

NEW RIVER



NEW RIVER RETAIL LIMITED

**PLACING OF 10 MILLION ORDINARY SHARES AT A
PLACING PRICE OF 250 PENCE EACH
AND
APPLICATION FOR ADMISSION TO TRADING ON AIM
AND
APPLICATION FOR ADMISSION TO THE DAILY OFFICIAL LIST
OF THE CISX**

Nominated Adviser and Sole Bookrunner
BofA Merrill Lynch

Financial Adviser
Kinmont

Admission Document

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This document comprises a listing document for the purposes of the application for admission of the entire ordinary issued share capital of the Company to the Daily Official List of the Channel Islands Stock Exchange, LBG (“**CISX**”) and includes particulars given in compliance with the CISX Listing Rules for the purpose of giving information with regard to the Company in relation to such application for admission and listing. The CISX has been recognised by the UK HM Revenue & Customs under section 841 of the Income & Corporation Taxes Act 1988 and approved by the FSA as a Designated Investment Exchange within the meaning of FSMA. Neither the admission of the Shares to the Daily Official List of the CISX nor the approval of this document pursuant to the listing requirements of the CISX shall constitute a warranty or representation by the CISX as to the competence of the service providers to, or any party connected with, the Company, the adequacy and accuracy of the information contained in this document of the suitability of the Company for investment or for any other purpose. **This document also comprises an AIM Admission Document which has been drawn up in accordance with the AIM Rules.**

The Company has been registered as a Registered Closed Ended Investment Scheme registered under Section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission. The Guernsey Financial Services Commission in granting registration has not reviewed this document but instead has relied on specific warranties provided by the Administrator of the Company. Neither the States of Guernsey Policy Council nor the Guernsey Financial Services Commission take any responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it. To receive such registration an application was made under the Guernsey Financial Services Commission’s framework relating to Registered Closed-ended Investment Funds. Ordinary shares have not and will not be offered to the public in the United Kingdom (within the meaning of section 1028 FSMA), save in circumstances when it is lawful to do so, without an approved prospectus (within the meaning of section 85 FSMA) being made available to the public before the offer is made.

Application has been made for the whole of the ordinary share capital of NewRiver Retail in issue and to be issued pursuant to the Placing to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two of the AIM Rules for Nominated Advisers. Neither the UK Listing Authority nor the London Stock Exchange has examined or approved the contents of this document and this document does not constitute a prospectus for the purposes of the Prospectus Rules published by the UK Listing Authority. The AIM Rules are less demanding than those of the Official List of the UK Listing Authority. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. Other than the application for admission of the entire issued and to be issued share capital of the Company to the Daily Official List of the CISX, no application has been made for the Ordinary Shares to be listed on any other recognised investment exchange.

It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM and CISX at 8.00 a.m. (London time) on 1 September 2009.

NEWRIVER RETAIL LIMITED

(a closed-ended investment company incorporated in Guernsey with registered no. 50463)

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Prospective investors should read the entire document and, in particular, your attention is drawn to the risk factors in Part 1 (Risk Factors) of this document, when considering an investment in the Company.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document or any subscriptions made hereunder shall not, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document or that the information contained in this document is correct as of any time subsequent to the date of this document.

THE WHOLE OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. AN INVESTMENT IN THE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK AND MAY NOT BE SUITABLE FOR ALL RECIPIENTS OF THIS DOCUMENT. A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY WHETHER AN INVESTMENT IN THE COMPANY IS SUITABLE FOR HIM OR HER IN THE LIGHT OF HIS OR HER PERSONAL CIRCUMSTANCES AND THE FINANCIAL RESOURCES AVAILABLE TO HIM OR HER. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES, AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" ON PAGES 16 TO 27 (INCLUSIVE) OF THIS DOCUMENT.

In making an investment decision, each prospective investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Placing, including the merits and risks involved.

This document includes particulars given in compliance with the CISX Listing Rules for the purpose of giving information with regard to the Company. The Company, whose registered office appears on page 8 of this document, and the Directors, whose names appear on page 8 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

No representation or warranty, express or implied, is made by Merrill Lynch International or Kinmont as to the accuracy, completeness or verification of the information set out in this document, and nothing contained in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Neither Merrill Lynch International nor Kinmont assumes any responsibility for its accuracy, completeness or verification and accordingly each disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement.

The investors also acknowledge that: (i) they have not relied on Merrill Lynch International or Kinmont or any person affiliated with Merrill Lynch International or Kinmont in connection with any investigation of the accuracy of any information contained in this document or their investment decision; and (ii) they have relied only on the information contained in this document, and that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, Merrill Lynch International or Kinmont.

The Placing Shares will, on issue, rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects.

Cenkos Channel Islands Limited, which is a member of the CISX, is the sponsor to the listing on the CISX and is acting exclusively for the Company in relation to the Placing and the listing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos Channel Islands Limited, nor for providing advice in relation to the Placing, the contents of this document or any transaction or arrangements referred to herein.

Merrill Lynch International and Kinmont are regulated in the United Kingdom by the Financial Services Authority and are acting exclusively for the Company and for no one else in connection with the Placing and Admission. Merrill Lynch International and Kinmont will not regard any other person (whether or not a recipient of this document) as their respective client and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Merrill Lynch International and Kinmont respectively or for advising any other person on the contents of this document or the Placing and Admission. Apart from the responsibilities and liabilities, if any, which may be imposed on Merrill Lynch International and Kinmont by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Merrill Lynch International nor Kinmont nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company, the Placing Shares or the Placing. Merrill Lynch International and Kinmont and each of their respective affiliates, each accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by either Merrill Lynch International or Kinmont or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information set out in this document.

The Ordinary Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

The offer and sale of the Ordinary Shares and the Warrants have not been, nor will they be, registered under the US Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended (the “Investment Company Act”), and investors will not be entitled to the benefits of that Act. The Ordinary Shares and the Warrants may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US person (each, as defined in Regulation S under the Securities Act, a “US Person”). In connection with the Placing, the Ordinary Shares and the Warrants are being offered and sold only outside the United States to, and for the account or benefit of, non-US Persons in “offshore transactions” within the meaning of, and in reliance on the exemption from registration provided by, Regulation S under the Securities Act. For further details, see Part 7 (Selling and Transfer Restrictions) in this document.

The Ordinary Shares and the Warrants have not been and will be not qualified or registered under the applicable securities laws of Australia, Canada, Japan, South Africa or the Republic of Ireland. Accordingly, the Ordinary Shares and the Warrants may not be offered or sold to within, or to any national, resident or citizen of Australia, Canada, Japan, South Africa or the Republic of Ireland.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Ordinary Shares (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised; (ii) in any jurisdiction in which the person making such offer, invitation or solicitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer, invitation or solicitation or invitation. The distribution of this document and any accompanying documents, and the offer and sale of the Ordinary Shares may be restricted by law. Persons into whose possession this document and any accompanying documents come must therefore inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, no document may be distributed, forwarded to or transmitted in, into or from the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to any US Person. Any person within the United States and any US Person who obtains a copy of this document must disregard it.

No action has been taken by the Company, NewRiver Capital, Merrill Lynch International, Kinmont or their affiliates that would permit the offer or sale of the Ordinary Shares or possession or distribution of this document or any accompanying documents in any jurisdiction where action for that purpose is required.

Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required to inform themselves about and observe any such restrictions, including those set out in the preceding paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction. For further information on the manner of distribution of the Placing Shares, and the transfer restrictions to which they are subject, see below.

In connection with the Placing, Merrill Lynch International and any of its affiliates acting as an investor for its own account may take up the Placing Shares and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this document to the Placing Shares being offered or placed should be read as including any offering or placement of securities to Merrill Lynch International and any of its affiliates acting in such capacity. Merrill Lynch International does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

None of the Company, Merrill Lynch International or Kinmont, or any of their respective representatives, is making any representation to any placee or purchaser of the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such placee or purchaser under the laws applicable to such placee or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Ordinary Shares.

Notice to prospective investors in the Dubai International Financial Centre

This document relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no

responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The Placing Shares which are the subject of the Placing contemplated by this admission document may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Placing Shares offered should conduct their own due diligence on the Placing Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

Notice to prospective investors in the European Economic Area

No Ordinary Shares have been offered or sold, or will be offered or sold, to the public in any member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) except (with effect from and including the Relevant Implementation Date): (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; (c) to fewer than 100 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive), subject to obtaining the prior consent of Merrill Lynch International and Kinmont; or (d) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Notice to prospective investors in France

Neither this document nor any other offering material relating to the Ordinary Shares described in this document has been prepared in the context of a public offer of securities in the Republic of France within the meaning of article L.411-1 of the French Code monétaire et financier and articles 211-1 *et seq.* of General Regulations of the Autorité des marchés financiers and has been and will be submitted to the clearance procedures of the Autorité des marchés financiers or the competent authority of another Member State of the EEA and notified to the Autorité des marchés financiers. The Ordinary Shares have not been and will not be offered or sold or otherwise transferred, directly or indirectly, to the public in the Republic of France and any offer, sale or other transfer of Ordinary Shares in the Republic of France will be made in accordance with article L.411-2 of the French Code monétaire et financier only to:

- (i) qualified investors (investisseurs qualifiés) acting for their own account except as otherwise stated under French laws and regulations; and/or
- (ii) a restricted circle of investors (cercle restreint d’investisseurs) acting for their own account, all as defined in and in accordance with articles L.411-2, D.411-1 to D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier; and/or
- (iii) persons providing portfolio management services on a discretionary basis (personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers); and/or
- (iv) in a transaction that, in accordance with article L.411-2-II-1 or -2 or -3 of the French Code monétaire et financier and article 211-2 of the General Regulations of the Autorité des marchés financiers, does not constitute a public offer.

The Ordinary Shares may be resold, directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier.

The Company has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France this document or any other offering material relating to the Ordinary Shares described in this document, other than to investors to whom offers, sales or other transfers of the Ordinary Shares in the Republic of France may be made as described above.

This document and any other offering material relating to the Ordinary Shares described in this document, are not to be further distributed or reproduced (in whole or in part) by the addressee and have been distributed on the basis the addressee invests for its own account, as necessary, and does not resell or otherwise retransfer, directly or indirectly, the Ordinary Shares to the public in the Republic of France, other than in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code monétaire et financier.

Notice to prospective investors in Germany

This document is not a Securities Selling Prospectus (Verkaufsprospekt) within the meaning of the German Securities Prospectus Act (Verkaufsprospektgesetz) of 9 September 1998, as amended, and has not been filed with

and approved by the German Federal Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) or any other German governmental authority, and the Ordinary Shares may not be offered or sold and copies of this document or any document relating to the Ordinary Shares may not be distributed, directly or indirectly, in Germany subject to persons falling within the scope of paragraph 2 numbers 1, 2 and 3 of the German Securities Prospectus Act.

Notice to prospective investors in Guernsey

Pursuant to the Guernsey Registered Collective Investment Scheme Rules 2008, shares in a Registered Closed Ended Investment Scheme cannot be offered directly to the public in Guernsey.

Notice to prospective investors in Japan

The Placing Shares and related subscription rights have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “Financial Instruments and Exchange Law”). This document is not an offer of securities for sale directly or indirectly in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan in, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan.

Notice to prospective investors in Switzerland

The Ordinary Shares may not be offered or sold, and will not be offered or sold, to any investors in Switzerland other than on a non-public basis. This document does not constitute a prospectus within the meaning of Article 652a and Art. 1156 of the Swiss Code of Obligations (Schweizerisches Obligationenrecht); and none of the Placing or the Ordinary Shares has been or will be approved by any Swiss regulatory authority.

The Ordinary Shares will not be listed on the SWX Swiss Exchange and, therefore, the documents relating to the Ordinary Shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SWX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SWX Swiss Exchange.

The Placing Shares are being offered in Switzerland by way of a private placement, i.e. to a small number of selected investors only, without any public offer and only to investors who do not purchase the Placing Shares with the intention to distribute them to the public. The investors will be individually approached by the Company from time to time.

This document as well as any other material relating to the Ordinary Shares is personal and confidential and does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the Placing described herein and may neither directly nor indirectly be distributed or made available to other persons without the express consent of the Company. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Notice to prospective investors in the United Kingdom

This document is only being distributed to and is only directed at: (a) persons who are outside the UK; (b) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); (c) high net worth companies, unincorporated associations and other bodies falling within Article 49(2)(a) to (d) of the Order and (d) other persons to whom it may lawfully be communicated (all such persons together being referred to as “relevant persons”). The Ordinary Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Persons into whose possession this document comes are required by the Company and Merrill Lynch International to inform themselves about and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this document under the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company, Merrill Lynch International or the Registrar that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where actions for that purpose are required.

Forward-looking statements

All statements in this document other than statements of historical fact are, or may be deemed to be, “forward-looking statements”. In some cases, these forward-looking statements may be identified by the use of forward-looking terminology, including the terms “targets”, “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company and/or Directors concerning, among other things, the trading performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual performance, result of operations, financial condition, liquidity and dividend policy may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the performance, results of statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally; changes in interest rates and currency fluctuations; impairments in the value of the Company’s assets; legislative/regulatory changes; changes in taxation regimes; the availability and cost of capital for future expenditure; the availability of suitable financing; the ability of the Group to retain and attract suitably experienced personnel and competition within the industry. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

PRESENTATION OF FINANCIAL AND OTHER DATA

Presentation of financial information

The Company is newly formed and as of the time of the Placing has no operating history and limited financial information available. All future financial information for the Group is intended to be prepared in accordance with IFRS as adopted by the European Union and, unless otherwise indicated, the financial information in this document has been prepared in accordance with IFRS as adopted by the European Union. In making an investment decision, prospective investors must rely on their own examination of the Company and the Group from time to time, the terms of the Placing and the financial information in this document (and should give consideration to the fact that such financial information is limited).

Industry, market and other data

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Group’s business and the track record of the NRC Management Team contained in this document consists of estimates based on data and reports compiled by professional organisations and analysts, information made public by investment vehicles previously managed by the NRC Management Team, on data from external sources and on the Company’s and the NRC Management Team’s knowledge of the UK real estate market. Information regarding the macroeconomic environment in the UK has been compiled from publicly available sources. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates. The Company takes responsibility for compiling, extracting and reproducing market or other industry data from external sources, including third parties or industry or general publications, but none of the Company, Merrill Lynch International or Kinmont has independently verified that data. The Company gives no assurance as to the accuracy and completeness of, and takes no further responsibility for, such data. Similarly, while the Company believes its and the NRC Management Team’s internal estimates to be reasonable, they have not been verified by any independent sources and the Company cannot give any assurances as to their accuracy.

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DIRECTORS AND ADVISERS

Directors	Paul Roy (<i>Chairman</i>) David Lockhart (<i>Director</i>) Susie Farnon (<i>Director</i>) Shelagh Mason (<i>Director</i>) Peter Tom CBE (<i>Director</i>) Serena Tremlett (<i>Director</i>)
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Financial Adviser to the Company	Kinmont 5 Clifford Street London W1S 2LG
Legal Advisers to the Company as to English Law	Eversheds LLP One Wood Street London EC2V 7WS
CISX Listing Sponsor	Cenkos Channel Islands Limited P.O. Box 222 16 New Street St. Peter Port Guernsey Channel Islands GY1 4JG
Legal Advisers to the Company as to Guernsey law	Ozannes P.O. Box 186 1 Le Marchant Street St. Peter Port Guernsey Channel Islands GY1 4HP
Legal Advisers to the Placing	Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS
Auditors	Deloitte LLP Regency Court Glategny Esplanade St. Peter Port Guernsey Channel Islands GY1 3HW

Reporting Accountants

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Regency Court
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**Administrator and Company
Secretary**

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Guernsey
Channel Islands GY1 3TX

**Registrar and CREST Services
Provider**

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Longue Hougue House
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KEY INFORMATION

The following is a summary of certain information appearing elsewhere in this document. This summary is qualified in its entirety by and should be read in conjunction with the more detailed information appearing elsewhere in this document. This summary does not contain all the information that is important to investors or that potential investors should consider before subscribing for Placing Shares. In particular you should consider carefully the factors set forth under the heading “Risk Factors” in Part 1 of this document.

1. NEWRIVER RETAIL’S BUSINESS AND OPPORTUNITY

NewRiver Retail has been established as a specialist real estate investor and asset manager for the purposes of taking advantage of certain opportunities that the Directors believe the next cycle in the UK property market will present, with particular focus on the UK retail sector.

The Company will be advised on property matters (both investment and management) by NewRiver Capital, a recently incorporated vehicle which will become a wholly-owned subsidiary of the Company with effect from Admission and which will be operated by a highly experienced management team, including David Lockhart and Allan Lockhart. The NRC Management Team has a strong long-term track record, established across both a variety of real estate ventures and across a range of economic conditions in the real estate sector. David Lockhart and Allan Lockhart were both key members of the management team which successfully led Halladale Group plc, a real estate management and development company previously traded on AIM until its sale in 2007. More information in relation to David Lockhart’s and Allan Lockhart’s experience and track record is provided below.

