



BUSINESS CONDUCT STANDARDS

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BUSINESS CONDUCT STANDARDS

INTRODUCTION

Public Storage, Public Storage Pick Up & Delivery, Inc., PSCC, Inc., Shurgard Storage Centers, LLC, and each of their associated companies (individually and collectively referred to herein as Public Storage or Company) strive to apply high ethical, moral, and legal principles in every aspect of business conduct. In addition to the provisions of the employee handbook, this document is provided to all employees as a guide to recognizing and resolving business conduct issues. If an employee is concerned about an ethical situation or is not sure whether specific conduct meets Public Storage standards, that employee should discuss the situation with a supervisor, an executive officer, or Company legal.

Regardless of the pressures inherent in conducting business, we must act responsibly and with integrity. This means we must avoid even the appearance of impropriety in carrying out Public Storage business.

All Public Storage employees are expected to understand and obey all pertinent legal requirements related to their position responsibilities. Employees requiring education or training regarding applicable laws and regulations or employees needing more information should discuss the matter with their supervisor.

PERSONAL INTEGRITY

As Public Storage employees, we are expected to carry out the Company's business with honesty, integrity and high ethical standards. These standards should govern our conduct when making decisions that affect Public Storage.

• CONFLICTS OF INTEREST

Public Storage respects the right of all employees to engage in personal activities outside of work. However, each of us has the responsibility to avoid activities which conflict or appear to conflict with our job responsibilities or the interests of Public Storage. Any activity that may involve a conflict of interest, or even the appearance of a conflict of interest, must first be discussed and approved by the employee's direct supervisor who should seek guidance from Human Resources or Company legal counsel. Public Storage has a "zero tolerance" for any conflicts of interest. Members of the Board are expected to request approval from the Nominating/Corporate Governance Committee before undertaking any activity or investment that could appear to be a conflict of interest.

For the purposes of this Policy, a "Conflict of Interest" exists when your absolute duty to

give your undivided business loyalty to Public Storage can be affected by actual or potential personal benefit from another source or by other private interests. You must avoid interests, investments, activities or relationships and associations where your personal interests (financial or otherwise) conflict or could conflict with the interests of Public Storage. Since the existence of a conflict of interest may be dependent on particular facts and circumstances, you should always check with in-house legal and or human resources, when in doubt about a proposed activity.

Within the scope of their duties, you are expected to make decisions in the best interests of the Company and not for personal gain. Neither you nor any member of your immediate family should acquire a financial interest in, or accept employment with an entity doing business with a Public Storage company if the interest or employment would conflict with your performance or duties.

The following are examples of conflicts of interest:

- Engaging in employment or any other activity that interferes with your ability to devote the required time and attention to your job responsibilities at Public Storage.
- Holding a significant financial interest (by you or an immediate family member) in a current or prospective customer, supplier, vendor or competitor of Public Storage or serving as an employee, consultant or director of that business.
- Directing or approving Public Storage business or payments to a supplier or vendor that is owned or managed by a relative or related party or is employed by a Public Storage supplier or vendor.
- Supervising the job performance or compensation of a relative.
- Recommending employment of a relative or related party at Public Storage without disclosure to the company of the relationship.
- Using confidential Company information or improperly using Company assets for personal benefit or the benefit of others.

- **GIFTS, ENTERTAINMENT AND SERVICES**

Public Storage employees should not give or receive business gifts, services or other benefits of more than a nominal value, since such gifts can affect or might appear intended to affect judgment of the person receiving the gift.

Where laws or policy do not provide otherwise, gifts having a value of \$200 or less are permitted. The giving or receiving of gifts of value in excess of \$200 (including the combined value of a number of related gifts) requires the approval of a Corporate Officer. Any gifts that are not permitted or have not been approved should be declined or turned over to the Company.

The giving or receiving of reasonable and customary meals and entertainment in the normal course of business is permitted in instances where policy does not provide otherwise. Lavish meals and/or inappropriate entertainment should always be avoided.

Any goods or products received and/or services performed by a vendor or supplier for a Public Storage employee or related party must be disclosed, whether paid for or not.

Questions about gifts, entertainment or services should be resolved by the employee's direct supervisor with the assistance of the Human Resources department or Company legal counsel.

