

CubeSmart
Form DEF 14A
April 18, 2017
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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

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))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material under §240.14a-12

CUBESMART

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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**5 Old Lancaster Road
Malvern, Pennsylvania 19355**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on May 31, 2017**

Dear Shareholder:

You are cordially invited to attend our 2017 annual meeting of shareholders to be held on May 31, 2017, at 8:00 a.m., Eastern Time, at the offices of CubeSmart, 5 Old Lancaster Road, Malvern, Pennsylvania 19355, for the following purposes:

1. To elect as Trustees, the eight individuals named in the accompanying proxy statement to serve until our 2018 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, 2017;
3. To cast an advisory vote to approve our executive compensation;
4. To cast an advisory vote on the frequency of holding an advisory vote on our executive compensation;
5. To consider and vote on a proposal to amend our current Declaration of Trust (the Declaration of Trust) to provide shareholders with the ability to alter, amend or repeal our Third Amended and Restated Bylaws (the Bylaws), and adopt new Bylaws; and

6. 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 15, 2017 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,

Malvern, Pennsylvania
April 18, 2017

Jeffrey P. Foster, Secretary

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**5 Old Lancaster Road
Malvern, Pennsylvania 19355**

**PROXY STATEMENT
FOR THE 2017 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 31, 2017, 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 2016 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 18, 2017.

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 15, 2017 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 2018 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, 2017;
- (3) To cast an advisory vote to approve our executive compensation;
- (4) To cast an advisory vote on the frequency of holding an advisory vote on our executive compensation;
- (5) To consider and vote on a proposal to amend the Declaration of Trust to provide shareholders with the ability to alter, amend or repeal the Bylaws and adopt new Bylaws; and

(6) 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 31, 2017**

**This proxy statement, the form of proxy and our 2016 Annual Report to Shareholders
are available at <http://investors.cubesmart.com/Docs>**

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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 18, 2017, contain information related to the solicitation of proxies for use at our 2017 annual meeting of shareholders, to be held on May 31, 2017, at 8:00 a.m., Eastern Time, at the offices of CubeSmart, 5 Old Lancaster Road, Malvern, Pennsylvania 19355, for the following proposals:

- to elect as Trustees, eight individuals to serve until our 2018 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, 2017;

- to cast an advisory vote to approve our executive compensation;

- to cast an advisory vote on the frequency of holding an advisory vote on our executive compensation;

- to consider and vote on a proposal to amend the Declaration of Trust to provide shareholders with the ability to alter, amend or repeal the Bylaws and adopt new Bylaws;

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

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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, 2017;
- **FOR** the approval, on an advisory basis, of our executive compensation;
- **FOR** the approval, on an advisory basis, of frequency of the advisory vote on executive compensation once every year; and
- **FOR** the proposal to amend the Declaration of Trust to provide shareholders with the ability to alter, amend or repeal the Bylaws and adopt new Bylaws.

Who is entitled to vote at the annual meeting?

Only holders of record of our common shares at the close of business on March 15, 2017, 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 180,381,020 common shares outstanding.

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Who can attend the annual meeting?

All holders of our common shares at the close of business on March 15, 2017, 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 15, 2017, or a legal proxy from your broker.

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 15, 2017 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, 3, 4 and 5, 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 4 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 2017 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 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.

Proposal 4: Advisory Vote on Frequency of Holding Advisory Vote on Executive Compensation. The shareholders recommendation regarding the frequency of holding an advisory vote on our executive compensation requires the affirmative vote of a majority of all votes cast on this proposal. In the event that no option receives a majority of the votes cast, we will consider the frequency of the advisory vote on our executive compensation receiving the greatest number of votes (every one, two or three years) to be the frequency recommended by shareholders. Abstentions and broker non-votes will have no effect on the outcome of the vote on this proposal.

Proposal 5: Approval of Amendment to Declaration of Trust to Provide Shareholders with the Ability to Vote on Amendments to the Bylaws. The affirmative vote of a majority of our common shares outstanding and entitled to vote is required for the approval of the

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amendment to the Declaration of Trust to provide shareholders with the ability to alter, amend or repeal the Bylaws and adopt new Bylaws. For the purposes of this vote, abstentions and broker non-votes will have the same effect as a vote cast against the 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.

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?

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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, **FOR** the approval, on an advisory basis, of frequency of the advisory vote on executive compensation once every year, **FOR** the proposal to amend the Declaration of Trust to provide shareholders with the ability to alter, amend or repeal the Bylaws and adopt new Bylaws, 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.

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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 4 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.

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, 2016 is available electronically on our website at <http://investors.cubesmart.com/Docs>. Our 2016 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, 2016, 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 2016 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) 535-5000 or by fax at (610) 535-5729.

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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 2018 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 the 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

Snapshot of Board Composition

The table below presents a snapshot of the expected composition of the board of trustees.

Total number of trustees	8
Percentage of independent trustees	87.5%
Average age of independent trustees	59
Average tenure of trustees (years)	6.6
Independent trustee chairman	Yes
Percentage of trustees with CEO experience	37.5%
Percentage of trustees with CFO experience	50%
Percentage of audit committee members designated as audit committee financial experts	75%

Snapshot of Corporate Governance Practices

The table below presents a snapshot of other corporate governance policies.

Annual election of trustees	Yes
Regular executive sessions of independent trustees	Yes
Annual board and committee self-evaluations	Yes
Code of Business Conduct and Ethics for employees and trustees	Yes
Share ownership guidelines for executive officers	Yes
Share ownership guidelines for trustees	Yes
Anti-hedging and anti-pledging policies	Yes