct or indirect interest that, while not technically requiring approval of the disinterested Trustees under our declaration of trust or our corporate governance guidelines, may nonetheless be advisable to be reviewed and approved by the Corporate Governance and Nominating Committee to ensure that related party transactions are properly reviewed and, if necessary, approved first by the Corporate Governance and Nominating Committee, and if appropriate, by a majority of disinterested Trustees. The procedures outline: (i) requirements and procedures for Trustees and executive officers to report any potential related party transaction to our compliance officer (currently, our Chief Legal Officer); (ii) the procedures our compliance officer follows in collecting and submitting to the Chairman of the Corporate Governance and Nominating Committee information regarding potential related party transactions; (iii) the Corporate Governance and Nominating Committee s process for reviewing and evaluating potential related party transactions; and (iv) the process used by the disinterested Trustees in reviewing and evaluating a potential related party transaction once approved by the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee may consult with legal counsel as it considers all of the information compiled by our compliance officer and evaluates material issues raised and factors relating to the transaction. The Corporate Governance and Nominating Committee determines whether it is appropriate and advisable for us to engage in the transaction on the basis of whether the transaction is fair, reasonable and in our best interests, and if so, whether the proposed transaction requires approval by the disinterested members of the Board of Trustees.

11

Table of Contents

TRANSACTIONS WITH RELATED PERSONS

Pursuant to lease agreements that our operating partnership entered into with Amsdell and Amsdell (an entity owned by Barry L. Amsdell and Robert J. Amsdell, former Company Trustees) during 2005 and 2006, we rented office space from Amsdell and Amsdell at The Parkview Building, a multi-tenant office building of approximately 40,000 square feet located at 6745 Engle Road, Middleburg Heights, Ohio and an office building of approximately 18,000 square feet located at 6751 Engle Road. Each of these properties is part of Airport Executive Park, a 50-acre office and flex development located in Cleveland, Ohio, which is owned by Amsdell and Amsdell. Our independent Trustees approved the terms of, and entry into, each of the office lease agreements by our operating partnership. The table below shows the office space subject to these lease agreements and certain key provisions, including the term of each lease agreement and the minimum and maximum rents payable per month during the term.

Office Space	Approximate Square Footage	Term	CubeSmart Subleased the Space to a Third Party (1)	Fixed Minimum Rent Per Month	Fixed Maximum Rent Per Month
6745 Engle Road Suites 105, 115, 130, 215 and 300; and 6751 Engle Road Suites E and F	21,900	12/31/2014	Yes (except Suites E and F)	$ 25,673	$ 31,205
6745 Engle Road Suite 100	2,212	12/31/2014	Yes	$ 3,051	$ 3,709
6745 Engle Road Suite 110	1,731	12/31/2014	Yes	$ 2,387	$ 2,901
6751 Engle Road Suites C and D	3,000	12/31/2014	No	$ 3,137	$ 3,771

(1) The operating partnership and Amsdell and Amsdell, an entity owned by Robert and Barry Amsdell, entered into a First Amendment to Lease which modified certain terms of all of the lease agreements the operating partnership has with Amsdell and Amsdell for office space in Cleveland, Ohio. The First Amendment provided the operating partnership the ability to assign or sublease the office space previously used for its corporate office and certain operations. Separately, Amsdell and Amsdell consented to the operating partnership s proposed sublease of approximately 22,000 square feet of office space covered by the aforementioned leases.

In addition to monthly rent, the office lease agreements require that our operating partnership reimburse Amsdell and Amsdell for certain maintenance and improvements to the leased office space. The total amount of lease payments incurred under the four office leases for the year ending December 31, 2013 was approximately $0.5 million. The total future minimum rental payments due under the related party lease agreements to the related party, as of December 31, 2013, are as follows:

	Related Party Amount (in thousands)
2014	$ 499
Total	**$** 499

During 2013, we paid Mr. Jernigan s son-in-law, Jonathan Perry, who is our Senior Vice President - Investments, salary and benefits with an aggregate value of approximately $566,000.

12

Table of Contents

MEETINGS AND COMMITTEES OF THE BOARD OF TRUSTEES

Board of Trustees Meetings

Our Board of Trustees holds regular and special meetings throughout the year. During 2013, the Board of Trustees held seven (7) meetings, including telephonic meetings. Each Trustee is expected to attend, in person or by telephone, all Board meetings and meetings of committees on which he or she serves. During 2013, each Trustee attended at least 75 percent of the Board of Trustees and committee meetings on which he or she served. Pursuant to our corporate governance guidelines, all of our Trustees are expected to attend our annual meetings of shareholders. All of our Trustees then serving on our Board (except Mr. Remondi) attended our 2013 annual shareholders meeting.

Non-Executive Chairman of the Board; Executive Sessions

Our Board believes that independent Board leadership is a critical component of our corporate governance. William M. Diefenderfer III serves as our Non-Executive Chairman of the Board of Trustees and Christopher P. Marr serves as our Chief Executive Officer and as a Trustee. We believe that separating the positions of Chairman and Chief Executive Officer is currently appropriate for us given Mr. Diefenderfer s business, legal, accounting and management experience and his knowledge and experience with our company. Additionally, separating the positions of Chairman and Chief Executive Officer allows us to achieve independent oversight and evaluation of our senior management and assures effective communication between the Board of Trustees and senior management on corporate strategy, while simultaneously allowing our Chief Executive Officer to focus on growing our business and implementing our strategic business plans. As Non-Executive Chairman of the Board, Mr. Diefenderfer is charged primarily with:

- presiding over meetings of our Board of Trustees and shareholders, including executive sessions of the non-management Trustees;
- establishing an agenda and setting the timing and length for each Board meeting in collaboration with our Chief Executive Officer and other Trustees and meeting with our Chief Executive Officer following each meeting to discuss any open issues and follow-up items;
- facilitating and coordinating communication among the non-management Trustees and our Chief Executive Officer and an open flow of information between management and our Board;
- facilitating and coordinating communication among our shareholders and our Board;

- periodically meeting with each non-management Trustee;
- providing assistance to and consulting with our Chief Executive Officer, as necessary;
- coordinating the periodic review of management s strategic plan; and
- performing such other duties and services as our Board may require.