- IMPROPER PAYMENTS

Payment or acceptance of bribes, kickbacks or other improper payments or benefits relating in any way to Public Storage business is prohibited. This prohibition applies to dealings with current or potential customers, suppliers, vendor representatives, consultants, or other parties seeking to establish a business relationship with Public Storage. Such payments must never be either given or accepted by anyone acting on behalf of Public Storage. Employees dealing with government organizations should be particularly alert to any agency rules limiting or prohibiting gifts or favors.

- CUSTOMERS AND SUPPLIERS

Public Storage works to build strong business relationships with its customers, suppliers and vendors based on lawful and honest business practices and the best interests of Public Storage. We are committed to the pursuit of excellence in all of our products and services and strive to meet or exceed our customers' expectations for quality, integrity, safety, delivery and reliability.

When we contract for goods and services on behalf of Public Storage, we should avoid doing anything that might compromise our objectivity or impair Public Storage's reputation. Our purchasing decisions should always be based on the appropriate business criteria such as price, quality, technical leadership, reliability, and the reputation of the supplier.

Public Storage employees should never disclose internal Company approval policy levels to suppliers or vendors.

Public Storage employees should report any indications of a vendor or supplier circumventing or attempting to circumvent the approval process.

COMPANY ASSETS, RECORDS AND INFORMATION

- PROTECTION OF PROPERTY

We must protect and safeguard Company property and the property of our customers,

suppliers and business partners. This applies to property assets of all kinds, including equipment, supplies and real estate as well proprietary business information.

Protection of non-public Company information is especially important. Unauthorized use or release of information regarding plans, strategies, costs or prices, pending contracts or unannounced products or services could jeopardize the Company's competitive position.

- **BUSINESS RECORDS**

Government agencies, customers and suppliers rely upon the integrity of our business records. All business records (for example, timecards, purchase orders and financial records) must accurately reflect the transactions of the Company in accordance with all applicable requirements. Unrecorded or "hidden" funds or assets are not permitted. We will not create or permit false or misleading entries to be made in the records of the Company under any circumstances.

- **INSIDER TRADING**

Employees are prohibited from buying or selling Public Storage securities while the employee is aware of material information about Public Storage that has not been disclosed to the public. Information is considered material if it would affect a reasonable investor's decision to purchase or sell a security, including stocks, bonds, or options. Trading in the securities of a company doing business with Public Storage is subject to the same restrictions.

The addendum entitled Statement of Company Policy-Securities Trades by Company Personnel contains important additional information employees need to know about the Company's Securities Trading policy. Employees are requested to review the addendum and contact the Law Department with any questions.

EMPLOYEE AND COMMUNITY RELATIONS

- **EMPLOYEE RELATIONS**

We are committed to equal opportunity in employment and to a work environment that recognizes and values employee diversity. Each of us is responsible for acting in a manner that will help Public Storage achieve the following goals:

- **Equal Opportunity**

It is our policy to employ, train, and compensate individuals based on merit, job related qualifications and abilities. Public Storage is committed to providing equal opportunity in employment regardless of race, color, religion, national origin, sex, age, sexual orientation, marital status, handicap, disability or status as a veteran.

- **Diversity**

We value the differences among our employees. Individual differences enrich

the workplace and improve our ability to attract employees and work with customers. A work environment that values individual differences and encourages the full contribution of every employee creates a stronger Company.

- **No Harassment**

Any kind of harassment by or against our employees is prohibited. Sexual harassment is of special concern. Prohibited conduct includes the making of unwelcome sexual advances or engaging in any other conduct with sexual overtones which interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

- **Drug Free Workplace**

Possession, use, sale or distribution of an illegal drug in the workplace or while conducting Company business off premises is strictly prohibited. Illegal drugs have an adverse effect on an employee's performance, jeopardize the safety of co-workers and constitute risk to the business and interests of the Company.

- ENVIRONMENTAL PROTECTION/ HEALTH AND SAFETY

We are committed to being an environmentally responsible company and to providing a safe and healthful workplace for our employees.

We will comply with all applicable environmental, health and safety laws and regulations in every state where we do business.

All employees, without exception, are responsible for ensuring that all Public Storage operations are conducted safely for employees, suppliers, vendors and customers. Employees are expected to observe all safety rules and practices and to follow instructions concerning safe and efficient work practices. All employees should advise their supervisor or other management representatives immediately if they see a work practice or activity they consider to be conducted in an unsafe or careless manner.