The Directors believe that now is the right time to establish a platform from which to invest in the next cycle of the property market. The Company intends to create value through active and entrepreneurial asset management and risk controlled development, utilising both its own balance sheet and co-investment and joint venture structures. The Company will be an active investor and intends to implement strategies to enhance the quality and value of the assets which it acquires and improve annual rental income. A key objective of NewRiver Retail is to become one of the leading sector-focused value-creating property investment businesses operating in the UK retail sector.

The Directors believe that a quoted, capitalised vehicle is appropriate for such an opportunity. The Company is therefore proceeding with an initial fundraising of £25 million of seed capital, which it intends to use to: (i) seek to acquire assets which fit with the Company’s investment policy, as set out in paragraph 3 below; (ii) take forward joint venture discussions which are currently in progress and, where appropriate, enter into joint venture or co-investment discussions with other parties; and (iii) finalise the recruitment of the core NRC Management Team.

Following the initial raising of seed capital, the Company intends to raise further equity capital at a later date in order to accelerate its business plan and acquire assets in accordance with the Company’s investment policy. Whilst any further equity fundraisings are anticipated to be for more than the initial fundraising of seed capital, there can be no guarantee that any further fundraising(s) will occur. If this is the case, the Directors believe that there are a number of alternative opportunities the Company could pursue to further its investment policy, including, in particular, joint ventures and other co-investment structures with third parties.

Based on current market conditions, the Directors intend that the Group’s level of borrowings will be between 50 per cent. and 65 per cent. of the gross value of its real estate assets (as at the last published NAV valuation date). However, gearing will be governed by careful consideration of both the cost and availability of borrowing and the ability to mitigate the impact of interest rate rises. The Company’s articles of incorporation do not contain any borrowing limits.

2. MANAGEMENT EXPERIENCE AND TRACK RECORD

The Company will be advised on property matters (both investment and management) by its wholly-owned subsidiary, NewRiver Capital. NewRiver Capital has appointed a highly experienced management team, led

by David Lockhart and Allan Lockhart, who have been involved in the UK commercial property market for over 30 years and 20 years respectively.

David Lockhart founded the real estate management and development company, Halladale, in 1991. Halladale was a success as a public company, generating significant returns for its shareholders from its admission to AIM in 2001 until it was sold in 2007.

Allan Lockhart, after 13 years advising major property companies and institutions on retail investment and development at Strutt & Parker, joined Halladale in 2002 as Retail Director of its principal trading subsidiary and was responsible for co-ordinating the acquisition and implementation of the asset management strategies of over 20 shopping centres as well as acquiring and completing several profitable retail developments.

Halladale was admitted to trading on AIM in April 2001 with a market capitalisation of approximately £10 million and was sold to Stockland Corporation in April 2007 for £171 million (having raised over £60 million of additional equity and convertible unsecured loan capital during the intervening period). In share price terms, this resulted in a 440 per cent. Total Shareholder Return for investors who held shares in Halladale from the time of its admission to AIM until its sale, compared with Total Shareholder Returns on the FTSE All Share Real Estate and FTSE All Share indices, respectively, of 175 per cent. and 44 per cent. over the same period. This represented an out-performance of those indices of 265 per cent. and 396 per cent., respectively, and an internal rate of return of approximately 31 per cent. per annum. At the time of its admission to trading on AIM, Halladale's NNNNAV per share was 63.7 pence. The offer price paid by Stockland when it acquired Halladale in 2007 was 225 pence per share. Over this time, Halladale's portfolio of third party assets under management grew from approximately £116 million to approximately £1.5 billion.

In the financial years from April 2002 to April 2006, Halladale's profits before tax grew at a compound annual growth rate of 52.9 per cent. (to £6.3 million) and dividends per share grew at a compound annual growth rate of 32 per cent. (to 3.8 pence).

3. INVESTMENT POLICY

In the context of the NRC Management Team's experience and the Directors' analysis of the opportunities currently available in UK real estate, NewRiver Retail will focus on retail sector investments in the United Kingdom. It intends to capitalise on the significant and rapid fall in capital values in the retail sector by identifying opportunities that the Directors expect to deliver added value and generate returns for Shareholders through capital and rental income growth, active and entrepreneurial asset management, risk controlled development and refurbishment opportunities and recycling of assets. Whilst the approach will be opportunistic, as a result of the NRC Management Team's extensive sector knowledge and the bespoke research on which NewRiver Retail's business plan is based, the Company initially intends to target opportunities where rental income is derived from tenants operating mainly in the value, aspirational and food retailing sectors. This strategy would be accelerated should the Company raise further equity capital. The Directors believe that investments in these areas should be capable of achieving total geared returns of in excess of 15 per cent. per annum. There can, however, be no guarantee that the Company will achieve its target investment returns.

The Directors believe that the key attractions of investing in the UK retail sector are as follows:

- The sector has displayed good, longer term performance characteristics with the added benefit of lower volatility and a lower risk profile when compared with other segments of UK real estate.
- The retail sector is forecast to show positive growth from 2010 (source: CBRE).
- The retail sector is large, accounting for 46 per cent. of the IPD All Property index, thus providing liquidity in the longer term.
- The occupational market is constantly evolving and changing format, which plays to the skills of an experienced and well-organised team.
- UK retail sales volumes have proved to be very resilient in the current economic climate.

- Given the geographical spread and growth of multiple retail tenants, strong relationships can be built with these tenants, providing the ability to roll-out value-creating strategies to different assets.

The Directors believe that this property cycle will produce above average returns for those industry participants able to execute focused business plans through careful real estate asset selection, implementation of value-creating strategies and well-timed exits. Opportunism will continue to be important, but reliance on yield compression and financing structures may not be able to drive returns as it has done in the last 5 years. The Directors believe that the sector knowledge, expertise and active and entrepreneurial asset management skills of the NewRiver Capital Management Team will place the Company in a strong position to exploit the opportunities in the UK retail sector.

Against this background, NewRiver Retail will adopt an opportunistic investment policy targeting shopping centres, retail parks, portfolio retail assets and vacant stores with sub-division potential and which will focus on:

- The food sector within retail, where sales growth continues to be positive, retailers are keen to acquire space across a range of store formats and good tenant covenants are available.
- Towns which are demographically balanced, with lower occupational costs and where there is limited competition from both out-of-town retailing and competing town centres, which should attract a broader range of retailers, thus leading to rental growth.

In addition, NewRiver Retail will also target, in locations with an under-provision of food retailing, the acquisition of shopping centres with a food retailer as an existing anchor tenant and shopping centres or other key property assets where, through the application of the NRC Management Team's extensive sector experience, NewRiver Capital will seek to create opportunities to attract a major food retailer as an anchor tenant. In certain cases, NewRiver Retail may make investments using co-investment structures or with joint venture partners.

It is the intention of the Directors to target the acquisition of asset lot sizes of £5 million to £50 million to produce a diversified portfolio for the Company in accordance with its investment policy. However, NewRiver Retail also plans to take advantage of any other investment opportunities which may arise, including from forced sales, debt restructuring and bank foreclosures, in lot sizes that may fall outside the above range or the core investment strategy. Where NewRiver Retail identifies opportunities of a larger scale, it may choose to pursue these opportunities by investing through co-investment structures or with joint venture partners and it has already identified potential joint venture partners in relation to potential investments, with whom it has commenced discussions. In particular, until the Company has completed a further fundraising or fundraisings, it may need to pursue opportunities through joint ventures or co-investment structures.

4. INVESTMENT MANAGEMENT AND NEWRIVER CAPITAL

The Company and NewRiver Capital entered into the Property Management and Advisory Agreement on 26 August 2009. The Property Management and Advisory Agreement is conditional upon Admission occurring.

As the Group's property manager and adviser, NewRiver Capital will have responsibility for:

- reviewing and making recommendations in relation to the investment policy, as set out in paragraph 3 above;
- sourcing and assisting with the acquisition of properties that fall within the Company's investment policy;
- implementing a comprehensive and focused active and entrepreneurial asset management strategy to deliver added value for NewRiver Retail;
- arranging senior and subordinated debt (if required) to optimise the capital structure and support the acquisition process;

- advising in relation to the creation of a range of co-investment structures and sourcing joint venture partners as an alternative source of capital; and
- sourcing work-out opportunities with banks and other major property owners seeking to reduce their exposure to UK commercial real estate.

Once a potential opportunity has been identified, NewRiver Capital will carry out detailed due diligence and produce a business plan which will analyse and include a risk and opportunity assessment in relation to: (i) rental streams; (ii) exit strategies; (iii) asset management; and (iv) external factors, such as ancillary income growth and risk controlled redevelopment. NewRiver Capital is subject to certain constraints in incurring costs associated with due diligence and will be required to seek prior approval from the Board for incurring costs in the event that such costs are likely to exceed certain thresholds.

Where the Board has given express initial approval for an investment or this is not required under the terms of the Property Management and Advisory Agreement, then subject to the overall supervision and approval of the Board, NewRiver Capital will negotiate the purchase, investment, joint venture or other terms of the investment with the relevant counterparty. At the end of the due diligence and negotiation process, NewRiver Capital's investment committee, using all of the information available to it, will decide whether to make a recommendation to the Board in relation to the relevant investment opportunity and the Board will have the ultimate decision as to whether or not to proceed. If the Board then resolves to pursue an opportunity, it will notify NewRiver Capital accordingly.

NewRiver Capital has entered into an asset management agreement with Sackville TCI Property (GP) Limited ("Sackville"), a member of the Scottish Widows group, dated 28 April 2008 relating to the Bury Street Shopping Precinct in Abingdon, Oxfordshire (the "Abingdon Management Contract"), under which it is required to assist Sackville in maximising the internal rate of return of the property. Further information in relation to the Abingdon Management Contract can be found in paragraph 6.7 of Part 9 of this document.

5. DIVIDEND POLICY

Subject to compliance with Section 304 of the Law and the satisfaction of the solvency test set out therein (as described in more detail in paragraph 11 of Part 3 of this document), it is the intention of the Directors to pay dividends on the basis of a progressive and sustainable dividend policy. There can, however, be no guarantee as to the amount of any dividend payable by the Company.

6. PLACING AND USE OF PROCEEDS

The Placing is expected to raise £25 million before expenses, from institutional and other investors, as well as from certain Directors and members of the NRC Management Team who will be investing approximately £5 million in aggregate. Application has been made for the entire issued ordinary share capital of the Company to be admitted to trading on AIM and to listing on the Daily Official List of the CISX. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM and the CISX at 8.00 a.m. (London time) on 1 September 2009. The Directors intend to use the funds from the Placing to: (i) seek to acquire assets which fit with the Company's investment policy; (ii) take forward joint venture discussions which are currently in progress and, where appropriate, enter into joint venture or co-investment discussions with other parties; and (iii) finalise the recruitment of the core NRC Management Team.

The net proceeds of the Placing will be deployed according to the investment policy set out above and in paragraph 4 of Part 2 of this document.

Certain of the Directors and certain members of the NRC Management Team who will be acquiring new Ordinary Shares pursuant to the Placing have undertaken, save in limited circumstances, not to dispose of any of their Ordinary Shares for a period of one year following Admission.

In addition, the Company has agreed with Merrill Lynch International not to issue or agree to issue any Ordinary Shares (or options over Ordinary Shares) for a period of 180 days from Admission without Merrill Lynch International's prior written consent (such consent not to be unreasonably withheld or delayed).

7. WARRANTS

Shareholders who subscribe for Placing Shares in the Placing will receive Warrants to subscribe for Ordinary Shares representing 3 per cent. in aggregate of the Fully Diluted Share Capital. The terms of the Warrants are set out in Part 8 of this document. It is not currently intended that the Warrants will be admitted to trading on AIM, the CISX or any other stock exchange.

8. SUMMARY RISK FACTORS

Prior to investing in the Ordinary Shares, prospective investors should consider, together with the other information contained in this document, the risk factors set out in Part 1 of this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates set out below are subject to change without further notice. All times are London times unless otherwise stated.

Admission and dealings in the Ordinary Shares commence on AIM	8.00 a.m. 1 September 2009
Admission and dealings in the Ordinary Shares commence on CISX	8.00 a.m. 1 September 2009
CREST accounts expected to be credited with Ordinary Shares (if applicable)⁽¹⁾	1 September 2009
Despatch of definitive share certificates (if applicable) in respect of Ordinary Shares	16 September 2009

Notes:

(1) Or as soon as practicable thereafter. No temporary documents of title will be issued.

PLACING STATISTICS

Placing Price per Ordinary Share	250p
Number of new Ordinary Shares being placed⁽¹⁾	9,999,999
Number of Ordinary Shares in issue immediately following the Placing⁽²⁾	10,000,000
Market capitalisation of the Company at the Placing Price	£25,000,000
Estimated net proceeds of the Placing receivable by the Company	£24,231,100
ISIN code	GG00B4Z05859

Notes:

(1) Assumes the Placing is fully subscribed.

(2) Assumes that the Placing is fully subscribed and no exercise of the Warrants.

PART 1

RISK FACTORS

An investment in the Company is only suitable for investors who understand the potential risk of capital loss, who understand that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the Ordinary Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment.

The Directors have identified the risks described below as the material risks involved in an investment in the Ordinary Shares but additional risks and uncertainties not presently known to the Directors or that the Directors consider immaterial may also adversely affect the Company, its business, results of operations and/or financial condition, certain of such risks being inherent in any investment in equity securities. If any or a combination of the following risks materialise, the Company's business, financial condition and operational performance could be materially adversely affected. In that case, the trading price of the Ordinary Shares could decline and potential investors may lose some or all of their investment.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

Prospective investors should carefully consider all the information in this document, including the risks described below. If in any doubt, prospective investors should immediately seek their own personal financial advice from their independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities or other advisers such as legal advisers and accountants.

References below to the Company are also deemed to include, where appropriate, any member of the Group.

GENERAL RISK FACTORS

The Company is a new company with no operating history

The Company is recently incorporated and has no operating history upon which to evaluate its likely performance.

Whilst the Company has designed and implemented financial controls and reporting systems and procedures to support its governance, reporting and disclosure obligations as a publicly traded company on AIM, as a newly-incorporated entity which has yet to commence operations these have yet to be tested in a live environment and there is no certainty that they will function as designed in practice or at all. In addition, at Admission, the Group will not have appointed a Finance Director. Accordingly, no assurance can be given that the Company will be able to provide investors with the financial information they may expect or desire or that the Company will be able to provide such information within the timeframe that investors expect.

Any failure in achieving its investment or financing strategy or in managing its financial controls, reporting systems or procedures could have a material adverse effect on the Group's results of operations, financial condition and business prospects.

The Company may not be able to raise further equity capital to implement its business plan and investment policy

The Company is proceeding with an initial fundraising of £25 million of seed capital pursuant to the Placing. The Company intends at a later date to raise further equity capital in order to accelerate its business plan and

acquire assets in accordance with the Company's investment policy, as described in paragraph 4 of Part 2 of this document. Whilst the further equity fundraisings are anticipated to be for more than the initial fundraising of seed capital, there can be no guarantee that any further fundraising(s) will occur or, if they do, that the amount raised will be sufficient to implement the Company's investment policy as currently envisaged. If this is the case, the Directors nevertheless believe that there are a number of alternative opportunities the Company could pursue to further its investment policy in such circumstances, such as entering into additional joint ventures, the failure to raise additional capital and implement its investment policy as envisaged could nevertheless have an adverse effect on the Group's financial condition and results of operations and the returns available to Shareholders.

Market value of Ordinary Shares

Following Admission, it is likely that the Company's share price will fluctuate and may not always accurately reflect the underlying value of the business. The value of Ordinary Shares may go down as well as up and investors may lose some or all of the original sum invested. The price that investors may realise for their holdings of Ordinary Shares, when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous. Such factors may include the possibility that the market for the Ordinary Shares will be less liquid than for other equity securities and that the price of the Ordinary Shares will be relatively volatile. In addition, further issues of shares may cause the market price of the Ordinary Shares to decline. See the risk factor headed "Future issues of shares" below for more information in this respect.

Life of the Company

The Company does not have a fixed winding-up date and, therefore, unless Shareholders vote to wind up the Company, Shareholders may only be able to realise their investment through selling their Ordinary Shares in the open market-place.