Pursuant to our corporate governance guidelines and the independence requirements of the NYSE, in order to promote open discussion among independent Trustees, our Board of Trustees devotes a portion of each regularly scheduled Board meeting to sessions of non-management Trustees without management participation. The Chairman of the Board presides over these sessions.

Board Committees

The Board of Trustees has a standing Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. All members of these committees are independent of us as that term is defined in the

Table of Contents

listing standards and other independence requirements of the NYSE. Our Board of Trustees has adopted a written charter for each of its standing committees. The full text of each charter is available on our website, www.cubesmart.com, under Investor Relations. In addition, each charter is also available in print, free of charge, to any shareholder who requests a copy in writing to the Secretary, CubeSmart, 5 Old Lancaster Road, Malvern, Pennsylvania 19355.

The table below provides current membership information for each of the Board committees and the number of meetings held by each committee during 2013:

Name (1)	Audit	Compensation	Corporate Governance and Nominating
P. Bussani		**X**	**Chair**
J.W. Fain	**X**	**X**	
M. M. Keler	**X**		**X**
D. J. LaRue (2)			**X**
J.F. Remondi	**X**	**Chair**	
J. F. Rogatz	**Chair**	**X**	
D.R. Salzberg (3)			**X**
Number of Meetings in 2013	**4**	**5**	**3**

(1) Mr. Diefenderfer, our Chairman of the Board of Trustees, serves as an ex officio member of each committee.

(2) Mr. Larue left the Board of Trustees in May 2013.

(3) Ms. Salzberg joined the Board of Trustees in May 2013.

Audit Committee

The principal purposes of the Audit Committee are to assist the Board of Trustees in the oversight of:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the qualification and independence of our independent registered public accounting firm; and

- the performance of our internal audit function and independent registered public accounting firm.

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm and is also responsible for reviewing with our independent registered public accounting firm any audit problems or difficulties they encounter in the course of their audit. The Audit Committee is also charged with the tasks of reviewing our financial statements, any financial reporting issues and the adequacy of internal controls with management and our independent registered public accounting firm.

Our Audit Committee s written charter requires that all members of the committee meet the independence, experience, financial literacy and expertise requirements of the NYSE, the Sarbanes-Oxley Act of 2002, the Securities Exchange Act of 1934, as amended, or Exchange Act, and applicable rules and regulations of the SEC, all as in effect from time to time. All of the members of the Audit Committee meet the foregoing requirements. The Board of Trustees determined that Messrs. Fain, Remondi and Rogatz are each an audit committee financial expert as defined by the rules and regulations of the SEC.

Table of Contents

Compensation Committee

The principal purposes of the Compensation Committee are to:

- review and approve our corporate goals and objectives with respect to the compensation of our Chief Executive Officer, evaluate the Chief Executive Officer s performance in light of those goals and objectives, and determine and approve, either as a committee or with our other independent Trustees, the appropriate level and structure of the Chief Executive Officer s compensation;

- determine and approve, either as a committee or together with our other independent Trustees, the compensation of the other executive officers;

- review and recommend succession plans for our key officers;

- make recommendations to the Board of Trustees regarding compensation of Trustees; and

- recommend, implement and administer our incentive and equity-based compensation plans.

Our Compensation Committee s primary responsibility is to determine and implement our compensation policies and practices. In connection with its review and approval of compensation levels and structure, the Committee has authority to approve grants of equity-based awards to our executive officers, including our Chief Executive Officer, and our employees. With respect to compensation of our executives other than our Chief Executive Officer, the Committee considers recommendations made by our Chief Executive Officer with respect to compensation of executive officers who report directly to him. In addition, the Board of Trustees has delegated to our Chief Executive Officer the authority to make one-time grants of equity-based awards to non-executive new hires and promoted employees in an amount not to exceed the equivalent of $100,000. Our Chief Executive Officer must regularly report to the Compensation Committee information concerning the grants that are made pursuant to this authority. The Board of Trustees has not delegated authority with respect to executive or Trustee compensation to any other group or person.

In carrying out its duties, the Compensation Committee has sole authority, pursuant to its charter, to retain advisors, including compensation consultants and legal counsel, to advise the Compensation Committee on executive compensation matters. The Compensation Committee also has authority to delegate to one or more subcommittees as it deems necessary and appropriate. In addition, the Compensation Committee has the authority to approve any such advisor s or consultant s fees and other terms of engagement. Since May, 2011, the Compensation Committee has retained Fredric W. Cook & Co., Inc., an independent compensation consultant, to review our compensation and benefits program, analyze competitive market compensation practices and make recommendations relating to our executive compensation programs. Our Compensation Committee assessed the independence of Fredric W. Cook & Co., Inc. under NYSE rules and concluded that the firm s work for the Committee does not raise any conflict of interest. Factors considered by the Committee include: (i) whether other services are provided to us by Fredric W. Cook & Co., Inc. or its representatives; (ii) the amount of fees received by Fredric W. Cook & Co., Inc. from us as a percentage of its total revenue; (iii) policies of Fredric W. Cook & Co., Inc. designed to prevent conflicts of interest; (iv) the absence of any business or personal relationship of representatives of Fredric W. Cook & Co., Inc. or its representatives with a member of the Committee; (v) whether Fredric W. Cook & Co., Inc. or its representatives own any of our securities; and (vi) whether Fredric W. Cook & Co., Inc. or its representatives have any business or personal relationship with any of our executive officers.

With respect to compensation of Trustees, our Compensation Committee has the authority to make recommendations to the Board of Trustees regarding compensation levels and structure. The Board of Trustees, however, has the ultimate authority to approve Trustee compensation levels and grants of equity-based awards to our Trustees.

Table of Contents

The Compensation Committee currently consists of Messrs. Remondi (Chair), Bussani, Fain, and Rogatz. Each member of our Compensation Committee is independent within the meaning of the listing standards and other independence requirements of the NYSE.

Compensation Committee Interlocks and Insider Participation

Mr. Bussani, Mr. Fain, Mr. Remondi, and Mr. Rogatz served on the Compensation Committee during 2013. None of the members of the Compensation Committee during 2013 or as of the date of this proxy statement is or has been an officer or employee of ours and no executive officer of ours served on the compensation committee or board of any company that employed any member of our Compensation Committee or Board of Trustees.