- POLITICAL CONTRIBUTIONS AND ACTIVITIES

Public Storage works hard to earn the respect of the communities in which we operate. Employees are encouraged to speak out on important community issues. Employee must be careful, however, not to give the appearance or impression that they are speaking on behalf of Public Storage unless they are actually authorized to do so.

Contribution of Company funds or the use of Company assets or facilities for the benefit of political parties or candidates is prohibited unless approved in advance by Company legal.

Employees may not use Company expense accounts to pay for any personal political contributions or seek any other form of company reimbursement.

INTERNATIONAL OPERATIONS

As a global company, Public Storage employees are subject to additional U.S. and foreign laws that apply to employees located in the U.S. and in foreign countries where we have operations. We expect our employees to comply with all U.S. and other applicable laws, including the following:

- **FOREIGN CORRUPT PRACTICES ACT**

Payments to Foreign Government Officials or to Employees of Customers or Vendors. The Foreign Corrupt Practices Act (FCPA) prohibits Public Storage, its employees, consultants and agents from (1) offering or giving anything of value (2) to any government official, (3) for the purpose of influencing the government official to act in his or her official capacity (4) in order to assist Public Storage to obtain or retain business or to direct business to any person. Payments made indirectly through a third party, including any agent, consultant, vendor or customer, are also prohibited. For these purposes, “government official” includes the employee of any government owned or controlled entity or any international organization, any political party or party official, or any candidate for public office.

Facilitating Payments. “Facilitating payments” are routine payments to a government official necessary to expedite or secure performance of a routine governmental action, such as obtaining official documents, processing governmental papers, providing postal or utility services scheduling inspections of goods for cross-country transit, or the loading or unloading of freight. Although discouraged, facilitating payments may be made in countries other than the United States where making such payments is a recognized and open practice, but only when approved in advance and in writing by Company legal counsel.

Warning Signs. Employees must be alert for conduct that could signal that an agent or consultant of the Company intends to make or conceal improper payments and contact Company legal counsel with any concerns. This would include “red flags” like the following:

- (a) A request for payments for expenses or purposes inconsistent with the terms of agreement with agent or consultant.
- (b) A request for payment to a third party.
- (c) A request for payments in a form or to a bank or business location inconsistent with the terms of the agreement with the agent or consultant.
- (d) Payments drawn from incorrect accounts.
- (e) Lack of documentation supporting a payment request.
- (f) Payments to a vendor or service provider who appears to lack the necessary qualifications or resources to perform.

(g) A refusal to certify compliance with the FCPA.

- **INTERNATIONAL BOYCOTTS**

It is illegal under U.S. law to enter into an agreement to refuse to deal with potential or actual customers in support of an unsanctioned boycott of a foreign country. Employees should guidance from Company legal counsel if they receive a request for any information or certification that may be in support of an unsanctioned boycott.

- a. Public Storage, its employees and its agents must not, directly or indirectly, engage in any activity that reasonably could have the effect of promoting a restrictive international trade practice. The mere receipt of a request to engage in such a practice may be a reportable event under U.S. federal law and each employee must help the Company to comply with its reporting obligations.
- b. In general, U.S. anti-boycott laws prohibit the furnishing or requesting of information about business relationships with boycotted countries or persons, or about the race, religion, sex or national origin of U.S. persons, or about their associations with charitable or fraternal organizations, if the request is from or on behalf of a boycotting country. The anti-boycott laws also forbid compliance with any blacklist as a condition for business. In recent years boycott violations have most often involved requests for information about business relationships with Israel. The law, however, is of more general scope and prohibits actions in support of any boycott of any country not sanctioned by the U.S. Government.
- c. All employees should immediately seek advice from Company legal counsel if they receive or are requested to furnish information or documents containing a statement that could be used to further an unsanctioned boycott or any other statement that even remotely appears to involve the Company in any such restrictive trade practice. Examples of such statements are: "no employee working on this project is from X country or of Y religion," or "no equipment has been leased from X country." The anti-boycott laws have a long reach. They apply not only to Public Storage's business in the U.S., but also to our activities outside the U.S.

THE PUBLIC STORAGE COMPLIANCE PROGRAM

Public Storage is committed to complying with all applicable laws and regulations. Each of us is expected to be familiar with laws and regulations that apply to our business operations and to seek help from Company legal when questions arise.