AIM and CISX

Application has been made for the Ordinary Shares to be admitted to AIM, a market designated primarily for emerging or smaller companies. Application will also be made for the Ordinary Shares to be admitted to the Daily Official List of the CISX. The AIM Rules are less demanding than those of the Official List of the UK Listing Authority. Further, neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this document. Investment in shares on AIM and on CISX is perceived to involve a higher degree of risk and therefore may be less liquid than an investment in shares quoted on the Official List of the UK Listing Authority. AIM and CISX have been in existence since June 1995 and October 1998 respectively, but their future success and liquidity in the market for the Company's securities cannot be guaranteed. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

No assurance that an active trading market will develop

Although an application has been made for the Ordinary Shares to be admitted to AIM, as there has been no public trading market for the Ordinary Shares, there can be no assurance that an active trading market will develop or, if one does develop, that it will be maintained. Shareholders who need to dispose of their Ordinary Shares may be forced to do so at prices that do not fully reflect the Net Asset Value per Ordinary Share.

No right of redemption

The Company has been established as a closed-ended investment company and, accordingly, Shareholders will have no right to have their Ordinary Shares redeemed or repurchased by the Company at any time. While the Company intends that the Directors will be authorised from time to time to effect repurchases of Ordinary Shares, they are under no obligation to use such powers at any time and investors should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the

Company will, therefore, be required to dispose of their Ordinary Shares on the market. Accordingly, Shareholders' ability to realise their investment at Net Asset Value or at all is dependent on the existence of a liquid market in the Ordinary Shares, of which there is no guarantee.

Future issues of shares and the future exercise of Warrants or options will result in immediate dilution

Following expiry of the period during which the Company is prohibited from issuing new shares pursuant to the lock-in arrangements described in paragraph 3 of Part 6 and paragraph 6.4 of Part 9 of this document or otherwise at Merrill Lynch International's consent, the Company may issue additional shares in subsequent public offerings or private placements. In addition, as stated elsewhere in this document, the Company intends to carry out a further fundraising or fundraisings. The Company is not required under Guernsey law to offer any such shares to existing Shareholders on a pre-emptive basis. However, pre-emption rights have been incorporated into the Company's Articles prohibiting the issue of shares for cash consideration without such shares being offered to Shareholders first, subject to the disapplication of such pre-emption rights generally by a special resolution of the Company in relation to the issue of Ordinary Shares upon the exercise of Warrants and specifically in relation to the issue of up to 10 per cent. of the Company's issued share capital in any calendar year. Therefore, existing Shareholders may not be offered the right or opportunity to participate in such future share issues, which may dilute the existing Shareholders' interests in the Company. Furthermore, the issue of additional shares may be on more favourable terms than the Placing (including the issue of shares at less than NAV). In addition, the issue of additional shares by the Company or the exercise of Warrants or options, or the possibility of such issue or exercise, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price.

Sales of Ordinary Shares by certain Directors and members of the NRC Management Team, or the possibility of such sales, and the future exercise of Warrants may affect the market price of the Ordinary Shares

The Directors and members of the NRC Management Team that subscribed for Ordinary Shares in the Placing have agreed for a one year period after Admission, subject to certain exceptions, and among other things, not to offer, sell, contract to sell, grant options over or otherwise dispose of, directly or indirectly, any of their Ordinary Shares, without the prior written consent of Merrill Lynch International. Although there is no present intention or arrangement to do so, those Directors and members of the NRC Management Team may, following the expiry of the initial one year lock-in period, sell their Ordinary Shares and/or Warrants without restriction, subject to customary orderly market provisions which last for a further 12 months. In addition, a substantial amount of Ordinary Shares being sold, including following the exercise of any Warrants, or the perception that sales of this type could occur, could also depress the market price of the Ordinary Shares.

Dividends

There can be no guarantee that the Company will, at all times, satisfy the solvency test required to be satisfied pursuant to section 304 of the Companies (Guernsey) Law, 2008 enabling the Directors to effect the payment of dividends or any share buy-back or that, at the relevant time, the Directors will consider the payment in the best interests of the Company. In addition, if there are dividends, these may fluctuate. The payment of dividends, and any dividend growth on the Ordinary Shares, will depend on, *inter alia*, rental and capital value growth in the underlying assets.

If, under Guernsey law, there were to be a change to the basis on which dividends can be paid by Guernsey companies, or if there were to be changes to accounting standards or the interpretation of accounting standards, this could have a negative effect on the Company's ability to pay dividends or make other distributions to Shareholders.

Future performance

There is no certainty and no representation or warranty is given by any person that the Company will be able to achieve any returns referred to in this document. The financial operations of the Company may be

adversely affected by general economic conditions, by conditions within the UK property market generally or the retail sub-sector in particular or by the particular financial condition of other parties doing business with the Company. In particular, changes in the rates of inflation and/or interest rates may affect the income generated by, and the capital value of, the Group's property portfolio.

Discount to Net Asset Value and volatility

The Ordinary Shares may trade at a discount to Net Asset Value per Ordinary Share for a variety of reasons, including due to market conditions or to the extent investors undervalue the management activities of the Group. In addition, the volatility of the Ordinary Shares may be greater than the underlying Net Asset Value per Ordinary Share volatility.

General economic and market conditions

The success of the Group's activities and the value of the Ordinary Shares may be affected by general economic and market conditions, such as interest rate fluctuations, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of securities prices (including the market price of the Ordinary Shares), the value of commercial property and the liquidity of the Group's investments. Illiquidity could impair the value and profitability of the Group's investments and have a material adverse effect on the business, financial condition and results of operations of the Company. Please see also the risk factor headed "Economic and legal/political risk" below.

RISK FACTORS RELATING TO THE COMPANY'S INVESTMENT POLICY

Lower returns could be experienced until the Company's capital is fully invested

Suitable investment opportunities may not be available to the Group at the time of completion of the Placing or in the future for a number of reasons (including negative market conditions). The Company cannot definitively predict how long it will take to deploy its capital fully. In addition, the Company may not be able to re-invest the proceeds of any investments that are subsequently realised in other suitable property assets. Until such time as all of the net proceeds of the Placing are applied by the Company to fund real estate investments, the unapplied portion of the net proceeds will be held by the Company on interest bearing deposit or invested in a selection of money market funds in anticipation of future investment and to meet the running costs of the Group. Such deposits or investments are likely to yield lower returns than the expected returns from real estate investment and substantially below the targeted geared investment returns and may themselves involve investment risk. The Company can give no assurance as to how long it will take it to invest any or all of the net proceeds of the Placing, if at all, and the longer the period the greater the likely impact on the Group's results of operations and financial condition.

The Company's performance will depend on its ability to make good real estate asset investment decisions and manage them successfully, including by identifying and retaining appropriate tenants on satisfactory terms

Revenues earned from, and the capital value and disposal value of, properties held by the Group and the Group's business may be adversely affected by a number of factors, including, but not limited to:

- poor real estate asset investment decisions which do not produce the returns or yields anticipated;
- decreased tenant demand;
- the Group's inability to recover certain operating costs such as local taxes and service charges on vacant space;
- the Group's inability to collect rent and other contractual payments from tenants on a timely basis, including the risk of debtors defaulting on their obligations and seeking the protection of bankruptcy or insolvency laws, could result in delays in receipt of rental and other contractual payments, inability to collect such payments at all or the termination of a tenant's lease;

- a material decline in rental values could affect the Group's cash flows, income and capital values;
- a number of tenants with material rental obligations defaulting at and/or a material tenant defaulting at a specific property may hinder or delay the sale of such property; and
- the Group's operating and other expenses or cash needs could increase without a corresponding increase in its turnover or tenant reimbursements. Factors which could increase operating and other expenses include increases in the rate of inflation if it exceeds rental growth, property taxes and other statutory charges, insurance premia and other void costs, and unforeseen capital expenditure affecting the properties which cannot be recovered from tenants.

Investment objectives may not be met

There can be no guarantee that the investment objectives of the Company will be met or that the Company will be successful in identifying and obtaining suitable investments on financially attractive terms. If relevant property values appreciate significantly between the time of the Placing and the funds being invested, the potential returns from property investments, and therefore available for Shareholders, may be less than those targeted by the Directors. Property values can go down as well as up.

The investment approach and strategy recommended by NewRiver Capital may be modified and altered from time to time, so it is possible that the approach adopted by the Company to realise its investment objectives and policies in the future may be different from that presently expected to be used and disclosed in this document.

The past performance of the NRC Management Team is not a guarantee of the future performance of the Company

The past performance of the real estate assets managed or operated by the NRC Management Team (and, in particular, the performance of Halladale) should not be construed as an indication of the future performance of any investments recommended by NewRiver Capital to the Company. There may be differences between the real estate assets previously managed by the NRC Management Team and those of the Group which may affect the Company's performance and results of operations.

Investment in undervalued assets

The Company's investment policy may include, amongst other things, investing in properties which are undervalued at the relevant time and to enhance their value through rental growth, asset management and/or risk controlled development opportunities. The success of this investment policy could be adversely affected by a swift and general upturn in the property market (or the retail property market, in particular), making it harder to identify and acquire those assets which would benefit from the successful application of the Company's investment policy.

Gearing

The Directors intend to seek to secure borrowing facilities in the future, subject to prevailing market conditions. It is not certain that such facilities will be able to be secured at levels or on terms acceptable to the Directors. Any amounts that are secured under a bank facility are likely to rank ahead of Shareholders' entitlements and, accordingly, should the Company's assets not provide sufficient returns to cover the costs of establishing and operating the Company, Shareholders may not recover their initial investment.

Prospective investors should be aware that, whilst the use of borrowings is intended to enhance the Net Asset Value of the Ordinary Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Group's property portfolio falls, including as a result of defaults by tenants pursuant to their leases with the Group, the use of borrowings will increase the impact of such falls on the net income of the Company and, accordingly, will have an adverse effect on the Company's ability to pay dividends to Shareholders.

Should any fall in the underlying asset value or revenues result in the Company or another member of the Group breaching financial covenants given to any lender, the Company or that member of the Group may be required to repay such borrowings in whole or in part together with any related costs. If the Company or that member of the Group is required to repay all or part of its borrowings, it may be required to sell assets at less than their market value or below the acquisition value.

The Company's ability to achieve attractive rates of return on its investments and, consequently, to pay dividends will depend on its ability to access sources of indebtedness at attractive rates. An increase in either the general levels of interest rates or in the risk spread demanded by sources of indebtedness would make it more expensive to finance such investments and may have a negative impact on the ability to pay dividends.

Furthermore, the Company will be required to repay borrowings from time to time, which may require such borrowings to be refinanced. Many factors, including circumstances beyond the Company's control, such as changes in interest rates, conditions in the banking market and general economic conditions, may make it difficult for the Company to obtain such new finance on attractive terms or even at all. If the Company's cost of borrowing becomes more expensive relative to the income it receives from its investments, then the Company's profits will be adversely affected. Further, if the Company is not able to refinance when required, it may need to alter its investment policy and it may suffer losses, which could be substantial, as a result of having to dispose of investments on unfavourable terms.

Dependence on NewRiver Capital, David and Allan Lockhart and the other members of the NRC Management Team

The Company's ability to provide returns to shareholders and achieve its investment objective is substantively dependent upon the performance of NewRiver Capital and the NRC Management Team (particularly David and Allan Lockhart) in the identification of suitable acquisitions and disposals, the management of such investments and the determination of financing arrangements. The Company will depend to a significant extent on the experience, diligence, skill and network of business contacts of David and Allan Lockhart and the other members of the NRC Management Team and the information and opportunities presented to the Directors by them during the normal course of their activities. The Directors will monitor the performance of NewRiver Capital but its performance cannot be guaranteed. Failure by NewRiver Capital and the NRC Management Team to identify, secure and manage investments effectively could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the Company has no employees (other than the Directors) and, as such, is reliant on NewRiver Capital and the NRC Management Team (particularly David and Allan Lockhart). If NewRiver Capital or the Company terminated the Property Management and Advisory Agreement or David Lockhart and/or Allan Lockhart or a significant number of the NRC Management Team departs from NewRiver Capital, there is a risk that suitable and effective replacements may not be found. Therefore, the Company's business, results of operations and financial condition may be adversely affected if the services of NewRiver Capital, David and Allan Lockhart and/or the NRC Management Team (including other key personnel employed by NewRiver Capital) cease to be available to the Group.

The Company is substantively dependent on the provision of investment management and advisory, administrative and other support services by third parties

The Company has limited resources. It is therefore dependent on NewRiver Capital and certain third parties to provide investment advisory and management, administrative and other support services. To mitigate this risk, the Company has entered into the Property Management and Advisory Agreement and the Administration Agreement, although the agreements are terminable, subject to certain terms and conditions, by the relevant counterparties. However, in the case of the Property Management and Advisory Agreement, this is with NewRiver Capital, which is a wholly-owned subsidiary of NewRiver Retail. Furthermore, NewRiver Capital has the ability to sub-contract the provision of certain services to third parties pursuant to the Property Management and Advisory Agreement.

The relevant counterparties will themselves be subject to operational risks, which can arise from inadequate or failed processes, people and systems or from external factors affecting these. The information technology and other systems of such counterparties, or their business processes and procedures on which the Company

may depend, may not perform as expected. This includes the ability to recover from unanticipated disruptions to their business.

Non-control over joint ventures

Under the Company's investment policy, the Company may have interests in joint ventures or other entities (including options over property) over which it does not exercise control. In such structures, the remaining ownership interest will be held by third parties and the subsequent management and control of such an entity may entail risks associated with multiple owners and decision-makers. Any such investment also involves the risk that third party owners might become insolvent or fail to fund their share of any capital contributions which might be required. In addition, such third parties may have economic or other interests which are inconsistent with the Company's interests, or they may obstruct the Company's plans (for example, in implementing active asset management measures), or they may propose alternative plans. If such third parties are in a position to take or influence actions contrary to the Company's interests and plans, the Company may face potential risks of delay or deadlock on decisions that affect its ability to implement its strategies and/or dispose of the asset or entity.

The Company's investments may be relatively few in number or concentrated in particular areas

The Company intends to build a diversified portfolio of property and property-related investments in the long term, concentrating on the retail sector. However, it may, for a variety of reasons, for example, an inability to identify potential investment opportunities or a lack of such opportunities coming on to the market for an extended period, only make or have made a limited number of investments, which may be concentrated within one specific market or geographic region or on a key tenant. Such limited concentration will carry a higher degree of risk. Consequently, the aggregate returns that the Company may realise may be adversely affected if any such investments perform poorly or the value of any of such investments is substantially written down.

The Company's investments may not appreciate in value or generate investment income or capital growth

The Company intends to build a diversified portfolio of property and property-related investments in the long-term, concentrating on the retail sector, with a view to giving investors access to the potential for long-term, predictable cash flows and capital growth. However, investments that the Company makes may not appreciate in value and may, in fact, decline in value. Therefore, there can be no assurance that the Company's investments will generate gains or income or that any gains or income generated will be sufficient to offset any losses that may be sustained.

Any costs associated with potential investments which do not proceed to completion will affect the Company's performance

The Company expects to incur certain third party costs associated with the sourcing and acquisition of suitable assets. The Company can give no assurance as to the level of such costs, and given that there can be no guarantee that the Company will be successful in its negotiations to acquire any given property, the greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Group's results of operations and financial condition.

Due diligence to be undertaken by NewRiver Capital on potential investments and the making of recommendations to the Company

Before the Company makes a property or property-related investment, NewRiver Capital will arrange due diligence to be conducted for the Company that the Directors deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When considering the due diligence, NewRiver Capital will be expected to evaluate a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to recommend that the Company proceeds with an investment. External consultants, legal advisers, accountants, surveyors and property valuers and environmental agents and other professional advisers are expected to be involved with the due diligence

process in varying degrees. Throughout the due diligence process, NewRiver Capital, and ultimately the Company, as advised by NewRiver Capital, will be required to rely on resources available to it, including information provided by the owners of the target investment and, in some cases, third party investigations. Accordingly, there can be no assurance that the due diligence process carried out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity. There can also be no assurance that such an investigation will result in an investment being successful. In many cases, the Company's due diligence into a potential investment may be the only comfort it receives before committing to a transaction and there can be no assurance that following the consummation of a transaction or the making of an investment, liabilities or other unforeseen matters of an adverse nature, such as an undiscovered latent environmental contamination liability, may come to light which had not been revealed by the due diligence carried out in respect of such transaction or investment. Were this to happen in relation to any of the investments made by the Company, it could have a material adverse effect on the investment in question, the Company's Net Asset Value, its financial condition and/or results of operations.

The Group may be subject to liability following the disposal of investments

The Group may be exposed to future liabilities and/or obligations with respect to disposal of investments. The Company may be required to set aside provisions for warranty claims or contingent liabilities in respect of property disposals. The Company may be required to pay damages (including but not limited to litigation costs) to a purchaser to the extent that any representations or warranties that it had given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants or obligations contained in the disposal documentation. In certain circumstances, it is possible that any incorrect representations and warranties could give rise to a right by the purchaser to unwind the contract in addition to the payment of damages. Further, the Group may become involved in disputes or litigation in connection with such disposed investment. Certain obligations and liabilities associated with the ownership of investments can also continue to exist notwithstanding any disposal, such as certain environmental liabilities. Any such claims, litigation or obligations, and any steps which the Company is required to take to meet this cost, such as the sale of assets or increased borrowings, could have a material adverse effect on the Group's results of operations, financial condition and business prospects.