Corporate Governance and Nominating Committee

The principal purposes of the Corporate Governance and Nominating Committee are to:

- identify individuals that are qualified to serve as Trustees;
- recommend such individuals to the Board of Trustees, either to fill vacancies that occur on the Board of Trustees from time to time or in connection with the selection of Trustee nominees for each annual meeting of shareholders;
- periodically assess the size of the Board of Trustees to ensure it can effectively carry out its obligations;
- develop, recommend, implement and monitor our corporate governance guidelines and our code of business conduct and ethics;
- review any related party transactions and procedures for evaluating and approving such transactions;
- oversee the evaluation of the Board of Trustees and management; and

- ensure that we are in compliance with all NYSE corporate governance listing requirements.

The Board of Trustees has adopted a policy to be used for considering potential Trustee candidates to continue to ensure that our Board of Trustees consists of a diverse group of qualified individuals that function effectively as a group. The policy provides that qualifications and credentials for consideration as a Trustee nominee may vary according to the particular areas of expertise being sought as a complement to the existing composition of the Board of Trustees. However, at a minimum, candidates for Trustee must possess:

- the highest professional and personal ethics and values;
- a commitment to enhancing shareholder value;
- broad experience at the policy-making level in business, government, education, technology or public interest;
- an ability to provide insights and practical wisdom based on experience and expertise;
- a willingness and ability to devote adequate time and resources to diligently perform Board duties;
- a reputation, both personal and professional, consistent with our image and reputation; and

Table of Contents

- an ability to exercise sound judgment and make independent analytical inquiries.

In addition to the minimum qualifications listed above, the Corporate Governance and Nominating Committee believes that there are other qualities and skills that, while not a prerequisite for nomination, should be taken into account when considering whether to recommend a particular person. These factors include:

- whether the person possesses specific expertise and familiarity with general issues affecting our business;
- whether the person s nomination and election would enable the Board of Trustees to have a member that qualifies as an audit committee financial expert as such term is defined by the SEC;
- whether the person would qualify as an independent Trustee under the listing standards and other independence requirements of the NYSE and our corporate governance guidelines;
- the importance of continuity of the existing composition of the Board of Trustees; and
- the importance of a diversified Board membership, in terms of both the individuals involved and their various experiences and areas of expertise.

The Corporate Governance and Nominating Committee will seek to identify Trustee candidates based on input provided by a number of sources, including (a) Corporate Governance and Nominating Committee members, (b) other members of the Board of Trustees and (c) our shareholders. The Corporate Governance and Nominating Committee also has the authority to consult with or retain advisors or search firms to assist in the identification of qualified Trustee candidates. From time to time, the Corporate Governance and Nominating Committee retains the services of the National Association of Corporate Directors, or NACD, and other advisors to identify potentially qualified candidates for the Board of Trustees.

As part of the identification process, the Corporate Governance and Nominating Committee determines the optimal size of the Board, assessing the future needs based on anticipated Trustee vacancies, the value of specific industry expertise, and the willingness of existing Trustees to continue to serve as Trustees if re-nominated. Once a Trustee candidate has been identified, the Corporate Governance and Nominating Committee will evaluate the candidate in light of his or her qualifications and credentials, and any additional factors that it deems necessary or appropriate. Existing Trustees who are being considered for re-nomination are re-evaluated as part of the Corporate Governance and Nominating Committee s process of recommending Trustee candidates. The Corporate Governance and Nominating Committee will consider all persons recommended by shareholders in the same manner as all other Trustee candidates provided that such recommendations are submitted in accordance with the procedures set forth in our bylaws. For more information see the section entitled *Other Matters Shareholder Proposals and Nominations for the 2015 Annual Meeting* below.

After completing the identification and evaluation process described above, the Corporate Governance and Nominating Committee recommends to the Board of Trustees the nomination of a number of candidates equal to the number of Trustees expected to be elected at the next annual meeting of shareholders. The Board of Trustees selects the Trustee nominees for shareholders to consider and vote upon at the annual meeting.

Table of Contents

TRUSTEE COMPENSATION

Trustee Compensation Table for 2013

The table below shows the actual amounts earned by our Trustees for their service during 2013. As an employee of the Company, Mr. Jernigan did not receive compensation for his service as a Trustee. Compensation paid to Mr. Jernigan can be found in the table captioned *Summary Compensation Table for 2013*.

Name (1)	Fees Earned or Paid in Cash (2)	Share Awards (3)	All Other Compensation (4)	Total
W. M. Diefenderfer III	$ 90,000	$ 71,692	$ 6,758	$ 168,450
M. M. Keler	$ 57,500	$ 71,692	$ 2,324	$ 131,516
D. J. LaRue	$ 19,337	$	$ 11,776	$ 31,113
J.F. Remondi	$ 80,000	$ 71,692	$ 2,324	$ 154,016
P. Bussani	$ 65,000	$ 71,692	$ 2,324	$ 139,016
J. Rogatz	$ 80,000	$ 71,692	$ 2,324	$ 154,016
J.W. Fain	$ 60,000	$ 71,692	$ 2,324	$ 133,926
D. R. Salzberg	$ 28,163	$ 33,227	$ 457	$ 61,847

(1) Each person listed served as our Trustee for all of 2013, except that Ms. Salzberg joined the Board, and Mr. LaRue left the Board, in May 2013.

(2) Includes fees paid in connection with: (a) the annual retainer for service on the Board; (b) the annual retainer for service on the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, as applicable; (c) the annual retainer for the Chairman of the Board of Trustees and the Chairman of the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, as applicable.

(3) On January 25, 2013, each Trustee was granted 4,381 restricted shares (except for Ms. Salzberg who was awarded 2,078 restricted shares on May 29, 2013), which restricted shares vest one year from the grant date. The amounts listed in this column reflect the grant date fair value of the award in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation Stock Compensation (FASB ASC Topic 718). Assumptions used in the calculation of these amounts are included in Note 15, Share-Based Compensation Plans, in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K filed with the SEC on February 28, 2014. As of December 31, 2013, each of the then non-employee Trustees named above had 4,381 (except Ms. Salzberg who had 2,078) unvested restricted shares outstanding.

(4) All other compensation includes dividends paid on unvested restricted shares, deferred shares under the 2006 CubeSmart Trustees Deferred Compensation Plan and dividend equivalents paid on phantom shares issued under the 2008 Amended CubeSmart Trustees Deferred Compensation Plan. See *Trustees Deferred Compensation Plan* below.