Public Storage's Compliance Program has been established to prevent, detect, and

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correct violations of Law and Company policies and procedures. As part of the program, the corporate Human Resources Department will solicit an Annual Report of Compliance from designated employees who will be required to submit a report each year.

Each employee is personally accountable for advising Company management of any instances of fraud, improper auditing or accounting practices or other violations of the Business Conduct Standards and to disclose any circumstances that may be perceived as an instance of impropriety. Employees may utilize verbal or written communications to their supervisor, a member of management, Human Resources or the confidential toll-free phone number, 800 688-2934, that is monitored by an independent third-party provider. An employee's failure to timely return the compliance report, or to disclose violations, suspected violations or circumstances that may appear to be improper at the time of the annual request for disclosure or at any other time of the year that the employee is aware of such violations or suspected violations could result in disciplinary action up to and including discharge.

Any questions should be referred to Human Resources or the Law Department.



ADDENDUM

TO: All Employees, Officers and Directors

FROM: Ronald L. Havner, Jr.

RE: **Statement of Company Policy Securities Trades By Company Personnel**

Set forth below is the Company's Securities Trading Policy. All employees are subject to the policy and it is important that you read and understand the restrictions and guidelines for trading in the Company's securities. If you have questions about the policy or a particular securities transaction you may be contemplating, you should contact the Law Department.

The Need For A Policy Statement

The purchase or sale of securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then trade in the Company's securities, is prohibited by the federal securities laws. Insider trading violations are pursued vigorously by the SEC and the U.S. Attorneys and are punished severely. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

This Policy Statement is designed both to satisfy the Company's obligation to prevent insider trading and to help Company personnel avoid the severe consequences associated with violations of the insider trading laws. The Policy Statement also is intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with the Company (not just so-called insiders). We have all worked hard over the years to establish a reputation for integrity and ethical conduct, and we can not afford to have that reputation damaged.

The Consequences

The consequences of an insider trading violation can be severe:

Traders and Tippees

Company personnel (or their tippees) who trade on inside information are subject to the following penalties:

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine of up to \$5,000,000 (no matter how small the profit); and
- A jail term of up to twenty years.

An employee who tips information to a person who then trades is subject to the same penalties as the tippee, even if the employee did not trade and did not profit from the tippee's trading.

Company-Imposed Sanctions

An employee's failure to comply with the Company's insider trading policy may subject the employee to Company-imposed sanctions, including dismissal for cause, whether or not the employee's failure to comply results in a violation of law. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

Statement of Policy

It is the policy of the Company that no director, officer or other employee of the Company who is aware of material nonpublic information relating to the Company may, directly or through family members or other persons or entities, (a) buy or sell securities of the Company (other than pursuant to a pre-approved trading plan that complies with SEC Rule 10b5-1), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Company, including family and friends. In addition, it is the policy of the Company that no director, officer or other employee of the Company who, in the course of working for the Company, learns of material nonpublic information about a company with which the Company does business, including a customer or supplier of the Company, may trade in that company's securities until the information becomes public or is no longer material.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) or small transactions are not accepted from the policy. The securities laws do not recognize such mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

Disclosure Of Information To Others

The Company is required under Regulation FD of the federal securities laws to avoid the selective disclosure of material nonpublic information. The Company has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release.

You may not, therefore, disclose information to anyone outside the Company, including family members and friends, other than in accordance with those procedures. You also may not discuss the Company or its business in an internet "chat room" or similar internet-based forum.

Material Information

Material information is any information that a reasonable investor would consider important in making a decision to buy, hold, or sell securities. Any information that could be expected to affect the Company's stock price, whether it is positive or negative, should be considered material. Some examples of information that ordinarily would be regarded as material are:

- Projections of future earnings or losses, or other earnings guidance;
- A pending or proposed material merger, acquisition, disposition or tender offer;
- A change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- A change in management;
- The gain or loss of a significant tenant.

Twenty-Twenty Hindsight

Remember, anyone scrutinizing your transactions will be doing so after the fact, with the benefit of hindsight. As a practical matter, before engaging in any transaction, you should carefully consider how enforcement authorities and others might view the transaction in hindsight.

When Information is "Public"

If you are aware of material nonpublic information, you may not trade until the information has been disclosed broadly to the marketplace (such as by press release or an SEC filing) and the investing public has had time to absorb the information fully. To avoid the appearance of impropriety, as a general rule, information about the Company should not be considered fully absorbed by the marketplace until after the second business day after the information is released. If, for example, the Company were to make an announcement on a Monday, you should not trade in the Company's securities until Thursday.