RISK FACTORS RELATING TO PROPERTY

In addition to the risks already described, the following relate specifically to property investments:

Development

Whilst it may not be the Group's core activity, the Group may undertake risk-controlled development (including redevelopment) of property or invest in property that requires a complete new build or refurbishment prior to renting or selling the property. The risks of development or refurbishment include, but are not limited to: (i) delays in timely completion of the project; (ii) cost overruns; (iii) poor quality workmanship; (iv) inability to rent or inability to rent at a rental level sufficient to generate profits; and (v) inability to sell or inability to sell at a level sufficient to generate profits. The Company may invest in developments for which end-users or purchasers of the property have not been identified at the time of investment. If all or any of these risks were to materialise, this would have an adverse effect on the Group's financial condition and results of operations. The Company may, from time to time, acquire options over property. In a worst case scenario, such instruments could expire with no value attributable to them.

Financial stability of tenants and prospective tenants

The success of the Company depends on the financial stability of the Group's tenants. General economic conditions may affect the financial stability of tenants and prospective tenants and/or the demand for and value of real estate assets, including in the retail sector, resulting in a renegotiation of loan terms in favour of tenants. In the event of a delay in the making of, or a default on a lease payment or rental default by, a tenant or the expiry of a lease, the Group will suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. If a lease is terminated, the Group may

be unable to lease the property for the rent previously received or sell the property without incurring a loss. In such circumstances, the Group may incur costs attaching to the property, such as local taxes and non-recoverable insurance and service charge contributions.

Rental income and defaults

The performance of the Company would be adversely affected by a downturn in the UK property market in terms of capital value or a weakening of rental yields. In the event of a default by a tenant or during any other void period, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurance costs, rates and marketing costs.

Retail income may not grow at a consistent rate and may, indeed, fall. Future income is dependent on, amongst other things, the Company negotiating suitable lease terms when compared to associated financing costs. Rent reviews may not necessarily result in an increase in the rental income received. Any yield compression prior to the investment of the Placing proceeds by the Company may also affect the ability of the Company to generate income.

Certain of the properties owned by the Group may have some level of vacancy. Properties may be specifically suited to the particular needs of a tenant for any vacant space it has in its properties. If the vacancy continues for a longer period of time, the Group may suffer reduced revenues resulting in less cash being available to be distributed to Shareholders. In addition, the resale value of a property could be diminished because the market value of a particular property will depend principally upon the valuation of the rental income.

Liquidity

Investments in property are relatively illiquid and more difficult to realise than investments in either equities or bonds. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. This could have an adverse effect on the Group's financial condition and results of operations.

Lack of funding for future tenant improvements

When a tenant at one of the properties does not renew its lease or otherwise vacates its space in one of the properties, it is likely that, in order to attract one or more new tenants, the Group will be required to expend funds to construct new tenant improvements in the vacated space or to provide financial inducements to the new tenants, such as rent free periods. While the Group intends to manage its cash position or financing availability to pay for any improvements or other benefits required for re-letting and to meet the loss of revenue that may result, the Group cannot be certain that it will have adequate sources of funding available to it for such purposes in the future.

Uninsured losses

The Group's properties could suffer physical damage resulting in losses (including loss of rent) which may not be fully compensated for by insurance, or at all. Although, as part of the Group's property management arrangements, NewRiver Capital will attempt to ensure that all of the Group's properties are adequately insured to cover casualty losses, there are certain types of losses, for example, of a catastrophic nature, that may be uninsurable or are not economically insurable. In addition, changes in the cost or availability of insurance or in building codes and ordinances, environmental considerations and other factors could expose the Group to uninsured losses. In the event that any of the properties incurs a loss that is not fully covered by insurance, the value of the Group's assets will be reduced by any such uninsured loss. In addition, the Group may have no source of funding to repair or reconstruct the damaged property, and it cannot be certain that any such sources of funding will be available to it for such purposes in the future. The Group might also remain liable for any debt or other financial obligation in relation to which the uninsured loss is incurred.

Inability to sell a property

The property market is affected by many factors that are beyond the Company's control, such as general economic conditions, availability of financing, changes in property tax rates, interest rates and other factors, including investor/buyer supply and demand. Investments in property may be difficult, slow or impossible to realise. The Company cannot predict whether the Group will be able to sell any property for the price or on the terms set by it, or whether any price or other terms offered by a prospective purchaser would be acceptable to the Group. Nor can the Company predict the length of time needed to find a willing purchaser and to complete the sale of a property. This may lead to a reduction in the net asset value of the Company and/or its market value and/or its ability to pay dividends.

The Group may be required to expend funds to correct defects or to make improvements before a property can be sold. The Company cannot be certain that the Group will have funds available to correct such defects or to make such improvements.

Valuation

Property and property-related assets are inherently subjective as regards value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that the actual sale proceeds will reflect the corresponding valuations even where any such sales occur shortly after the relevant valuation date.

Competition

The Group may face significant competition from other property investors and other competitors may have greater financial resources than the Group. A number of international investment funds and companies have been formed recently and there is growing interest in real estate investment. Competition in the property market may, for example, lead to prices being driven up through competing bids by potential purchasers and, as a consequence, lead to an over-supply of commercial premises through overdevelopment. Accordingly, the existence of such competition may have a material adverse impact on the Group's ability to secure tenants for its properties at satisfactory rental rates and on a timely basis and to acquire properties at satisfactory prices.

Environmental issues

Under various environmental laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, by private parties. In connection with the acquisition and ownership of properties, the Company may be exposed to such costs. The cost of defending against environmental claims, compliance with environmental regulatory requirements or remediating any contaminated property could materially adversely affect the Company's business, assets or results of operations and, consequently, amounts available for dividends to Shareholders.

Economic and legal/political risk

The performance of the Group and the ability of the Company to make dividend payments would be adversely affected by a downturn in the property market in terms of capital value or a weakening of rental income.

In addition, any future property market recession could materially adversely affect the value of properties. Returns from an investment in property depend upon the amount of rental income generated from the property and the costs and expenses incurred in the maintenance and management of the property, as well as changes in its market value.

A recession in the UK may also have an adverse effect on the retail sector, specifically, which, in turn, may impact on the Group's retail real estate investments.

Rental income and the market value for properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates.

Both rental income and property values may also be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-let space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. In addition, certain significant expenditures, including operating expenses, must be met by the owner when the property is vacant.

Government authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning and planning restrictions, environmental protection and safety and other matters. The institution and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Company's property portfolio.

RISK FACTORS RELATING TO TAX

Adverse changes in the tax position of the Company and its subsidiaries

Investors should consider the information given in Part 5 of this document and should take professional advice about the consequences of them investing in the Company. References in this document to taxes and the rates of tax reflect the position at the date of this document. Any change in the Company's or any other member of the Group's tax position or status or in tax legislation or proposed legislation, or in the interpretation of tax legislation or proposed legislation by tax authorities or courts, or tax rates could adversely affect the Company's ability to pay dividends, dividend growth and/or the market value of the Ordinary Shares.

References in this document to the tax positions of Shareholders assume that such persons are resident in the UK for tax purposes. Different treatment may apply in the case of non-UK-resident taxpayers, who should take their own advice concerning their tax positions (or, indeed, whether an investment into the Company is suitable for their personal circumstances).

Non-UK tax residence or non-trading status of a Group company could be challenged

It is intended that the affairs of the Company, and any subsidiary (other than NewRiver Capital) which acquires and holds assets otherwise than as trading stock, will be conducted so that the central management and control of the relevant company is not exercised in the UK and, consequently, so that such company is not UK tax resident. However, it cannot be guaranteed that HM Revenue & Customs will not challenge the position.

In order to maintain its non-UK tax residence status, the Company and each relevant subsidiary is required to be centrally controlled and managed outside the UK. The composition of the relevant group company's board of directors, the place of residence of its board's individual members and the location(s) in which the board makes decisions will be important in determining and maintaining the non-UK tax residence of the Company and each relevant subsidiary. While the Company is organised in Guernsey and a majority of its Directors are resident outside the UK, continued attention must be paid to ensure that major decisions by the Company are not made in the UK, to avoid the risk that the Company may lose its non-UK resident status. Similarly, while it is intended that any subsidiary (other than NewRiver Capital) which acquires and holds assets otherwise than as trading stock will be a Guernsey or other offshore-incorporated company with a majority of its directors resident outside the UK, continued attention must be paid to ensure that major decisions by each such subsidiary are not made in the UK, to avoid the risk that that company may lose its non-UK resident status. There is a risk that management errors could potentially lead to the Company or such

a subsidiary being considered UK tax resident. If so, this is likely to result in the relevant company paying more UK tax than is anticipated, which would negatively affect its financial and operating results and returns (including dividends) to Shareholders.

In addition, where a company maintains its non-UK tax residence status, it will potentially be subject to UK corporation tax if it is carrying on a trade within the UK through a UK permanent establishment, in which case the relevant company is subject to UK corporation tax on the income profits and capital gains attributable to the UK permanent establishment. It is intended that the Company and any subsidiary (other than NewRiver Capital) which acquires and holds assets otherwise than as trading stock, does not undertake any UK trading activities. It cannot be guaranteed that HMRC will not seek to contend that the Company and/or any such subsidiary has acquired one or more of its assets as trading stock and, consequently, is carrying on a trade within the UK through a UK permanent establishment. If any such contention were correct, this is likely to result in the relevant company paying more UK tax than is anticipated, which would negatively affect its financial and operating results and returns to Shareholders.

Levels of and reliefs from taxation may change

The levels of, and reliefs from, taxation may change. Whilst a general guide to corporate and personal taxation has been set out in this document at Part 5, investors should not rely on such general guidance and should seek their own advice. This is particularly important as some of the aspects of this guidance deal with tax law which is currently in the process of being amended or is being consulted on by the UK Government. There can be no guarantee that the rates of taxation envisaged by the Directors will be the ongoing rates of taxation paid by the Company and other members of the Group.

Changes in UK tax legislation could result in the imposition of additional and material tax liabilities on UK-resident shareholders in the Company

The UK Government is in the process of making changes to the rules relating to the offshore funds regime, which are expected to come into force on 1 December 2009. Ordinary Shares acquired prior to 1 December 2009 should not be caught by the new rules. Were the Company to be classified as a “mutual fund” as a result of these changes, holders of Ordinary Shares may be taxed on the gains realised on the disposal of their Ordinary Shares as income (resulting in the payment of income tax or corporation tax on income) rather than as a capital gain (resulting in the payment of capital gains tax or corporation tax on chargeable gains). This may have a material adverse impact on the after tax returns received by investors.

Whilst the Company has been advised that it should not be classified as a “mutual fund” within the meaning of the new legislation when the new rules come into force on 1 December 2009, there is a risk that the legislation may be subject to amendment before it takes effect. In addition, there is a risk that HMRC’s interpretation of the new legislation might differ from the advice received by the Company. If HMRC’s interpretation does differ from the advice received by the Company, the advice may be subject to change. Whilst the Company intends to monitor the position from Admission and will seek to manage its affairs, to the extent reasonably possible, such that it does not become classified as a “mutual fund” when the new legislation takes effect, no assurance can be given that steps will be taken or that any such steps will be effective in ensuring that the Company will not be classified as a “mutual fund”.

If it became likely that the Company would be classified as a “mutual fund”, options that the Company could consider include seeking to become a “reporting fund” for UK tax purposes. In this event, there would be a risk that UK-resident investors may be subject to UK taxation on the Company’s income profits whether or not those profits are distributed. This may also have a material and adverse impact on the after tax returns received by a prospective investor.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in investing in the Company.

PART 2

THE INVESTMENT OPPORTUNITY

1. INTRODUCTION

The Company has been established for the purposes of investing in commercial real estate in the United Kingdom, specifically targeting the UK retail sector, and intends to become one of the leading sector-focused value-creating property investment businesses operating in that sector.

The Company has appointed NewRiver Capital to act as its investment adviser and property manager. The NRC Management Team has a strong long-term track record, established across a range of real estate ventures. Further details on the NRC Management Team and their experience and track record are set out in paragraph 6 of Part 3 of this document.

The Company is proceeding with an initial fundraising of £25 million of seed capital in order to pursue opportunities which the Directors believe exist in the UK commercial real estate market. The Company intends to utilise the net proceeds of the initial fundraising to: (i) seek to acquire assets which fit with the Company's investment policy (as described in detail at paragraph 4 below); (ii) take forward joint venture discussions which are currently in progress and, where appropriate, enter into joint venture or co-investment discussions with other parties; and (iii) finalise the recruitment of the core NRC Management Team.

Following the initial raising of seed capital, the Company intends to raise further equity capital at a later date in order to accelerate its business plan and acquire assets in accordance with the Company's investment policy. Whilst any further equity fundraisings are anticipated to be for more than the initial fundraising of seed capital, there can be no guarantee that any further fundraising(s) will occur or, if they do, that the amount raised will be sufficient to implement the Company's investment policy as currently envisaged. If this is the case, the Directors believe that there are a number of alternative opportunities the Company could pursue to further its investment policy, including, in particular, joint ventures and other co-investment structures with third parties.

2. BACKGROUND TO UK COMMERCIAL REAL ESTATE INVESTMENT

The commercial property market in the UK has undergone a significant downward price adjustment since its peak in mid-2007. The following period saw the withdrawal of lending and tightening of credit standards by banks, a sharp decline in property transaction volumes and a weakening of the global and UK economies and the occupier market. However, several valuers believe that the real estate market in the UK may be reaching its trough and some investors are preparing to take advantage of what they expect to be a recovery in the property market.

According to IPD, it is estimated that commercial property values in the UK have fallen by 44.2 per cent. in the period since mid-2007 across all segments of the UK market and that prices in the retail sector have fallen by 45.7 per cent. Among other factors, these declines were caused by:

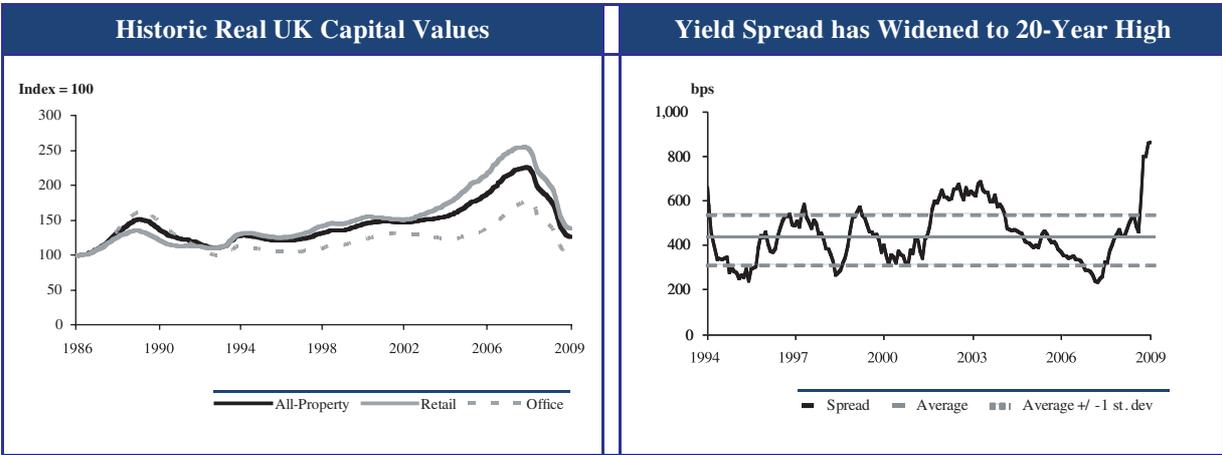
Correction of over-inflated prices: Property prices in the UK reached their highest-ever level in June 2007, having undergone capital value growth of 49.0 per cent. from January 2003 and of 105.0 per cent. from May 1993 (which was the bottom of the previous property market capital value trough, as defined by IPD). This property value inflation was fuelled by, amongst other things, a ready availability of cheap credit, leading to historically high levels of gearing in transactions and a widely held belief that prices would continue to rise. At the peak of the market, transactions were frequently taking place at sub-5.0 per cent. or even sub-4.0 per cent. yields. Prices began to fall in the summer of 2007 as fewer investors were willing to commit to purchases.

Rapid withdrawal of financing by lenders: Banks suffered large losses during the collapse of the US sub-prime mortgage market in mid-2007, causing lending markets to seize up around the world. So great was the contraction of available financing and increase of pricing that it was difficult for property investors to gain any significant leverage. This resulted in a dramatic fall in demand for property, and correspondingly, severe

declines in values. This new, more restrictive lending environment has led banks to offer property loans with more restrictive covenants, such as lower Loan to Value (“LTV”) and higher interest cover ratios. In addition, lenders have raised the margins on loans, in line with the general re-pricing of credit risk.