Cash Compensation

For 2013, cash compensation to our independent Trustees consisted of the following payments: (i) annual retainer for service on the Board of $40,000; (ii) annual retainer of $50,000 for the Chairman of the Board of Trustees; (iii) annual retainer of $20,000 for service as the chairman of the Audit Committee; (iv) annual retainer of $20,000 for service as chairman of the Compensation Committee; (v) annual retainer of $7,500 for service as chairman of the Corporate Governance and Nominating Committee; (vi) an additional annual retainer of $10,000 for service as a member of each of the Audit Committee or Compensation Committee; and (vii) an additional annual retainer of $7,500 for service as a member of the Corporate Governance and Nominating Committee. Non-employee Trustees may receive additional fees for service on strategic initiatives or other special committees that the Board of Trustees may from time to time establish.

Equity Awards

In addition to the cash compensation paid to independent Trustees for their Board service, on January 25, 2013 we granted to each independent Trustee (except for Ms. Salzberg) 4,381 restricted shares with an aggregate value for each Trustee of $71,692, which value was determined based on the average of the trailing 30-day closing price for

Table of Contents

our common shares preceding the date of grant, and which reflects factors such as risk of forfeiture, dividend yield and vesting term. On May 29, 2013, in connection with her appointment to the Board, Ms. Salzberg received a grant of 2,078 restricted shares, with an aggregate value of $33,227 based on the average of the trailing 30-day closing price for our common shares preceding the date of grant. The restricted shares granted to our Trustees vested on the first anniversary of the applicable date of grant.

Trustees Deferred Compensation Plan

In December 2006, our Board of Trustees approved the CubeSmart Trustees Deferred Compensation Plan (Deferred Trustees Plan), which was amended in December 2008 in order to bring such plan into compliance with Section 409A of the Internal Revenue Code of 1986, as amended, or the Code. New deferrals under the former deferred compensation plan were suspended upon adoption of the Deferred Trustees Plan. At December 31, 2013, an aggregate of 5,389 deferred shares were outstanding under the former plan.

Pursuant to the Deferred Trustees Plan, the Board of Trustees designated non-employee Trustees as eligible participants. Participants may elect each plan year to defer all or a portion of their compensation and have such amounts credited to accounts until distributed in accordance with the plan and the participants distribution elections. Each distribution account is credited with the returns of the investment options selected by plan participants, which include investment options that are available in our 401(k) plan, or such other investment funds as the Board of Trustees may designate from time to time. At December 31, 2013, an aggregate of approximately 4,850 phantom shares were allocated to the accounts of plan participants, including phantom shares resulting from reinvestment of dividend equivalents.

Table of Contents

EXECUTIVE OFFICERS

Current Executive Officers

Set forth below is background information on each of our executive officers as of April 10, 2014, other than Mr. Marr, whose background is described above under *Election of Trustees Nominees for Election*.

Timothy M. Martin, 43, has served as our Chief Financial Officer since November 2008. Mr. Martin served as our Senior Vice President and Chief Accounting Officer from December 2006 to November 2008. He previously was employed by Brandywine Realty Trust from 1997 to December 2006, serving as Vice President, Finance and Treasurer from January 2006 to December 2006, as Brandywine s Principal Financial Officer from May 2006 to December 2006, as Vice President and Chief Accounting Officer from March 2004 to January 2006, and as Director, Financial Analysis from 2001 to March 2004. Prior to joining Brandywine, Mr. Martin served as a member of the audit staff of Arthur Andersen, LLP s Philadelphia office, specializing in real estate.

Jeffrey P. Foster, 44, has served as our Senior Vice President, Chief Legal Officer and Secretary since February 2009. From April 2003 to February 2009, Mr. Foster served as Senior Vice President and Associate General Counsel of Gramercy Realty, a division of Gramercy Capital Corp., a publicly traded office REIT (formerly known as American Financial Realty Trust). Prior to joining American Financial Realty Trust, Mr. Foster was an associate with Morgan, Lewis & Bockius LLP from 1999 to 2003.

Table of Contents

COMPENSATION COMMITTEE REPORT

The Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis contained in this proxy statement. Based on the Compensation Committee s review of, and discussions with management with respect to, the Compensation Discussion and Analysis, the Compensation Committee recommended to the Board of Trustees that the Compensation Discussion and Analysis be included in this proxy statement for filing with the SEC.

Respectfully submitted,

The Compensation Committee of the Board of Trustees

John F. Remondi, Chairman
Piero Bussani
John W. Fain
Jeffrey F. Rogatz

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act or the Exchange Act that might incorporate this proxy statement or future filings with the SEC, in whole or in part, the above report shall not be deemed to be soliciting material or filed with the SEC and shall not be deemed to be incorporated by reference into any such filing.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Committee determines the compensation for our executive officers, sets corporate goals and objectives with respect to executive compensation, evaluates performance against those goals and objectives, and determines the appropriate level and structure of executive compensation based on its evaluation. In carrying out these duties during 2013, the Compensation Committee considered, among other things, analyses prepared by independent compensation consultant Fredric W. Cook & Co., Inc., which the Compensation Committee engaged in May 2011 as an independent compensation consultant to advise regarding our executive compensation programs. Our philosophy with respect to, and our objectives in setting, executive compensation are discussed below. As a part of this discussion, we also outline the elements of compensation awarded to, earned by, or paid to the named executive officers.

Compensation Philosophy and Objectives

We desire to build and maintain a superior executive management team to forge our business strategy and lead us to profitable growth. We believe success in accomplishing these goals will, in part, depend on the effectiveness of our executive compensation programs, which are designed to compensate and reward executive officers for the achievement of corporate goals and desired business results and for their personal contributions in the execution of our business strategy. Excellence in corporate and individual performance is our primary objective, and tying a significant portion of overall executive compensation to the achievement of our corporate goals is our philosophy. The Compensation Committee believes that the most effective executive compensation programs are designed to reward the achievement of specific annual, long-term and strategic goals that align executives interests with those of the shareholders by rewarding performance above established goals, with the ultimate objective of improving shareholder value.

In setting executive compensation, we endeavor to:

- provide compensation that is sufficient to attract and retain the very best possible executive talent;
- provide a significant portion of total compensation linked to achieving performance goals that we believe will create shareholder value in the short and long-term to ensure that executive officers maintain an ongoing personal stake in our company; and
- encourage executive officers to achieve superior individual performance.