Transactions by Family Members or Friends

The insider trading policy also applies to your family members who reside with you, anyone else who lives in your household, and any family members or friends who do not live in your household but whose transactions in company securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in company securities). You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in the Company's securities. Therefore to avoid responsibility for family members who do not reside with you, you should tell

them that you cannot consult with them about company securities.

Transactions Under Company Plans

Stock Option Exercises

The Company's insider trading policy does not apply to the exercise and hold of an employee stock option. The policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

401(k) Plan

The Company's insider trading policy does not apply to purchases of Company stock in the 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. The policy does apply, however, to certain elections you may make under the 401(k) plan, including (a) an election to increase the percentage of your periodic contributions that will be allocated to purchases of Company stock or (b) any sales of Company stock in your 401(k) account.

Post-Termination Transactions

The Policy Statement continues to apply to your transactions in Company securities even after you have terminated employment. If you are in possession of material nonpublic information when your employment terminates, you may not trade in Company securities until that information has become public or is no longer material.

Additional Prohibited Transactions

The Company considers it improper and inappropriate for any director, officer or other employee of the Company to engage in short-term or speculative transactions in the Company's securities. It therefore is the Company's policy that directors, officers and other employees may not engage in any of the following transactions:

Short-term Trading

An employee's short-term trading of the Company's securities may be distracting to the employee and may unduly focus the employee on the Company's short-term stock market performance instead of the Company's long-term business objectives. For these reasons, any director, officer or other employee of the Company who purchases Company securities in the open market may not sell any company securities of the same class during the six months following the purchase in the absence of special circumstances. In addition, Section 16(b) of the Exchange Act imposes liability on officers and directors who engage in short-term trading in company securities without regard to the circumstances.

Short Sales

Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited by this Policy Statement. In addition, Section 16(c) of the Exchange Act prohibits officers and directors from engaging in short sales.

Margin Accounts and Pledges

Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information, directors, officers and other employees should consider carefully whether to deposit Company securities in a margin account or otherwise pledge their Company securities. To avoid violations of the insider trading laws, if Company securities are pledged, directors, officers and employees should be sure to retain the financial capacity to repay the loan without resort to the pledged securities.

Company Assistance

Any person who has a question about this Policy Statement or its application to any proposed transaction may obtain additional guidance from the general counsel. Ultimately, however, the responsibility for adhering to this Policy Statement and avoiding unlawful transactions rests with the individual employee.

Certifications

All employees must certify their understanding of and intent to comply with this Policy Statement. A copy of the certification that all employees (other than executive officers) must sign is enclosed with this memorandum. Directors and executive officers are subject to additional restrictions on their transactions in Company securities, which are described separately.



BUSINESS CONDUCT STANDARDS 2006 ANNUAL REPORT OF COMPLIANCE

As a Public Storage employee, I certify that I am familiar with the Public Storage Business Conduct Standards. I agree to comply with the Public Storage Business Conduct Standards and all applicable laws, including the Statement of Policy regarding Trades by Company Personnel, in all actions that I undertake to perform for or on behalf of Public Storage.

I understand that in accordance with the Business Conduct Standards and Statement of Trades by Company personnel, I am obligated to disclose and promptly report in good faith any actual or suspected violation, including any violation of law, without fear of retaliation for such reporting. I further understand that any violation reported will be investigated, and if requested, Public Storage will strive to maintain the confidentiality of the source.

Except as otherwise indicated on this Annual Report of Compliance, I certify that I am not aware of any actual or suspected violations reportable under the Standards and/or Statement of Trades that have not been previously reported and I will continue to comply with the Standards and Statement of Policy regarding Trades by Company Personnel for as long as I am subject to the Policy.

___ I am not aware of any violation or suspected violation of the Business Conduct Standards and/or Trades by Company personnel and do not wish to make any disclosures.

___ I am aware of a violation or suspected violation of the Business Conduct Standards and/or Trades by Company personnel and the Disclosure Form is attached.

___ I wish to disclose information that may not be in violation of the policy or Statement of Trades but might raise questions of its propriety. Information should be provided on the attached Disclosure Form.

Location

Employee Signature

Date

Employee Name (please print)

Employee Title