Emergence of distressed sellers: Market prices of assets have been driven by the actions of (or by the expectation of) distressed and forced sellers of real estate; banks looking to reduce exposure to real estate; real estate companies looking to, or being forced to, deleverage; and real estate investment funds and hedge funds facing high levels of redemptions. The Directors believe that these sellers, who may have been initially holding out for higher prices in the market, will be forced to lower their expectations, and accept a “market” price.

July 2009 IPD data showed initial yields on UK commercial property of 7.9 per cent., more than 330 bps higher than the lowest point in mid-2007 and 112 bps above the long term average. In comparison to inflation-adjusted 5-year sterling interest rate swaps, property yields are higher than at any time over the last 20 years, with a current positive yield spread of 863 bps. The chart below illustrates the cyclical nature of real estate returns, and shows that when yield spreads have been this wide in the past, this has typically been followed by a correction in values.



Source: IPD

Source: IPD

The Directors believe that weak economic conditions, including higher unemployment, have impacted profits in certain sectors of the occupier market and increasing levels of defaults and bankruptcies are likely to be seen. Market rents are likely to be affected and, consequently, capital values may continue to decline even if yields were to stabilise. However, the Directors believe that the retail sector will be more resilient to falls in market rents than the rest of the property market. This is analysed in more depth in paragraph 4 below.

However, some investors are viewing the current market as being near a trough, and are preparing to invest, anticipating a recovery. Institutional investors have also been active, providing support for the various equity issuances which have recapitalised the UK listed property sector so far this year.

3. TIMING AND OPPORTUNITY

Successful property investment is subject to cyclical market movements, and the Directors believe that now is an opportune time to invest in the retail sector. While it is impossible to call the lowest point of the market, they believe that current yields are attractive and that geared returns of 15 per cent. or more per annum should be achievable. The Directors also expect that the combined 50 years of experience of David and Allan Lockhart and their extensive network of industry contacts, including individuals, institutions, banks, agencies and occupiers will allow the Company to source attractive deals in its target markets. In addition, the Directors expect that real estate from forced and distressed sellers will provide an attractive source of acquisitions.

Key to this will be the effective execution by NewRiver Capital of NewRiver Retail's business plan. This will be delivered through a combination of well-researched acquisition opportunities (the range of which have been identified through the preparation of the detailed Group business plan) and the opportunistic entrepreneurial skill of NewRiver Capital, advising the Company.

The NRC Management Team intends to adopt an active, value-creating, entrepreneurial approach in the same way as they have successfully done in previous positions. In constructing and executing business plans for individual sites and properties, the NRC Management Team will assess income growth opportunities (for example, reconfiguring anchor tenants and tenant mix) and capital appreciation potential (e.g. planning opportunities, adjacent site development, space reconfiguration and lease regearing).

4. INVESTMENT POLICY

Investment Objectives

In the context of the NRC Management Team's experience and the Directors' analysis of the opportunities currently available in UK real estate, NewRiver Retail will initially focus on retail sector investments in the United Kingdom. It intends to capitalise on the significant and rapid fall in capital values in the retail sector by identifying opportunities that the Directors expect to deliver added value and generate returns for Shareholders through capital and rental income growth, active and entrepreneurial asset management and recycling of assets. As a result of the NRC Management Team's extensive sector knowledge and the bespoke research on which NewRiver Retail's business plan is based, the Company initially intends to target opportunities where rental income is derived from tenants operating in the value, aspirational and food retailing sectors. Additional upside is expected to be achieved by, where appropriate, the undertaking of risk controlled development and refurbishment opportunities.

It is the intention of the Directors to target the acquisition of asset lot sizes of £5 million to £50 million to produce a diversified portfolio for the Company in accordance with its investment policy. However, NewRiver Retail also plans to take advantage of any other investment opportunities which may arise, including from forced sales, debt restructuring and bank foreclosures, in lot sizes that may fall outside the above range or the core investment strategy. Where NewRiver Retail identifies opportunities of a larger scale, it may choose to pursue these opportunities by investing through co-investment structures or with joint venture partners and it has already identified potential joint venture partners in relation to potential investments with whom it has commenced discussions. In particular, until the Company has completed a further fundraising or fundraisings, it may need to pursue opportunities through joint ventures or co-investment structures.

It is important for NewRiver Retail's investment policy that future investment acquisitions provide acceptable annual cash on cash returns and, as a consequence of its strategy, the Directors believe that investments in the areas referred to above should be capable of achieving total geared returns of in excess of 15 per cent. per annum. There can, however, be no guarantee that the Company will achieve its target investment returns.

The Board will review its investment strategy periodically with a view to determining whether it needs to be modified or varied in any way.

In accordance with the AIM Rules and CISX Listing Rules, from Admission the Company will not materially change the investment policy set out in this document without the prior consent of a majority in number of the Shareholders voting in general meeting.

Attractions of the Retail Sector

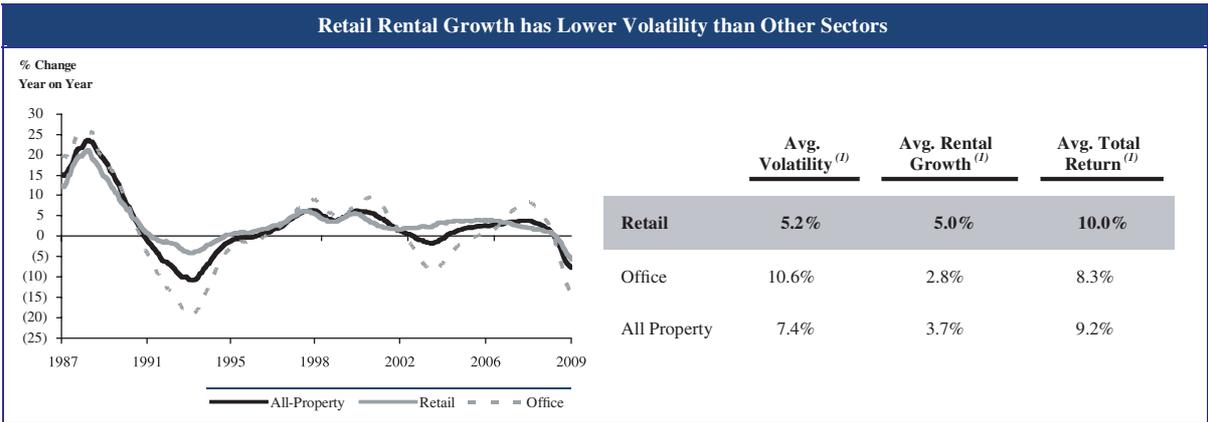
The retail sector in the UK has some differentiating characteristics that underpin the business case for investment. These characteristics include:

- retail has historically performed well over the long term, annualised total returns since the inception of IPD from 1981 to 2008 were 10.0 per cent., compared to the office total return of 8.3 per cent. for the same period;

- the retail sector is forecast to show positive growth from 2010 (source: CBRE);
- the retail sector is large, accounting for 46 per cent. of the IPD All Property index, thus providing liquidity in the longer term;
- the occupational market is constantly evolving and changing format, playing to the skills of an experienced and well organised team;
- UK retail sales volumes have proved to be very resilient in the current economic climate;
- lower volatility in rental growth rates and lower risk profile than other sectors, particularly the office sector (as illustrated in the chart below);
- retail is usually the first sector to rebound out of a downturn;
- easier to evaluate and manage risk, given the transparency of the sector;
- consistently provides asset management opportunities; and
- given the geographical spread and growth of multiple retail tenants, strong relationships can be built with these tenants, providing the ability to roll-out value-creating strategies to different assets.

Based on past performance and an appraisal of current market conditions, the Directors believe that the UK retail sector is an attractive area on which to concentrate.

The chart below demonstrates the relatively low volatility and better rental growth characteristics of the retail sector in comparison to the office sector:



Source: IPD

(1) IPD Figures are annualised for the period 1981-2008.

NewRiver Retail’s Investment Policy

The Directors believe that this property cycle will produce above average returns for those industry participants able to execute focused business plans through careful real estate asset selection, implementation of value-creating strategies and well-timed exits. Opportunism will continue to be important, but reliance on yield compression and financing structures may not be able to drive returns as it has done in the last 5 years. The Directors believe that the sector knowledge, expertise and active and entrepreneurial asset management skills of the NRC Management Team will place the Company in a strong position to exploit the opportunities in the UK retail sector.

Against this background, NewRiver Retail will adopt an opportunistic investment policy targeting shopping centres, retail parks, portfolio retail assets and vacant stores with sub-division potential and which will focus on:

- The food sector within retail, where sales growth continues to be positive, retailers are keen to acquire space across a range of store formats and good tenant covenants are available.

- Towns which are demographically balanced, with lower occupational costs and where there is limited competition from both out-of-town retailing and competing town centres, which should attract a broader range of retailers, thus leading to rental growth.

NewRiver Retail's core investment strategy has been formulated in close consultation with key property advisers, having undertaken a thorough assessment of current market conditions, an analysis of the IPD data and its own commissioned third party bespoke research.

The Food Store Retail Sub-Sector

Despite challenging trading conditions in most retail sub-sectors, the food sector is still generally experiencing positive annual sales growth. All the major operators, including Waitrose, Tesco, Sainsbury, Morrison's, the Co-Op and Asda, are continuing to expand their operations through the acquisition of new stores. Because of tightening household budgets, the discount food retailers are increasing their market share and expanding rapidly.

These operators are developing a range of store formats. Their requirements can range from circa 5,000 square feet to 120,000 square feet. Many of the food retailers are currently focused on the town centre, given the current planning restrictions for out-of-town food stores. This is generating a level of competition for town centre retail units, and the Directors believe that this level of demand will likely result in future rental growth given the competition between operators, the limited supply of suitable space and their continued expansion plans. Between 1996 and 2006, the Supermarket sector recorded average rental value growth per annum of 5.1 per cent. which compares to growth of 3.6 per cent. for the All Retail sector over the same period.

NewRiver Retail will also target, in locations with an under-provision of food retailing, the acquisition of shopping centres with a food retailer as an existing anchor tenant, and shopping centres or other key property assets where, through the application of the NRC Management Team's extensive sector experience, NewRiver Capital will seek to create opportunities to attract a major food retailer as an anchor tenant. Food retailers offer strong financial covenants, generate high footfall and are likely to benefit from continuous rental growth.

To support this strategy, bespoke research has been commissioned to identify such towns. This research has now been completed and comprises a list of approximately 500 target towns with the data collected forming part of the asset management and risk controlled development strategy.

Stable Income and Growth Towns

In addition to the above, NewRiver Retail will initially target retail assets in town centres that offer stable income streams and prospects of rental growth, through the implementation of a focused asset management strategy.

In NewRiver Retail's view, towns with the following characteristics offer the best prospect for a stable and growing income stream:

- Demographically balanced towns. A broad mix of the social spectrum will attract a wider range of retailers, from aspirational to value-focused retailers.
- Town Zone A rents between £25 and £150 per square foot. Lower occupational costs are important to retailers seeking to control their cost base.
- Restricted supply. Towns with limited competing space from both out of town retailing and competing town centres close to the catchment are likely to experience higher rental growth.

The research on which NewRiver Retail has based its business plan referred to in this document also includes information on:

- population sizes;
- demographic profile;

- benchmarks against UK and regional averages;
- grocery spend per week;
- current representation of food operators;
- details of food store sizes; and
- demographic profile of the town versus the food operator's customer profile.

NewRiver Retail will use this research to acquire shopping centres or key land holdings in locations with the knowledge that there is an under-provision of food, and also which operator will suit that town's demographic profile. The Company will seek to provide the opportunity for one of the major food retailers to secure representation at these locations, either through unit amalgamation, or through the extension of an existing shopping centre.

In addition, the data will be used to decide where to create new space and where new food operators can be introduced. The resultant increase in footfall is expected to feed into the rental growth and capital appreciation of the whole shopping centre.

As a result of the detailed research done to date and the data collected, the Directors believe that the Company is well-positioned to secure investments that fit its investment objectives and strategy.

Other Opportunities

NewRiver Retail also plans to take advantage of opportunities which may arise as a result of banks foreclosing on assets, or from forced sales or debt restructurings.

Until recently, banks had remained generally supportive of their borrowers, many of whom are in breach of loan agreement covenants, having suffered equity erosion due to falling capital values. However, in the Directors' view, the banks' attitudes have recently hardened. The NRC Management Team has researched a significant number of recent UK shopping centre transactions in which debt finance was provided to the acquirer and, by monitoring developments in the relationships between owners of such shopping centres and their finance providers, the Directors believe that NewRiver Retail should be able to position itself favourably to target these potential opportunities.

NewRiver Retail also aims to position itself to undertake transactions that are purely opportunistic. NewRiver Capital's asset management experience and real estate asset selection skill will assist in evaluating the risk profile and managing the risk that such transactions may represent. Opportunistic transactions are typically expected to have a higher return profile than those falling within the Company's core investment strategy described above. Transactions that would fit these criteria would include vacant high street stores with sub-division potential, high street retail units with short term lease expiries or vacancy, or portfolios of retail units that can be acquired at a significant discount to open market value.

5. INVESTMENT MANAGEMENT AND NEWRIVER CAPITAL

NewRiver Capital

NewRiver Capital, which will advise the Company and its subsidiaries on property matters (both investment and management), is a recently incorporated vehicle which will become a wholly-owned subsidiary of the Company with effect from Admission. The Company and NewRiver Capital entered into the Property Management and Advisory Agreement on 26 August 2009. The Directors have satisfied themselves that Part 4 of the Guernsey Registered Collective Investment Scheme Rules 2008 has been complied with and the Property Management and Advisory Agreement has been entered into on an arm's length basis and on terms which are the best available for the Company in the circumstances.

As the Group's property manager and adviser, NewRiver Capital will have responsibility for:

- reviewing and making recommendations in relation to the investment policy, as set out in paragraph 4 above;

- sourcing and assisting with the acquisition of properties that fall within the Company's investment policy;
- implementing a comprehensive and focused active and entrepreneurial asset management strategy to deliver added value for NewRiver Retail;
- arranging senior and subordinated debt (if required) to optimise the capital structure and support the acquisition process;
- advising in relation to the creation of a range of co-investment structures and sourcing joint venture partners as an alternative source of capital; and
- sourcing work-out opportunities with banks and other major property owners seeking to reduce their exposure to UK commercial real estate.

NewRiver Capital has entered into an asset management agreement with Sackville TCI Property (GP) Limited ("Sackville"), a member of the Scottish Widows group, dated 28 April 2008 relating to the Bury Street Shopping Precinct in Abingdon, Oxfordshire (the "Abingdon Management Contract"), under which it assists Sackville in maximising the internal rate of return of the property in return for a fee.

Further information in relation to the Abingdon Management Contract can be found in paragraph 6.7 of Part 9 of this document.

Investment Analysis

Once a potential opportunity has been identified as a result of the application of the top-down bespoke research and advice provided by NewRiver Capital's network of agents as part of NewRiver Retail's real estate asset selection process described above, NewRiver Capital will first carry out detailed due diligence on the opportunity. In relation to:

- proposed joint ventures or co-investment arrangements; or
- proposed acquisitions, where the purchase price is £25 million or more; or
- proposed acquisitions, where NewRiver Capital is considering several opportunities in any one quarter, each with a price of less than £25 million but which, in aggregate, exceed £40 million,

NewRiver Capital may not incur costs in excess of £50,000 in respect of a proposed investment before seeking initial Board approval for that investment.

In relation to other opportunities, NewRiver Capital will require express prior Board approval before incurring costs in excess of 1 per cent. of the purchase price up to £10 million and 0.5 per cent. of any balance of the purchase price between £10 million and £25 million.

In all cases after the due diligence phase, NewRiver Capital will make detailed recommendations to the Board and the relevant subsidiary for their consideration and approval (as described below).

At the same time as carrying out due diligence, NewRiver Capital will produce a specific, detailed business plan for each potential investment opportunity being considered which will analyse (i) rental streams; (ii) exit strategies; (iii) asset management opportunities; and (iv) external factors, such as ancillary income growth and risk controlled redevelopment, in each case, in order to determine the nature and extent of the risks associated with, and the potential to add value in relation to, such opportunity.

There are essentially two elements to the analysis conducted in preparing the business plan: (i) occupier analysis; and (ii) property analysis.

Occupier analysis comprises:

- an evaluation of leasing strategy (including tenant mix, marketing, rent reviews and lease renewals);
- a tenant audit (including risks at lease expiry, tenant profitability and drivers of footfall);

- an evaluation of marketing precepts (that is, the strengths and weaknesses of the product and its location);
- an assessment of target retailers (including an assessment of potential available space, retailers to retain and retailers to attract); and
- a capacity analysis (that is, an analysis of over- or under-capacity in key areas, for example, clothing and footwear).