2013 Executive Compensation Program

The Compensation Committee engaged Fredric W. Cook & Co., Inc., an independent compensation consultant, to review our existing compensation and benefits program, analyze competitive market compensation practices and make recommendations on our 2013 executive compensation program to achieve the objectives described above. Representatives of Fredric W. Cook & Co., Inc. were present at several of the Compensation Committee s meetings and met with the Compensation Committee in executive session, where no members of management were present.

Fredric W. Cook & Co., Inc. provided the Compensation Committee with multiple market reference points, including compensation data compiled from the proxy statements of a group of 19 REITs with a median equity market capitalization of $1.56 billion.

As part of its process of designing our compensation programs, the Compensation Committee carefully considered the appropriate market reference points for determining pay competitiveness and determined that the comparative group for benchmarking purposes should represent the marketplace in which we are likely to compete for talent. The Compensation Committee faced challenges in determining a comparative peer group, including the fact that market data specific to our self-storage peers is limited to three companies. The Compensation Committee reviewed and discussed the compensation data compiled by Fredric W. Cook & Co., Inc. In light of the top talent recruited from different industries, the caliber and diverse backgrounds of our named executive officers and our desire to retain a

Table of Contents

superior executive management team, the Compensation Committee considered and established executive compensation levels to reflect these diverse factors.

For our 2013 executive compensation program, our Compensation Committee, taking into consideration the views of Fredric W. Cook & Co., Inc., added East Group Properties to the peer group used in our executive compensation program. No companies were removed from the peer group used by our Compensation Committee in 2012. Listed below are the companies that comprise our 2013 peer group.

REIT Group Companies (16)

Acadia Realty	First Potomac Realty Trust	National Retail Properties, Inc.
Associated Estates Realty	Glimcher Realty Trust	Post Properties
Cousins Properties Incorporated	Healthcare Realty Trust, Inc.	PS Business Parks, Inc.
East Group Properties	Hersha Hospitality Trust	Tanger Factory Outlet Centers, Inc.
Education Realty Trust	Inland Real Estate Corporation	
Equity Lifestyle Properties, Inc.	Medical Properties Trust	

Storage REIT Group Companies (3)

	Extra Space Storage Inc.	
	Public Storage, Inc.	
	Sovran Self Storage Inc.	

In considering executive compensation decisions, the Compensation Committee also reviews tally sheets prepared for each named executive officer. The tally sheets present the dollar amounts of each component of compensation awarded to the named executive officers, including base salary, annual incentive, accumulated deferred compensation balances, outstanding equity awards, defined contribution retirement plan, potential payments under the employment agreements for Messrs. Marr and Martin and Foster, severance payments, perquisites and other benefits. The overall purpose of the tally sheets is to bring together, in one place, all of the elements of actual and potential future compensation in certain circumstances so that the Compensation Committee may analyze both the individual elements of compensation (including the compensation mix), as well as the total amount of compensation.

In light of the more than 98% shareholder vote approving the Company s executive compensation program, as reflected in the shareholders adoption of an advisory resolution approving executive compensation contained in the 2013 proxy statement, the review of the tally sheets and the information provided by Fredric W. Cook & Co., Inc**.**, the Committee concluded that no changes were required to be made to the overall structure of our 2013 executive compensation program; however, the base salary paid to Mr. Martin was increased from $315,000 to $347,000 and the base salary paid to Mr. Foster was increased from $280,000 to $287,000. The Committee also increased Mr. Martin s target for long-term incentive compensation from $400,000 to $425,000.

Compensation Components

Our executive compensation program consists of three principal components: salary, annual incentive compensation and long-term incentive compensation. The design and objective of each component of our 2013 executive compensation are set forth below. Using market data provided by Fredric W. Cook & Co., Inc., combined with our desire to retain a superior executive management team, the Compensation Committee determined the appropriate percentages of salary, annual incentive compensation and long term incentive compensation components. There is no predefined or preferred weighting among salary, annual incentive compensation and long term incentive compensation to achieve the goals established by the Compensation Committee. Decisions regarding the components of salary and the salary targets for 2013 were made in the first quarter of 2013.

Table of Contents

Component	Design	Objective
Salary	• To provide a base level of cash compensation for annual services; to recognize individual performance; and to retain and motivate executive talent.	• Reflect the caliber and background of talent, as well as new hire / current market rates.
Annual Incentive	• Annual incentive dependent upon achievement of (i) financial performance (60%), (ii) strategic goals (20%), and (iii) individual performance objectives (20%). • Payout ranges from 50% to 200% of target award, except that the portion tied to individual performance objectives is limited to a maximum 150% of target payout.	• Align the executive management team to common goals and objectives. • Reflect that the highest priorities for us in 2013 were to maximize financial performance for our shareholders (60% of the annual incentive was targeted to that objective) and improve our portfolio quality and performance (20% of the annual incentive was targeted to that objective). • Reward (through a portion of this annual incentive) the individual performance of each executive. • Create a variable earning opportunity tied to key performance goals.
Long-Term Incentive	• Annual grant values of long-term awards were allocated as follows: (i) 1/3 in stock options, (ii) 1/3 in restricted shares, and (iii) 1/3 in performance units, except for Mr. Jernigan who received an award consisting entirely of restricted shares.	• Emphasize retention and provide leverage opportunities through options. • Maintain consistency with general industry practice with a combination of stock options and restricted shares. • Emphasize retention and performance and promote alignment with shareholder interests. • Align with competitive pay practices among REITs and in the broader U.S. market of mixing restricted shares, performance units and options. • Promote shareholder value generation. • Align executive compensation with return to shareholders.

Total Cash Compensation

Base Salary. Base salary is the fixed component of pay for our named executive officers and is intended to provide a base level of compensation for the position. Factors considered in determining base salaries included the executive s scope of responsibilities, a market competitive assessment of similar roles at a peer group of general industry companies, and the performance of the individual executive. Minimum base salaries for Messrs. Jernigan, Marr, Martin, and Foster are established in their respective employment agreements, the material terms of which are summarized below under the heading *Employment Agreements and Potential Payments Upon Termination or Change in Control*. Any increases to the base salaries of executive officers, other than our Chief Executive Officer, are set by the Compensation Committee after discussions with, and recommendations by, our Chief Executive Officer regarding each individual s accomplishments, areas of strength and opportunities for development. Any increase to the base salary of our Chief Executive Officer is set after each Trustee completes a performance evaluation of the Chief Executive Officer, the results of which are summarized and reviewed by the Chairman of the Compensation Committee with Compensation Committee members and with the Chief Executive Officer. After review and discussion, the Compensation Committee for 2013, the Compensation set the base salaries for Mr. Jernigan at $610,000, Mr. Marr at $450,000, Mr. Martin at $347,000, and Mr. Foster at $287,000.