Property analysis comprises:

- an assessment of the potential for refurbishment, risk controlled development and extensions etc., with a view to the creation of optimal space, potential marriage value and planning opportunities; and
- an analysis of ancillary income opportunities (including the ability to grow mall income and the potential for collection of car parking fees and advertising revenue).

Investment Approval and Execution

Where the Board of the Company has given express initial Board approval for the investment or this is not required under the terms of the Property Management and Advisory Agreement, then subject to the overall supervision and approval of the Board, NewRiver Capital will negotiate the purchase, investment, joint venture or other terms of the investment with the relevant counterparty. Following successful and satisfactory resolution of the due diligence process and the completion of a business plan in respect of the particular investment opportunity, NewRiver Capital's investment committee will consider the available information in relation to the relevant opportunity and determine whether or not it merits a recommendation to the Board of NewRiver Retail and any relevant subsidiary. If the investment committee recommends the opportunity, the Board will then make a decision as to whether it should be pursued or not. In the event that the Board resolves to pursue an opportunity, it will notify NewRiver Capital of its decision.

PART 3

INFORMATION ON THE GROUP

1. BUSINESS

The Company has been established for the purposes of investing in commercial real estate in the United Kingdom, specifically targeting the retail sub-sector. The Company is advised on property matters (both investment and management) by NewRiver Capital, which will become a wholly-owned subsidiary of NewRiver Retail with effect from Admission pursuant to the terms of the share transfer agreement (described in detail in paragraph 2.8 of Part 9 of this document) and which has a highly experienced management team. NewRiver Capital's principal executives are David Lockhart and Allan Lockhart.

The Board of the Company comprises six Directors. The Company intends to invest in retail real estate assets, principally in the UK. The Company will be an active investor and intends to implement comprehensive and focused asset management strategies to enhance the quality and value of acquired assets and improve the annual rental income derived from them.

The NRC Management Team, and David and Allan Lockhart specifically, have a record of anticipating and exploiting opportunities that arise from cycles in the property market as well as proven expertise in investment, trading and development. See paragraph 6 below for information in respect of the NRC Management Team's experience and track record.

On Admission, the Company aims to raise gross proceeds of £25 million by way of the Placing (approximately £24,231,100 million net of expenses) from institutional and other investors, of which certain Directors and members of the NRC Management Team will be investing approximately £5 million. Application has been made for the entire issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM and to listing on the Daily Official List of the CISX. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM and the CISX at 8.00 a.m. (London time) on 1 September 2009. Other than trading on the CISX, the Ordinary Shares are not dealt in on any other recognised investment exchange and no applications for the Ordinary Shares to be traded on such other exchanges have been or are currently expected to be made.

The net proceeds of the Placing will be deployed to: (i) seek to acquire assets which fit with the Company's investment policy (as described in detail at paragraph 4 of Part 2 above); (ii) take forward joint venture discussions which are currently in progress and, where appropriate, enter into joint venture or co-investment discussions with other parties; and (iii) finalise the recruitment of the core NRC Management Team.

Following the initial raising of seed capital, the Company intends to raise further equity capital at a later date in order to accelerate its business plan and acquire assets in accordance with the Company's investment policy. Whilst any further equity fundraisings are anticipated to be for more than the initial fundraising of seed capital, there can be no guarantee that any further fundraising(s) will occur or, if they do, that the amount raised will be sufficient to implement the Company's investment policy as currently envisaged. If this is the case, the Directors believe that there are a number of alternative opportunities the Company could pursue to further its investment policy, including, in particular, joint ventures and other co-investment structures with third parties.

Based on current market conditions, the Directors intend that the Group's level of borrowings will be between 50 and 65 per cent. of the gross value of its real estate assets once fully invested (as at the last published NAV valuation date). However, gearing will be governed by careful consideration of the cost and availability of borrowing and the ability to mitigate the risk of interest rate increases. The Company's Articles do not contain any borrowing limits.

2. CORPORATE STRUCTURE

The Company is a Guernsey Registered Closed Ended Investment Scheme registered under Section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective

Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission and, at the date of Admission, will have one wholly-owned subsidiary, NewRiver Capital, a company incorporated and registered in England and Wales.

The Company will continue to maintain an appropriate corporate structure to accommodate holdings of real estate located in the United Kingdom or elsewhere. The specific structure to be used for the acquisition of each property will be determined at the time of acquisition, with a view to utilising the most appropriate holding company structure in the circumstances. However, it is currently intended that NewRiver Retail and each of its subsidiaries (other than NewRiver Capital), which acquires investment property will be non-UK tax resident companies. If so, provided that these companies do not carry on a UK trade:

- no UK tax should generally be payable on any capital gain realised on the sale of an investment property or of a company holding property; and
- the company holding property will be subject to UK income tax at a rate of 20 per cent., rather than UK corporation tax at a rate of 28 per cent., on its rental income after deduction of allowable debt financing costs and other deductible expenses.

It is anticipated that any trading property will be acquired by one or more UK tax resident subsidiaries of NewRiver Retail, which will be subject to UK corporation tax at a rate of 28 per cent. on profits from disposing of a property (including any development profit) and on any rental profits.

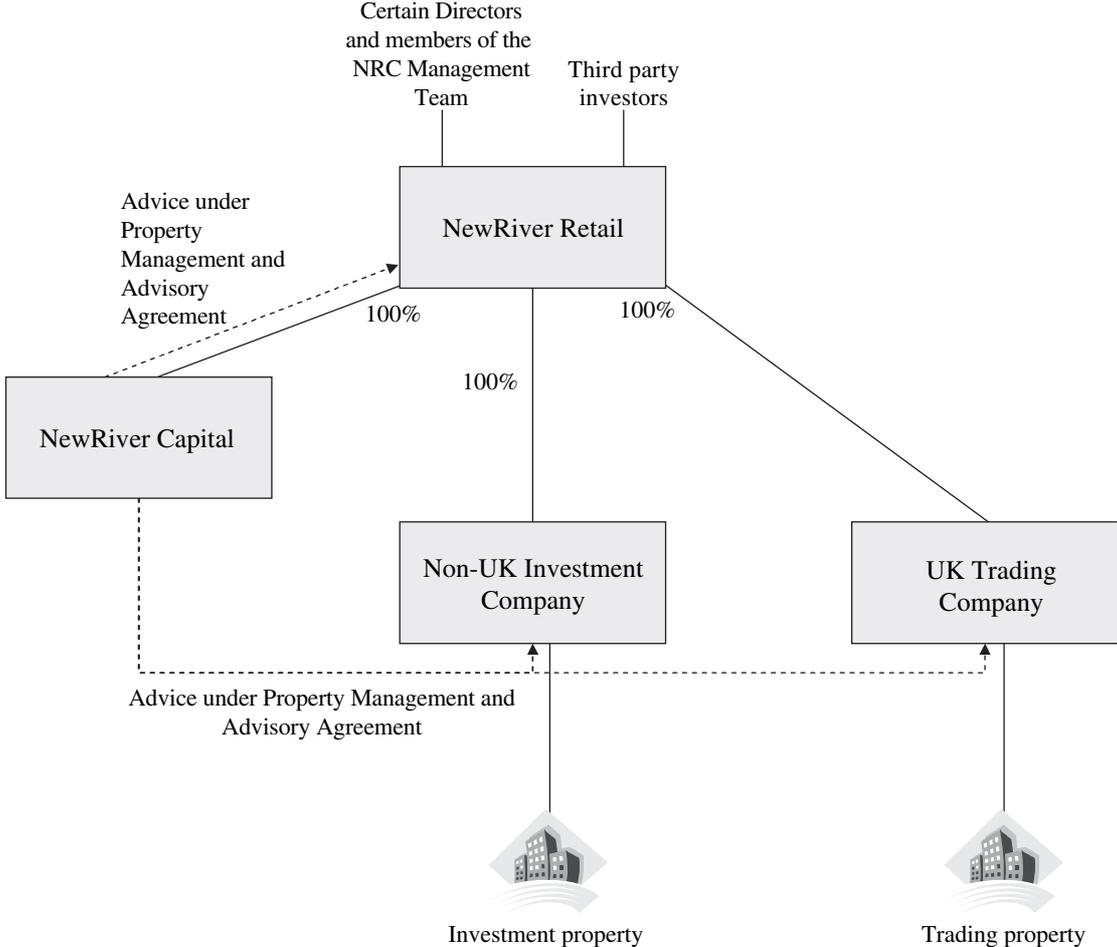
All wholly-owned asset-owning companies will accede to the Property Management and Advisory Agreement. To the extent property management fees are charged directly to the wholly-owned asset-owning companies, the fee under the Property Management and Advisory Agreement charged by NewRiver Capital to NewRiver Retail will be reduced.

Holding each investment and trading property in separate subsidiaries will enable third party property finance to be secured both over the real estate assets themselves and the shares in the relevant companies.

Disposals of properties may be by way of asset sale or sale of shares in the relevant property owning company so as to realise the best return for the Company. Under current law, a lower rate of stamp duty would be paid by a purchaser on the acquisition of shares in a property owning company compared to the stamp duty land tax paid by a purchaser on the acquisition of the land itself.

NewRiver Capital will provide investment advice and property management services to NewRiver Retail and its subsidiaries.

A diagram of the intended corporate structure of the Group is set out below:



3. DIRECTORS OF THE COMPANY

The Board comprises four independent Guernsey-domiciled Directors and Paul Roy and David Lockhart. The Directors have been selected to give Shareholders the benefit of their real estate, fund, financial services and business experience. The Directors have overall responsibility for the Company’s activities, including the review of its investment activities and performance. They have primary responsibility for determining the Company’s overall investment objectives and strategy and for implementing them. The Board is also responsible for supervising and reviewing the activities of NewRiver Capital. The Board will meet at least four times a year to review the Company’s investment policy.

The Directors of the Company are:

Paul Roy, age 62 (Chairman) (UK resident)

Paul Roy co-founded NewSmith Capital Partners, an independent investment management firm, in 2003 having spent over 30 years in the investment banking and securities industry. Prior to founding NewSmith, he was Co-President of the Global Markets and Investment Banking division (“GMI”) at Merrill Lynch International, with responsibility for the firm’s worldwide Investment Banking, Debt and Equity Markets businesses. He was an Executive Vice President of Merrill Lynch & Co., Inc. and a member of the Executive Management Committee. Paul is Chairman of the British Horseracing Authority responsible for the governance and regulation of the sport and is a member of the Horserace Betting Levy Board. He is also a non-executive Director of Cenkos Securities plc. He has a Bachelor of Arts degree in economics (honours) from Liverpool University, England.

David Lockhart, age 66 (*UK resident*)

David Lockhart is a qualified Solicitor and Chartered Accountant. and has over 30 years' operating experience in the UK real estate market. David is an experienced and successful entrepreneur, having founded several property businesses across the United Kingdom. He practised law in his family law firm until 1981 when he resigned to found Caltrust Limited, a property development company based in Scotland. David served as executive Chairman of Caltrust Limited until 1987 when the company was acquired by Sheraton Securities International plc, following which he served as managing director of the newly formed Sheraton Caltrust plc until 1990. In 1991, David founded Halladale, a business which he ran as CEO. Halladale was successfully floated on AIM in 2001. David secured the sale of the Halladale business to Stockland Corporation in May 2007. At the time of Halladale's sale to Stockland, it had been grown to a business with total assets under management and development of circa £1.5 billion.

Susie Farnon, age 49 (*Non-UK resident*)

Susie Farnon was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001. She has served as president of the Guernsey Society of Chartered and Certified Accountants and as a member of The Guernsey Audit Commission and The Guernsey Public Accounts Committee. She is a Commissioner of The Guernsey Financial Services Commission and a director of a number of private property and investment companies. She is also non-executive director of Cenkos Channel Islands Limited and of Rapid Realisations Fund Limited.

Shelagh Mason, age 50 (*Non-UK resident*)

Shelagh Mason is an English property solicitor with over 25 years' experience in commercial property. Currently practising as Mason & Co in Guernsey, she was previously a senior partner of Edge & Ellison (now part of Hammonds), responsible for Commercial Property. For two years until 2001 she was Chief Executive of Long Port Properties Limited, a property development company active throughout the United Kingdom and the Channel Islands. Shelagh is a member of the Board of Directors of Standard Life Investment Property Income Trust, a property fund listed on both the London and Channel Islands Stock Exchanges. She is also a director of MedicX Fund Limited, a company investing in primary healthcare facilities.

Peter Tom CBE, age 68 (*Non-UK resident*)

Peter Tom has spent his career in the aggregates industry having originally joined Bardon Hill Quarries Limited in 1956. He is the former Chairman and Chief Executive of Aggregate Industries Limited having stepped down in October 2007. He was previously the Chief Executive of Bardon Group plc. Peter Tom became Chairman of Aggregate Industries Limited on 1 January 2006 and also currently chairs Marwyn Materials Limited, Rapid Realisations Fund Limited and Leaf Clean Energy Company. He is a former player for, and now Chairman of, Leicester Football Club plc, the holding company of the Leicester Tigers rugby club. He is also the senior independent non-executive director of AGA Foodservice Group plc. Peter Tom received an Honorary Degree as a Doctor of Technology from De Montfort University and was also awarded the CBE in the Queen's New Year Honours list in 2006 for Services to Sport and Business. He is a Guernsey resident.

Serena Tremlett, age 44 (*Non-UK resident*)

Serena Tremlett has over 20 years' experience in financial services, specialising in closed-ended property and private equity funds and fund administration over the last 12 years. She is a Guernsey resident and Managing Director of Morgan Sharpe Administration, a third party fund administrator which was acquired by her and her team by way of management buy-out in April 2008 and is a non-executive director on Alpha Pyrenees Trust, Alpha Tiger Property Trust and Ingenious Media Active Capital in addition to various unlisted funds and general partners. Serena was previously company secretary (and formerly director) of Assura Group, a company listed on the London Stock Exchange investing in primary healthcare property, pharmacy and medical businesses and ran Assura's Guernsey head office. Prior to working for Assura, Serena was head of Guernsey property funds at Mourant Guernsey for two years and worked for Guernsey

International Fund Managers (now Northern Trust) for seven years where she sat on a number of listed and unlisted fund boards.

4. NEWRIVER CAPITAL AND THE MANAGEMENT TEAM

NewRiver Capital was incorporated in England and Wales on 4 February 2009 with registered number 06809820 as a private company with limited liability. The directors of NewRiver Capital are David Lockhart and Allan Lockhart. NewRiver Capital will advise NewRiver Retail on property matters (both investment and management) pursuant to the terms of the Property Management and Advisory Agreement. Details of the management arrangements between NewRiver Capital and NewRiver Retail are set out in paragraph 7 below.

NewRiver Capital does not require authorisation from the UK Financial Services Authority to provide the services currently envisaged under the Property Management and Advisory Agreement. Nothing in the Property Management and Advisory Agreement will require NewRiver Capital to provide any services or activities which would require it to be an authorised person for the purposes of the Financial Services and Markets Act 2000 or equivalent legislation in any jurisdiction.

The NRC Management Team have significant experience of investing, financing, developing and managing real estate with particular emphasis on the UK retail sub-sector. The experience of key members of the NRC Management Team is set out below.

Directors

David Lockhart, age 66 (*Chief Executive Officer*)

See experience described above.

Allan Lockhart, age 44 (*Director*)

Allan Lockhart has over 20 years' experience in the UK real estate market specialising in the retail sector, having started his career with Strutt & Parker in 1988. His focus there was to advise major property companies and institutions on retail investment and development. Allan was appointed as retail director to the principal trading subsidiary of Halladale (now Stockland) in January 2002 with the objective to increase Halladale's retail investment, asset management and development portfolio. During his time at Halladale, Allan co-ordinated the acquisition and the implementation of the asset management strategies of over 20 shopping centres as well as successfully concluding several profitable retail developments.

Additional NRC Directors

NewRiver Capital has identified a qualified chartered surveyor with over 15 years' experience in the commercial real estate market in the United Kingdom, who has worked for leading retail real estate advisers, focusing on high street and shopping centre investment brokerage. It is intended that this individual will become a director and employee of NewRiver Capital in due course.

In addition, NewRiver Capital is actively seeking to recruit a Finance Director, although it is not expected that this position will have been filled at or prior to Admission.

Other Members of the NRC Management Team

As NewRiver Retail's acquisition programme progresses, NewRiver Capital intends to recruit a select number of additional personnel who have the appropriate skills and experience to advise NewRiver Retail in the development and implementation of a value-creating investment strategy. Robert Pennington is an example of the personnel that NewRiver Capital would be intending to appoint.

Robert Pennington, age 44 (*Surveyor*)

Robert is a qualified chartered surveyor with over 20 years' property experience having worked for the past 20 years at Strutt & Parker. During his time at Strutt & Parker, Robert worked both within the landlord and tenant department specialising in retail rent review and lease renewals and within the retail investment

department where he was involved in the sale and acquisition of shopping centre and high street retail investments. Robert Pennington is not a director of NewRiver Capital.

5. INCENTIVISATION OF THE MANAGEMENT TEAM

NewRiver Retail has established incentive plans for the directors and employees of the Group. The objective of the Share Incentive Plans is to align the financial interests of the participants with those of the Shareholders and to motivate and retain them.

Further details of the Share Incentive Plans are set out in paragraph 4 of Part 9.

An initial investment of approximately £5 million in the Ordinary Shares will be made by David Lockhart, Allan Lockhart and certain Directors and other members of the NRC Management Team at the Placing Price, as part of the Placing. Further information about how David and Allan Lockhart will invest is set out in paragraph 5.1 of Part 9. In accordance with Rule 7 of the AIM Rules, such persons have undertaken, save in limited circumstances, not to dispose of any of their Ordinary Shares or Warrants for a period of one year following Admission. Further information in relation to these lock-in arrangements can be found in paragraph 3 of Part 6 and paragraph 6.6 of Part 9 of this document.

6. MANAGEMENT EXPERIENCE AND TRACK RECORD

David and Allan Lockhart have been involved in the UK commercial real estate market for over 30 years and 20 years, respectively, and, during that time, have built up successful property management and development businesses, most notably, Halladale.

David Lockhart founded the real estate management and development company, Halladale, in 1991 and successfully grew the business. It was admitted to AIM in 2001 with a market capitalisation of approximately £10 million and then sold to Stockland Corporation in April 2007 for £171 million (having raised over £60 million of additional equity and convertible unsecured loan capital in the intervening period).

Allan Lockhart, after 13 years advising major property companies and institutions on retail investment and development at Strutt & Parker, joined Halladale in 2002 as Retail Director of its principal trading subsidiary and was responsible for co-ordinating the acquisition, and implementation of the asset management strategies of, over 20 shopping centres as well as acquiring and completing several profitable retail developments.

In share price terms, this resulted in a 440 per cent. Total Shareholder Return for investors who held shares in Halladale from the time of its admission to AIM until its sale, compared with Total Shareholder Returns on the FTSE All Share Real Estate and FTSE All Share indices, respectively, of 175 per cent. and 44 per cent. over the same period. This represented an out-performance of those indices of 265 per cent. and 396 per cent., respectively. At the time of its admission to trading on AIM, Halladale's NNNAV per share was 63.7 pence. The offer price paid by Stockland when it acquired Halladale in 2007 was 225 pence per share. Over this time, Halladale's portfolio of third party assets under management grew from approximately £116 million to approximately £1.5 billion.

Whilst David and Allan Lockhart held executive positions with Halladale, it provided investors with consistent geared project IRRs in excess of 20 per cent., consistent growth in PBT, DPS and EPS and delivered an internal rate of return of approximately 31 per cent. per annum to shareholders who invested in Halladale at the time of its admission to AIM in 2001 and held shares until its sale in 2007.

In the financial years from April 2002 to April 2006, Halladale's profits before tax grew at a compound annual growth rate of 52.9 per cent. (to £6.3 million) and dividends per share grew at a compound annual growth rate of 32 per cent. (to 3.8 pence).

Certain of the specific projects that David and Allan Lockhart have been involved in whilst holding various positions at organisations active in the UK commercial real estate market and their key features are described below. They demonstrate the broad range of entrepreneurial asset management skills and the ability to exploit opportunities that they can bring to bear when advising NewRiver Retail on making and managing investments. In particular, they show the ability to acquire freehold interests (the marriage value in uniting

the leasehold and freehold interests serving to create the potential to achieve upside from subsequent tenant lease restructuring and rent reviews); developing, extending and refurbishing assets, where appropriate; achieving strong pre-lettings with a familiar range of multiple retail tenants; and working towards a clear strategy to maximise value creation.

Baytree Shopping Centre, Brentwood

A long leasehold interest to the shopping centre, comprising 70,000 square feet of retail space, was purchased in February 2002 for £7.25 million. The asset also comprised 66,250 square foot of office space which had been vacant for several years. Having acquired an option to acquire the freehold interest in the property from Brentwood Council in early 2004, the option was exercised in June 2004 for a purchase price of £9 million. Planning was approved for a major refurbishment, extension and enclosure of the centre, in addition to a change of use for the offices to 106 residential apartments and construction began in summer 2004, with the vacant offices being sold to Barratt Developments plc for £7 million in June 2005. Construction was completed, and the shopping centre opened, in December 2005. The freehold purchase served to release the marriage value and, having pre-let the anchor stores in the centre to Wilkinsons, JJB Sports, Bon Marché, WH Smith and Fitness First in summer 2004, Halladale was able to drive prime Zone A rents from £55 per square foot to £75 per square foot for the extended 120,000 square feet shopping centre. The shopping centre was eventually sold to Otwell Estates Limited for £41.6 million in January 2007.

Newport, Isle of Wight

The freehold interest to the town centre bus station was purchased by Halladale from the local bus company as a development opportunity, together with adjacent buildings in September 2003 for £5 million. Planning was approved for the construction of 60,000 square feet of retail space and a modern bus interchange in August 2004. Pre-letting of the retail development was secured to Peacocks, Bon Marché, Sportsworld, New Look, H&M and Next and construction successfully completed in Summer 2006. A forward sale agreement of the asset was also completed with Clerical Medical in Summer 2006 for £14.2 million, with a second phase of development work commencing in October 2006 (including a further pre-letting to Next) with a completed value of £4.1 million.

Woodley Shopping Centre, Reading

The leasehold interest of the shopping centre (comprising 61,000 square feet of retail space, 17,000 square feet of office space and seven residential apartments) was acquired in November 2001 for £7.6 million with the freehold interest being acquired from Wokingham District Council in April 2003 for a further £4.7 million. Again, the freehold purchase served to release the marriage value meaning that, shortly thereafter, the lease of the anchor tenant, Waitrose, was able to be successfully extended from expiry in 2008 to 2027, with an accompanying two-fold increase in the annual rent. Combined with this, a broader programme of rent reviews was conducted after which Halladale succeeded in establishing an average Zone A rent for the shopping centre of £60 per square foot (improved from £42.50). Once Waitrose's lease had been successfully extended and the upward rent review programme completed, the sale of the unit occupied by Waitrose was successfully completed, along with the sale of another, occupied by Next, for a combined sale price of £8.1 million in November 2003. The remaining units were successfully sold to tenants in April 2004. Total sale proceeds for the project were £19.29 million.

Gillingham

Halladale acquired a vacant store of 45,000 square feet from the Co-op in June 2006 for £3.6 million. It subsequently secured planning consent to sub-divide the former Co-op store into 3 separate units. These three units were entirely pre-let to Wilkinsons (28,000 square feet), Sports World (10,200 square feet) and Bon Marché (3,200 square feet). Construction works were completed in September 2007, with the development forward sold to private investors for £6.7 million.

The Burton Portfolio

This comprised the purchase by Halladale in 1997 from Burton Group Properties Limited of a mixed use portfolio of 29 properties spread throughout the UK, primarily in high street retail units. The properties were purchased for £20.8 million and, through the acquisitions of freehold interests and subsequent lease restructuring and tenant rent reviews, the management team were able to extract significant value from these properties. They were then sold as individual units over time, which provided a significant profit over the apportioned purchase costs.

The CGU Portfolio

This comprised the purchase of 14 properties, primarily in the industrial and retail sectors, for £15 million in March 1999 from Commercial Union. The properties were sold over time at prices which secured a profit over book cost.

Opportunity Fund Portfolio

This comprised the purchase of a £32 million mixed use portfolio from Henderson Global Investors in 2002. All 15 properties were sold predominantly in the retail sector, with 4 simultaneously sold for £9.3 million. Assets in Telford, Liverpool and Doncaster were sold in 2004/5, and assets in Norwich in 2005/6.

In summary, the Company will be advised by NewRiver Capital and intends to employ the same active investment strategy and top-down real estate asset selection process as employed to achieve the successes represented by the above examples. The Directors believe that the experience and reputation of the NRC Management Team, and David and Allan Lockhart in particular, will therefore be a key factor in the future performance of the Company.

When considering the information set out above, prospective investors should note that the historical results of certain investments by Halladale or members of the NRC Management Team are not representative of the performance of all of the investments made by Halladale or members of the NRC Management Team and are not indicative of the future results of the Company. Differences between the structure, term, leverage, target investments, performance targets, investment horizons and other investment policies and objectives, including (but not limited to) management and performance or incentive fee arrangements can affect returns and impact the usefulness of performance comparisons. Because of these differences, none of the investments referred to above are directly comparable to the investments proposed to be made by the Company. In summary, past performance of funds or assets managed by the NRC Management Team is not necessarily indicative of the future performance of the Company.

7. PROPERTY MANAGEMENT AND ADVISORY ARRANGEMENTS

The Company and NewRiver Capital entered into the Property Management and Advisory Agreement on 26 August 2009. The Property Management and Advisory Agreement is conditional on Admission. Under the terms of the Property Management and Advisory Agreement NewRiver Capital has agreed to provide certain property advisory and management services to the Company and any Property Vehicle owned by the Company, subject to the overall supervision of the boards. The services to be provided by NewRiver Capital under the Property Management and Advisory Agreement include, without limitation, advising the Company on the origination, identification and acquisition of new investments that fall within the investment objective, policy and strategy set out in this document; advising on the capital structure of the Group generally as well as financing requirements in relation to such investment opportunities; carrying out due diligence in respect of investment opportunities; subject to the supervision of the Board, negotiating the purchase, joint venture or other terms in relation to property assets with the relevant counterparties; and advising on the management and refurbishment of the Group's property investments and their realisation, once acquired.

Pursuant to the Property Management and Advisory Agreement, NewRiver Capital is entitled to receive a quarterly management fee from all wholly-owned Property Vehicles and the Company totalling an amount per annum equal to 5 per cent. of the Company's Net Asset Value plus any fee agreed with any Property Vehicle which is not wholly-owned by the Company. The Company and NewRiver Capital have agreed that this management fee will be subject to review in the event that the Company completes a further fundraising

or fundraisings. The management fee will be payable in sterling quarterly in advance. NewRiver Capital is entitled to a termination fee equal to one year's management fee on termination after the initial five year period. NewRiver Capital is also entitled to fees in lieu of notice on termination by the Company without cause during the initial five year period of the agreement. No other fees (including any performance fees) are payable to NewRiver Capital under the Property Management and Advisory Agreement. All fees are exclusive of VAT.

The Property Management and Advisory Agreement may be terminated by either the Company or NewRiver Capital giving the other party not less than 12 months' written notice to expire no earlier than the fifth anniversary of the date of Admission. In the event that no notice of termination is served, the Property Management and Advisory Agreement shall continue unless otherwise terminated on 12 months' written notice by either party. The Property Management and Advisory Agreement may also be terminated by either party giving the other written notice in the event of an insolvency-type event occurring in respect of the other party or by either party giving the other written notice in the event of a material or persistent unremedied breach of its terms by the other party. The Company may also terminate the Property Management and Advisory Agreement with immediate effect in the event that NewRiver Capital knowingly commits an illegal act which has a material adverse effect to the Company's reputation or which causes NewRiver Capital to be subject to any regulatory or disciplinary action or any fine or other penalty. The mutual termination rights also apply between NewRiver Capital and a relevant Property Vehicle, except that such termination will only terminate the Property Management and Advisory Agreement with the Property Vehicle. A change of control of either the Company or NewRiver Capital shall not constitute an event entitling the other party to terminate the Property Management and Advisory Agreement.

NewRiver Capital will not be liable for any loss to the Company or to any relevant property owning vehicle except to the extent that such loss is due to the gross negligence, wilful default or fraud or material breach of the obligations of NewRiver Capital under the Property Management and Advisory Agreement or of any person to whom NewRiver Capital may have delegated any of its obligations and/or functions under the Property Management and Advisory Agreement or any employee of such person.

The Company and each Property Vehicle have agreed to indemnify NewRiver Capital against all claims by third parties (including employees and agents) which may be made against NewRiver Capital in connection with its services under the Property Management and Advisory Agreement, except to the extent that the claim is due to any material breach of contract, the gross negligence, wilful default or fraud of NewRiver Capital or its employees or any person to whom NewRiver Capital may have delegated any of its obligations and/or functions under the Property Management and Advisory Agreement or any employee of any such person.

The Property Management and Advisory Agreement also contains provisions pursuant to which the Company grants NewRiver Capital a non-exclusive right during the term of the Property Management and Advisory Agreement and for three months thereafter to use the "NewRiver" name.

8. ADMINISTRATION, SECRETARIAL, REGISTRAR AND OTHER ARRANGEMENTS

The Company has engaged the Administrator to provide it with, *inter alia*, administration, secretarial and safe-keeping services pursuant to the Administration Agreement. For these services the Company will pay the Administrator a fixed, initial annualised fee of £78,000, subject to annual review, together with a bookkeeping or accounting fee charged on a time basis (if required). The Administration Agreement is terminable by either party on not less than 90 days notice, save in certain limited circumstances when it may be terminated forthwith. For the purpose of the Guernsey Prospectus Rules 2008, the Administrator is the Designated Manager.

Further details on the Administration Agreement are set out in paragraph 6.2 of Part 9 of this document.

The Company has engaged the Registrar to provide it with registration services, which will entail, among other things, the Registrar having responsibility for the maintenance of the share registers, maintenance of dividend payment instructions and arranging the issue, allotment, transfer and/or purchase of shares in accordance with the Articles. For these services, the Registrar is entitled to receive a basic fee based on the

number of Shareholder accounts, subject to an annual minimum charge of £6,500 (payable quarterly in arrear). In addition to the basic fee, the Registrar is entitled to receive additional fees for specific actions.

Further details on the Registrar Agreement are set out in paragraph 6.3 of Part 9 of this document.

The Company has engaged the Sponsor to act as the sponsor for its application for admission to the Daily List of the CISX. For the provision of these services, the Sponsor is entitled a fee of £8,000 for the initial listing payable within 30 days of the date of the grant of listing by the CISX and, following the listing, an annual fee of £5,000, payable on each anniversary of the date of the listing.

Further details of the Sponsorship Agreement are set out in paragraph 6.9 of Part 9 of this document.

9. LIFE OF THE COMPANY

The Company was incorporated with an unlimited life and an unlimited number of Ordinary Shares which have no nominal value.

Until such time as all of the net proceeds of the Placing are applied by the Company to fund real estate investments, the unapplied portion of the net proceeds will be held by the Company on interest bearing deposit or invested in a selection of money market funds in anticipation of future investment and to meet the running costs of the Group.

10. USE OF PROCEEDS AND BORROWINGS

The Company intends to use the net proceeds of the Placing to: (i) seek to acquire assets which fit with the Company's investment policy (as described in detail at paragraph 4 of Part 2 above); (ii) take forward joint venture discussions which are currently in progress and, where appropriate, enter into joint venture or co-investment discussions with other parties; and (iii) finalise the recruitment of the core NRC Management Team.

Based on current market conditions, the Directors intend that the Company will put in place facilities (initially on a deal by deal basis) to allow for borrowings of between 50 and 65 per cent. of the gross asset value of the Group (as at the last published NAV valuation date). However, gearing will be governed by careful consideration of the cost and availability of borrowing and the ability to mitigate the risk of interest rate increases. The Company's Articles do not contain any borrowing limits.

11. DIVIDEND POLICY

In relation to the payment of dividends, on 1 July 2008, the Law came into force in Guernsey. This replaced The Companies (Guernsey) Law, 1994. One of the immediate effects of the Law was to replace the capital maintenance requirements in respect of dividend and distribution payments and for distributions to be made from distributable profits similar to that to which UK companies are subject and formerly applicable to Guernsey companies with a solvency based test. The use of the solvency test now requires the directors of a company to carry out a liquidity or cashflow test and a balance sheet solvency test before any dividend or distribution payment can be made. The test requires the board to make a future assessment by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made the directors believe that the solvency test cannot be passed, then no payment may be made.

Subject to compliance with Section 304 of the Law and the satisfaction of the solvency test set out therein, it is the intention of the Directors to pay such dividends as appear to be justified by the position of the Company at the relevant time and having regard to all relevant circumstances and to follow a progressive and sustainable policy towards dividends. There can be no guarantee as to the amount of any dividend payable by the Company. Dividends may give rise to a liability to tax for Shareholders and potential investors should read the information set out in paragraph 2.2 of Part 5.

12. FINANCIAL INFORMATION

The Company was incorporated on 4 June 2009.