Annual Incentive Compensation. We believe that annual incentive compensation is an important element of executive compensation that enables us to achieve our objectives of attracting and retaining executive talent, encouraging superior individual performance, and more importantly, achieving our corporate goals and objectives. In making annual incentive compensation decisions, the Compensation Committee approved a targeted cash annual

Table of Contents

incentive opportunity for each executive officer that correlated to specific performance achievements. Annual incentive compensation for 2013 was comprised of four elements financial performance, measured by funds from operations (FFO) growth (weighted at 50%) and same store net operating income growth (weighted at 10%); achievement of strategic goals consisting of external growth (weighted at 20%) and achievement of individual goals (weighted at 20%).

For 2013, the financial performance and strategic goals approved by the Compensation Committee were set as follows: threshold 50%; target 100%; and maximum 200%. Similarly, the Compensation Committee approved the individual goals for 2013 were set as follows: threshold 50%; target 100% and maximum 150%.

Individual goals include a subjective assessment of management s performance. Specific individual goals for Mr. Jernigan in 2013 consisted primarily of succession planning and preparation, transitioning of the Chief Executive Officer s responsibilities at the end of 2013, enhancement of officer development programs, and leveraging existing relationships to source investment opportunities. Specific individual goals for Mr. Marr in 2013 consisted primarily of preparing for the successful leadership transition and restructuring Company management to reflect officer retirements, increasing internal and external communications, developing a property development program, ensuring the successful completion of the Company s new headquarters building, and assisting Mr. Martin and Mr. Foster in the achievement of their individual performance goals. Specific individual goals for Mr. Martin in 2013 consisted primarily of communicating with equity and fixed income investors, expansion of the Company s at the market equity program, assisting the investor relations, accounting, and information technology functions to achieve their respective departmental goals, and opportunistically refinance debt and CMBS maturities. Specific individual goals for Mr. Foster in 2013 consisted primarily of communicating with compensation consultants and proxy advisors to improve the Company s governance ratings, evaluation and renegotiation of the Company s storage insurance program, recruitment of a new human resources leader for the Company, oversight of the Company s new headquarters project and assisting the legal, risk management, and human resources functions to successfully achieve their 2013 strategic goals.

The target award for total annual incentive compensation is a percentage of the 2013 base salary for each executive officer as follows: Mr. Jernigan, 100%; Mr. Marr, 80%; Mr. Martin, 65%; and Mr. Foster, 60%. Performance above and below targeted levels results in a pro-rated award of 50% of target for threshold performance and 200% of target for maximum performance, except that the maximum percentage achievable for individual goals is limited to 150% of target. The table below lists the potential payouts at threshold, target and maximum performance, and the actual annual incentive compensation paid under each component as a result of 2013 performance.

			Funds from Operations (50% of Target Opportunity)				Same Store Net Operating Growth (10% of Target Opportunity)				Strategic Goals (20% of Target Opportunity)			
Name	**2013 Annual Base Salary ($)**	**Target Annual Incentive Opportunity as % of Salary**	**Threshold ($)**	**Target ($)**	**Max ($)**	**Actual Payout ($)**	**Threshold ($)**	**Target ($)**	**Max ($)**	**Actual Payout ($)**	**Threshold ($)**	**Target ($)**	**Max ($)**	**Actual Payout ($)**
D. Jernigan	610,000	100%	152,500	305,000	610,000	610,000	30,500	61,000	122,000	122,000	61,000	122,000	244,000	244,000
C. P. Marr	450,000	80%	90,000	180,000	360,000	360,000	18,000	36,000	72,000	72,000	36,000	72,000	144,000	144,000
T. M. Martin	347,000	65%	56,388	112,775	225,550	225,550	11,278	22,555	45,110	45,110	22,555	45,110	90,220	90,220
J. P. Foster	287,000	60%	43,050	86,100	172,200	172,200	8,610	17,220	34,440	34,440	17,220	34,440	68,880	68,880

Name	2013 Annual Base Salary ($)	Target Annual Incentive Opportunity as % of Salary	Individual Goals (20% of Target Opportunity) Threshold ($)	Target ($)	Max ($)	Actual Payout ($)	Total
D. Jernigan	610,000	100%	61,000	122,000	183,000	183,000	1,159,000
C. P. Marr	450,000	80%	36,000	72,000	108,000	108,000	684,000
T. M. Martin	347,000	65%	22,555	45,110	67,665	67,665	428,545
J. P. Foster	287,000	60%	17,220	34,440	51,660	51,660	327,180

Equity Compensation

Long-Term Incentive Compensation. Our long-term incentive compensation is comprised of three components: non-qualified stock options, time-vested restricted shares (restricted shares) and performance-vested restricted share units (performance units). We believe that long-term incentive compensation is an important element in providing

Table of Contents

competitive compensation and, because such awards have a basis in our common shares, helps to ensure that executive officers maintain an ongoing personal stake in the achievement of superior corporate performance. In January 2013, the Compensation Committee awarded a target grant level for long-term incentive compensation for each executive officer as follows:

D. Jernigan	$	1,250,000
C. P. Marr	$	650,000
T. M. Martin	$	425,000
J. P. Foster	$	300,000

The foregoing amounts were established based on achievement of corporate goals and objectives, individual performance, and for the additional reasons discussed under *2013 Executive Compensation Program*. Long-term incentive compensation awards were allocated (by value) one-third to non-qualified stock options; one-third to restricted shares, and one-third to performance units, except for Mr. Jernigan whose award was entirely in the form of restricted shares. For each of our named executive officers (except Mr. Jernigan), the Compensation Committee determined that an equal allocation (by value) of long-term incentive compensation among stock options, restricted shares and performance units achieved the appropriate balance of performance-based long-term incentive compensation with the stability provided by time-vested equity awards. For Mr. Jernigan, the Committee determined that a grant solely of restricted shares was appropriate given the time remaining in the Mr. Jernigan s employment agreement with the Company. The actual number of restricted shares, performance units, and non-qualified stock options received by each of our named executive officers in 2013 as a result of the long-term incentive award is set forth below under *Executive Compensation Grants of Plan Based Awards Table*.

Non-Qualified Stock Options The stock options vest ratably over three years beginning on the first anniversary of the date of grant. The stock options have a term of 10 years and an exercise price equal to the closing price of our common shares on the date of grant.

Restricted Shares Each restricted share has a value equal to the closing price of our common shares on the date of grant. Like the stock options, the restricted shares vest ratably over three years beginning on the first anniversary of the date of grant. Dividends are paid on restricted shares prior to vesting, which is consistent with the competitive practices among REITs and recognizes the competitive orientation of the awards. Unvested restricted shares are subject to forfeiture if the executive s service terminates prior to the vesting date for any reason other than good reason, disability, death or a change in control.

Performance Units We granted performance units, which represent the right to earn common shares, to our named executive officers in January 2013. The number of common shares, if any, deliverable to award recipients depends on our performance, based on total shareholder return (measured by reference to the change in our share price plus dividends) over the applicable measurement period compared to the total shareholder return for peer group companies over the same measurement period. The measurement period for the performance units awarded to our named executive officers (other than Mr. Jernigan who did not receive a 2013 award of performance units) in January 2013 runs from January 1, 2013 until December 31, 2015. Dividends accrue (in the form of additional performance units) with respect to performance units, prior to vesting. Unvested performance units are subject to forfeiture if the executive s service terminates prior to the end of the applicable measurement period for any reason other than good reason, disability, death or a change in control, or if and to the extent the applicable performance conditions are not satisfied as of the end of the measurement period.

In May 2012, the Board of Trustees awarded Mr. Jernigan modified performance units to promote the Company s retention and succession planning activities and solidify an effective leadership transition as well as to align Mr. Jernigan s compensation with long-term shareholder interests. Each performance unit awarded to Mr. Jernigan represents the right to earn common shares, subject generally to Mr. Jernigan s continued service with us through December 31, 2013 and to the satisfaction of performance criteria during the measurement period ending

June 30, 2014. The performance units awarded to Mr. Jernigan do not accrue dividends prior to vesting.

Table of Contents

2014 Compensation Actions

In January 2014, the Compensation Committee awarded a target grant level for long-term incentive compensation for each executive officer as follows:

C. P. Marr	$	750,000
T. M. Martin	$	550,000
J. P. Foster	$	425,000

The Compensation Committee determined that the value of long-term incentive compensation will be allocated equally among time-vested options; time-vested restricted share units; and performance-vested restricted share units. The time-vested options and restricted share units will vest one-third on each anniversary of the grant. If and to the extent the performance objectives relating to total shareholder return are achieved, the performance-vested restricted share units will vest, with the value of the vested restricted share units tied to a percentage ranging from 0 to 200% of the targets. The performance-vested restricted share units will cliff vest on the third anniversary of the date of grant, subject to the grantee s continued service with us and the satisfaction of performance objectives tied to our total shareholder return. The Compensation Committee believes that the structure of our long-term incentive compensation aligns our executives performance incentives with the interests of our shareholders.

In setting executive compensation for 2014, the Compensation Committee, upon the recommendation of our Chief Executive Officer, determined that the base salaries for Messrs. Martin and Foster should be increased. In addition, the Compensation Committee, upon consultation with Frederic W. Cook & Co., Inc., determined that the base salary for Mr. Marr should be increased. The Compensation Committee also approved an increase in the target long-term incentive compensation levels for Messrs. Marr, Martin and Foster and an increase in the annual incentive compensation target for Messrs. Marr, Martin and Foster. The Compensation Committee approved an increase in the base compensation of Mr. Marr from $450,000 to $525,000; of Mr. Martin from $347,000 to $375,000; and of Mr. Foster from $287,000 to $310,000. The target award for total annual incentive compensation was changed to 100% of 2014 base salary for Mr. Marr; to 75% of 2014 base salary for Mr. Martin; and to 70% of 2014 base salary for Mr. Foster. The target grant levels for long-term incentive compensation for Messrs. Marr, Martin and Foster were increased from $650,000 to $750,000 for Mr. Marr; from $425,000 to $550,000 for Mr. Martin; and from $300,000 to $425,000 for Mr. Foster. In addition, Mr. Marr received a one-time award of restricted shares in the amount $500,000, which grant vests ratably on each of January 1, 2015, 2016, and 2017.

The Compensation Committee established annual incentive compensation goals for 2014 comprised of the following elements: financial performance, measured by funds from operations (FFO) growth (weighted at 40%) and same store net operating income growth (weighted at 25%); achievement of strategic goals consisting of external growth (weighted at 25%); and achievement of individual goals (weighted at 10%).

Other Compensation Elements

Employment Agreements. We have employment agreements with each of Messrs. Marr, Martin and Foster. We have summarized the material terms of these agreements under the heading *Employment Agreements and Potential Payments Upon Termination or Change in Control.*

Deferred Compensation Benefits. In December 2006, the Compensation Committee approved the CubeSmart Executive Deferred Compensation Plan (amended in December 2008 in order to bring such plan into compliance with Section 409A of the Code), which permits employees with the title of vice president or above, including our named executive officers, to defer receipt of all or a portion of their salary and annual incentive and have that deferred compensation credited to accounts until distributed in accordance with the Plan and their elections. Under the Plan, we credit to each participant s account a matching deferred compensation amount that is equal to the difference between the total matching contribution we would have made under our 401(k) plan without regard to the limits imposed by the Code and the actual matching contribution that we make under the 401(k) plan.

Perquisites and Personal Benefits. We do not provide any significant perquisites to our executive officers. During 2013, we provided the use of a company car, life insurance equal to the lesser of the executive officer s base salary or $500,000, and executive medical coverage to each of our named executive officers. In addition, the Company

Table of Contents

arranged for long-term disability insurance coverage for each of our executive officers. While these benefits were not tied to any formal performance criteria, they were intended to serve as part of a competitive total compensation program.

Additional Compensation Principles

Policy on Grants of Equity Awards. The Board of Trustees adopted a Policy Statement on the Grant of Equity Awards to ensure compliance with securities, tax and accounting rules and regulations, and adherence to best corporate governance practices in granting equity-based compensation. This Policy provides that the Board of Trustees has sole authority to approve equity awards to our Trustees and the Compensation Committee has sole authority to approve equity awards to our executive officers. The Policy further provides that the grant date shall be the date of the meeting at which the award is approved by the Board or the Compensation Committee, as the case may be, except that, with respect to new hires, the date of the award shall be the later of the first date of employment of such person or the date approval for the grant is obtained from the Board or the Compensation Committee. Under no circumstances will the grant date for any equity award be any earlier than the date on which action is taken to approve such award. The exercise price of option awards shall be the closing price for our common shares on the NYSE on the date of grant. As a part of this Policy, the Board of Trustees delegated authority to Mr. Marr to make one-time grants of equity-based awards to non-executive new hires and internally promoted employees in an amount not to exceed the equivalent of $100,000, and Mr. Marr must make regular reports to the Compensation Committee regarding awards granted pursuant to this authority. We believe this delegation of authority facilitates improved efficiency in recruiting and retaining key non-executive employees.

Share Ownership Guidelines. We maintain share ownership guidelines for all of our officers to ensure that each Company officer maintains a material personal financial stake in us and to promote strong alignment between the interests of management and our shareholders. We expect each Company officer to acquire, within five years of his or her appointment, and thereafter to maintain ownership of, common shares having a market value equal to: five times annual base salary for the President and Chief Executive Officer; three times annual base salary for the Chief Financial Officer, and Chief Legal Officer; 1.75 times annual base salary for all Senior Vice Presidents; and 0.75 times annual base salary for all other officers. The Board of Trustees annually reviews progress toward achieving these ownership levels for the named executive officers. In February 2014, the Board of Trustees reviewed achievement levels and determined that each of our named executive officers meets or exceeds the applicable ownership levels.

Compensation Recovery. We have not adopted a policy that provides for recovery of a cash compensatory award if a performance measure used to calculate an award is subsequently adjusted in a manner that would have reduced the size of the award. If we were to experience such an adjustment, our Compensation Committee would assess the circumstances relating to the adjustment and take such action as it believes to be appropriate, including, potentially, an action to recover the excess portion of the award. The Compensation Committee intends to adopt a cash compensatory award recovery policy promptly following the adoption of regulations by the SEC governing such recovery policies. In 2014, the Compensation Committee adopted the following policy to recover any equity-based compensatory award:

If it is determined by our Board that [Recipient s] gross negligence, intentional misconduct or fraud caused or partially caused the Company to have to restate all or a portion of its financial statements, the Board, in its sole discretion, may, to the extent permitted by law and to the extent it determines in its sole judgment that it is in the best interests of the Company to do so, require repayment of any Shares delivered to [Recipient] pursuant to this Agreement or to effect the cancellation of unvested Shares.

Hedging and Pledging Limitations. Our executives and Trustees are prohibited from hedging their ownership or offsetting any decline in the market value of our shares, including by trading in publicly-traded options, puts, calls and other derivative instruments related to our shares.

They are also prohibited from pledging Company securities.

Tax Compliance Policy. The Compensation Committee reviewed the potential consequences for us of Section 162(m) of the Code, which imposes a limit on tax deductions for annual compensation in excess of $1 million paid to our Chief Executive Officer and Chief Financial Officer and the three other most highly compensated named

Table of Contents

executive officers employed at the end of the year. To the extent that compensation is required to and does not qualify for deduction under Section 162(m), a larger portion of shareholder distributions may be subject to federal income tax expense as dividend income rather than return of capital, and any such compensation allocated to our taxable REIT subsidiaries whose income is subject to federal income tax would result in an increase in income taxes due to the inability to deduct such compensation. Although we are mindful of the limits imposed by Section 162(m), even if it is determined that Section 162(m) applies or may apply to certain compensation packages, we nevertheless reserve the right to structure compensation, including equity-based awards, in a manner that may exceed the deduction limitations under Section 162(m).

RISK GUIDELINES

The structure of our compensation policies and practices is designed to discourage our executives from engaging in unnecessary and excessive risk taking. Our compensation policies and practices are centrally designed and administered and are substantially similar throughout the Company and among all levels of employees. Key components of our compensation policies and practices include base salary, performance-based compensation, employee benefit and welfare programs, and retirement plans. Executive attention is to be focused on key strategic, operational and long-term financial measures. In addition, the Compensation Committee considers the annual and progressive achievement of personal goals of each employee, including leadership, scope of responsibilities and experience. By focusing on the long-term achievement of corporate and personal goals, we discourage our employees from engaging in unnecessary and excessive risk taking. We maintain strong internal financial controls and use effective management processes for developing strategic and annual operating plans and employee development programs. As a result of our compensation policies and practices, we have concluded that we are not encouraging or creating risks that are reasonably likely to have a material adverse effect on the Company.

EXECUTIVE COMPENSATION

The following tables and narrative summarize the compensation for the years ended December 31, 2011, 2012 and 2013 paid to or earned by our former Chief Executive Officer, our current President and Chief Executive Officer (who served during 2013 as our President, Chief Operating Officer and Chief Investment Officer), our Chief Financial Officer, and our other executive officer.

Summary Compensation Table

Name and Position	Year	Salary ($)	Bonus ($)	Share Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)(2)	Total ($)
D. Jernigan	2013	$ 610,000	$	$ 1,250,003	$	$ 1,159,000	$ 131,856	$ 3,150,859
Former Chief Executive	2012	$ 610,000		$ 4,290,572		$ 1,189,500	$ 113,408	$ 6,203,480
Officer	2011	$ 610,000		$ 1,249,997		$ 1,049,109	$ 87,418	$ 2,996,524
C. P. Marr	2013	$ 450,000	$	$ 433,335	$ 216,666	$ 684,000	$ 102,287	$ 1,886,288
President and Chief	2012	$ 410,000		$ 366,666	$ 183,334	$ 639,600	$ 104,936	$ 1,704,536
Executive Officer (3)	2011	$ 410,000	$ 51,000	$ 274,997	$ 274,808	$ 564,111	$ 95,303	$ 1,670,219
T. M. Martin	2013	$ 347,000	$	$ 283,321	$ 141,668	$ 428,545	$ 75,460	$ 1,275,994
Chief Financial Officer	2012	$ 315,000		$ 266,666				