The Company's annual report and consolidated accounts will be prepared up to 31 March in each year and copies of the report and accounts will be sent to Shareholders within the following six months. Shareholders will also receive an unaudited interim report covering the six month period to 30 September in each year, which will be dispatched to Shareholders within the following three months. Shareholders will be sent updates on the Group's activities as and when appropriate and in accordance with the AIM Rules.

13. BUY-BACK OF ORDINARY SHARES

The Directors will, following Admission and until the Company's annual general meeting in 2010, have authority in accordance with section 315 of the Law to make market acquisitions (within the meaning of section 316(1) of the Companies (Guernsey) Law 2008) of up to 14.99 per cent. of the Company's Ordinary Shares in issue immediately following Admission. The Company will seek renewal of this authority from Shareholders at the next annual general meeting and thereafter at subsequent annual general meetings. The making and timing of any buy-backs will be at the absolute discretion of the Board.

14. COSTS AND EXPENSES

The Company will bear the fees and out-of-pocket expenses properly incurred in the performance of the respective duties of NewRiver Capital and the Administrator and will in addition meet all its own costs and expenses, including the costs and expenses of the Directors, advisers, consultants, surveyors and other agents engaged on its behalf, commissions, banking fees, legal expenses, insurance costs, regulatory fees, letting fees, acquisition and disposal fees, auditors, listing costs and the costs of distribution of reports and accounts and similar documentation to Shareholders.

15. WARRANTS

Warrants to subscribe for Ordinary Shares, representing in aggregate 3 per cent. of the Fully Diluted Share Capital, will, conditional upon Admission occurring by no later than 30 September 2009, be issued to Shareholders subscribing for Placing Shares in the Placing.

A summary of the terms of the Warrants is set out in Part 8 of this document. As referred to in Part 8, the subscription price and/or percentage of Ordinary Shares relating to such Warrants issued to Shareholders who subscribe for Placing Shares in the Placing will be subject to adjustment in respect of dilution events, including the payment by the Company of cash or scrip dividends, any amalgamation, reorganisation, reclassification, consolidation, merger or sale of all or substantially all the Company's assets (other than in the ordinary course of the Group's business) and other dilutive events. It is not currently intended that the Warrants will be admitted to trading on AIM, the CISX or any other stock exchange.

16. CORPORATE GOVERNANCE

As a Guernsey registered and AIM quoted company, the Company is not required to comply with the Combined Code. However, the Directors place a great deal of importance on ensuring that high standards of corporate governance are maintained and will seek to take appropriate measures to ensure that the Company complies with the Combined Code (as amended and/or supplemented by the AIC Code) to the extent appropriate and taking into account the size of the Company and the nature of its business. Although there is no formal corporate governance regime in Guernsey, the Company shall seek to comply with the corporate governance obligations which nevertheless do apply to Guernsey registered companies, including the GFSC guidance on corporate governance in the finance sector in Guernsey.

Independent non-executive Directors

The Combined Code recommends that, in the case of smaller companies below the FTSE 350, at least two non-executive members of the board of directors (excluding the Chairman) of a public limited company should be independent in character and judgment and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgment.

On Admission, the Board will be composed of six Directors. The Board has carefully considered the Directors' independence and has determined that the Directors will discharge their duties in an independent

manner. Susie Farnon, Shelagh Mason, Peter Tom CBE and Serena Tremlett are deemed by the Directors to be independent. David Lockhart and Paul Roy will not be considered to be independent because, in the case of David Lockhart, he is part of the NRC Management Team and, in the case of Paul Roy, he is the Chairman and not considered to be independent for the purposes of the Combined Code following his appointment. Accordingly, on Admission, the Company will comply with the provisions of the Combined Code applicable to smaller companies that at least two members of the Board should be independent non-executive directors. The Directors intend to report to Shareholders on compliance with the Combined Code in the Company's annual financial report.

Senior Independent Director

The Combined Code also recommends that the Board should appoint one of the independent non-executive Directors as senior independent director. The senior independent director should be available to Shareholders if they have concerns which contact through the normal channel of Chairman has failed to resolve or for which such contact is inappropriate. The Directors have appointed Peter Tom as senior independent director, conditional on Admission.

Board Committees

The Board has established an Audit Committee, a Nomination Committee, a Management Committee and a Monitoring Committee, in each case, with formally delegated duties and responsibilities within written terms of reference.

The Audit Committee comprises Susie Farnon, Peter Tom and Shelagh Mason and is chaired by Susie Farnon. The Audit Committee will meet at least twice a year and will, *inter alia*, review the financial reporting process and system of internal control and management of financial risks (including understanding the current areas of greatest financial risk and how these are managed, reviewing annual financial statements, assessing the fairness of preliminary and interim statements and disclosures and reviewing the external audit process). The Audit Committee will be responsible for overseeing the Company's relationship with the external auditors, including making recommendations to the Board on the appointment of the external auditors and their remuneration. The Audit Committee will consider the nature, scope and results of the auditors' work and reviews, and develop and implement policy on the supply of any non-audit services that are to be provided by the external auditors. It will receive and review reports from the Company's external auditors relating to the Company's annual report and accounts. The Audit Committee will focus primarily on compliance with legal requirements, accounting standards and the AIM Rules and ensuring that an effective system of internal financial and non-financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts will remain with the Board.

The Nomination Committee is chaired by the Chairman and comprises all of the Directors. The committee will meet not less than once a year and will have responsibility for considering the size, structure and composition of the Board and retirements and appointments of additional and replacement Board members and will make appropriate recommendations to the Board.

The Management Committee is chaired by the Chairman and comprises Paul Roy, Peter Tom, Susie Farnon and Shelagh Mason. The committee will meet not less than once a year and will have responsibility for considering the remuneration of the other Board members. The committee will review the remuneration of the Chairman and Directors against the fees paid to directors of other specialist investment companies and investment companies of a comparable size. The Management Committee will also review the remuneration and incentivisation of the members of the NRC Management Team and assess it by reference to that of persons holding similar positions in comparable organisations and make recommendations in respect thereof.

The Monitoring Committee comprises Peter Tom, Susie Farnon, Shelagh Mason and Serena Tremlett and is chaired by Peter Tom. The committee will meet at least twice a year and will have responsibility for monitoring the progress of non-binding offers to purchase properties made by NewRiver Capital on behalf of the Company in accordance with the Property Management and Advisory Agreement and making any appropriate recommendations to the Board of the Company in respect of the conduct of such offers.

Each of the Directors has signed a letter of appointment or, in the case of Peter Tom, entered into a consultancy agreement (and a side letter in respect of his or her entitlement to fees) to formalise in writing the terms of his or her appointment. Under the Articles, one third of the Board (save for David Lockhart) is subject to retirement by rotation each year, such that all Directors (save for David Lockhart) are required to submit themselves for re-election at least every three years. David Lockhart is not subject to the retirement by rotation and re-election provisions in the Articles.

The Company has adopted a code of share dealings in compliance with Rule 21 of the AIM Rules for Companies relating to Directors' dealings in the Ordinary Shares and to dealings by directors and employees of NewRiver Capital.

17. THE CITY CODE

The City Code will apply to the Company with effect from Admission. See paragraph 8 of Part 9 for further information in respect of the application of the City Code to the Company.

18. THE DISCLOSURE AND TRANSPARENCY RULES

The Articles require that, from Admission and for so long as the Company has any of its share capital admitted to trading on AIM, or any successor market or any other market operated by the London Stock Exchange and/or listed on the CISX, every Shareholder must comply with the notification and disclosure requirements set out in Chapter 5 of the Disclosure and Transparency Rules Sourcebook (as amended and varied from time to time) of the FSA Handbook as if the Company were classified as an "issuer" whose "Home State" is the United Kingdom.

Under the Disclosure and Transparency Rules, a Shareholder is required to notify the Company of the percentage of its voting rights if the percentage of voting rights which he holds (directly or indirectly) reaches, exceeds or falls below 3 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. The notification must be made within four trading days of the Shareholder learning of the acquisition or disposal leading to the increase or decrease in his shareholding.

Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make the required disclosure to the Company may result in disenfranchisement.

19. PROPERTY VALUATION POLICY

It is the Board's intention that the Company's portfolio will be independently valued on a semi-annual basis. Such valuations will be undertaken in accordance with the appropriate sections of both the then current Practice Statements, and United Kingdom Practice Statements contained within the RICS Appraisal and Valuation Standards in force from time to time (the "Red Book"). This is an internationally accepted basis of valuation. The valuation will be reviewed by the Board or a committee of the Board.

An abridged annual valuation will be set out in the Company's annual report and accounts.

20. ACCOUNTING POLICIES

The audited accounts of the Group are prepared under International Financial Reporting Standards ("IFRS"). Under IFRS, the Group will prepare an income statement which, unlike a statement of total return, does not differentiate between revenue and capital and also includes net realised and unrealised investment gains such as revaluation gains or losses. Movements in the fair value of interest rate swaps will be recognised in the income statement to the extent that the IFRS hedge accounting requirements are not met. The Company's basic management and administration fees, finance costs (including interest on any bank facility) and all other expenses will be charged through the income statement.

21. NET ASSET VALUE

The estimated Net Asset Value per Ordinary Share immediately following Admission will be 242.3 pence.

The Net Asset Value per Ordinary Share will be calculated by NewRiver Capital and will be published semi-annually, based on the most recent valuation of the property portfolio and calculated under IFRS. The Net Asset Value per Ordinary Share will be published through a regulatory information service provider to the London Stock Exchange as soon as practicable after the end of the relevant period. A summary of the valuation and the Net Asset Value per Ordinary Share will also be provided to the CISX as soon as practicable following calculation and at the same time it is provided to AIM.

It is expected that the first Net Asset Value per Ordinary Share following Admission will be calculated as at 30 September 2009.

22. TAXATION

Information regarding, *inter alia*, United Kingdom and Guernsey taxation for potential Shareholders is set out in Part 5 of this document. The Company has exempt tax status in Guernsey.

23. RISK FACTORS

The attention of potential investors is drawn to the “Risk Factors” set out in Part 1 of this document.

24. FURTHER INFORMATION

Your attention is drawn to the additional information set out in the other parts of this document.

PART 4

FINANCIAL INFORMATION ON THE COMPANY

SECTION A: HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

The financial information as at 4 June 2009 of NewRiver Retail is set out below. The Directors of the Company are responsible for the preparation of this financial information in accordance with International Financial Reporting Standards (“IFRS”) and the accounting policies in Note 2. The financial information is the subject of the Accountant’s Report set out in Section B of this Part 4 of this document.

The balance sheet of the Company at 4 June 2009 is as follows:

	<i>Notes</i>	<i>4 June 2009</i>
		£
Current assets		
Debtors		–
Cash in hand		–
		—————
Net assets		–
		—————
Represented by		
Share capital	3	–
		—————
Shareholders’ funds		–
		—————

The Company has not traded nor entered into any transactions up to the date of this balance sheet. Accordingly, no income statement, statement of recognised income and expense or cash flow statement is presented.

Notes to the financial information

1. General information

NewRiver Retail was incorporated on 4 June 2009 in Guernsey as a closed-ended investment company. The registered office of the Company is Isabelle Chambers, Route Isabelle, St. Peter Port, Guernsey, Channel Islands GY1 3TX.

2. Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The financial statements are expressed in pounds sterling and have been prepared on the historical cost basis. The Company has not traded and no dividend has been paid. Accordingly, no income statement or statement of recognised income and expense or cash flow statement is presented.

3. Share capital

At incorporation, one Ordinary Share was issued for nil consideration to Morgan Sharpe Nominees Limited as the original subscriber to the Company’s memorandum of incorporation.

4. Subsequent events

The Company has entered into a contract to acquire the entire issued share capital of NewRiver Capital, the Company’s property manager and adviser, for a consideration of £1.00, conditional upon the admission of the Ordinary Shares to trading on AIM and to listing on the Daily Official List of the CISX.

SECTION B: ACCOUNTANT'S REPORT ON THE COMPANY

The Board of Directors
On behalf of NewRiver Retail Limited
Isabelle Chambers
Route Isabelle
St. Peter Port
Guernsey
Channel Islands GY1 3TX

Merrill Lynch International
Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ

26 August 2009

Dear Sirs,

Placing of ordinary shares of NewRiver Retail Limited (the "Company") and proposed admission to trading on AIM

We report on the financial information set out in Section A of Part 4 of the AIM Admission Document dated 26 August 2009 of the Company (the "Admission Document"). This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the financial information. This report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") as applied by Paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with IFRS as adopted by the EU.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation as applied by Paragraph (a) of Schedule Two to the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the date stated in accordance with the basis of preparation set out in note 2 and in accordance with IFRS as adopted by the EU.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) as applied by Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Annex I item 1.2 and Annex III item 1.2 of the Prospectus Directive Regulation as applied by Schedule Two to the AIM Rules for Companies.

Yours faithfully

Deloitte LLP
Chartered Accountants

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PART 5

TAXATION

1. GENERAL

The following information is general in nature and relates only to certain aspects of United Kingdom (“UK”) and Guernsey taxation applicable to the Company and its subsidiary undertakings and to Shareholders who hold their Ordinary Shares and Warrants as an investment and who have not (or are not deemed to have) acquired their Ordinary Shares and Warrants by virtue of an office or employment and who are resident and, if an individual, ordinarily resident in the UK (except where indicated). The information is generally based on existing law and practice at the date of this document and may be subject to subsequent change. The information does take into account certain proposed changes to UK tax law (including some changes which will have retrospective effect). In such cases, the information below is based on the latest version of the draft legislation (where available) or proposals as at the date of this document and it is assumed that no changes will be made to such legislation or proposals before they are enacted.

Any change in the Company’s or any subsidiary undertaking’s tax status or changes in tax legislation or tax treaties negotiated by those countries in which the Group is resident or operates, or in tax legislation in the UK or Guernsey or any other tax jurisdiction affecting Shareholders, or in the interpretation of any such tax legislation or treaties, could affect the value of the investments held by the Company or its subsidiary undertakings or affect the Company’s ability to achieve its investment objective for the Ordinary Shares or alter the post tax returns to Shareholders. The summary below does not purport to be a complete analysis or listing of all the potential tax consequences of investing in the Company. Investors should consult their own independent tax advisers concerning the consequences of the acquisition, ownership and disposition of the Ordinary Shares and Warrants.

2. UNITED KINGDOM TAXATION

As the Ordinary Shares will be listed on the CISX, they will be “listed on a recognised stock exchange” for tax purposes. Consequently, following the CISX listing the Ordinary Shares can be held in ISAs. It is not possible for the Placing Shares to be allotted directly to the account manager of an ISA. The Warrants cannot be held in an ISA.

2.1 *The Group*

The Company and its non-UK tax resident subsidiaries

It is intended that the affairs of the Company, and any subsidiary (other than NewRiver Capital) which acquires and holds assets otherwise than as trading stock, will be conducted so that the central management and control of the relevant company is not exercised in the UK and, consequently, so that the company is not UK tax resident. Accordingly, and provided that the relevant company does not carry on a trade in the UK (whether or not through a branch, agency or other permanent establishment situated there) the Company and each such subsidiary should not be subject to UK capital gains tax or corporation tax on chargeable gains on a disposal of assets and should not be subject to UK corporation tax on any income.

The Company and each such subsidiary will be subject to UK income tax at a rate of 20 per cent. on certain income deriving from a UK source. This includes rent and other income received or deemed to be received from UK real estate, after deduction of its allowable debt financing costs and other allowable deductions. UK rent is potentially subject to UK withholding tax at a rate of 20 per cent. under the Non-Resident Landlords Scheme, however, it is intended that each non-UK resident company which will receive UK rent will seek approval from HM Revenue & Customs (“HMRC”) to receive UK rent gross. As a non-UK tax resident the Company should not be subject to UK income tax on dividends that it receives.

NewRiver Capital and other UK tax resident subsidiaries

It is anticipated that the affairs of NewRiver Capital and any subsidiary of the Company which acquires assets as trading stock, will be conducted so that the central management and control of the relevant company is exercised in the UK and, consequently, so that the company is UK tax resident. If so, NewRiver Capital and each such subsidiary will be subject to UK corporation tax at a rate of 28 per cent. on its income, including trading income and rent, after deduction of its allowable debt financing costs and other allowable deductions. Such companies will also be subject to UK corporation tax at a rate of 28 per cent. on development profits or capital gains on disposal of any of its capital assets.

Withholding tax

Dividends paid by the Company or any of its subsidiary undertakings will not be subject to UK withholding tax. Interest paid by the Company or any of its subsidiaries may potentially be subject to UK withholding tax at a rate of 20 per cent. if that interest has a UK source, unless the payment of the interest qualifies for an exemption.

2.2 *United Kingdom Shareholders*

Dividends

A UK resident individual Shareholder who receives a dividend from the Company and who is liable to income tax at the basic rate will be subject to UK income tax on the dividend at the rate of 10 per cent. A UK resident individual Shareholder who is liable to income tax at the higher rate will be liable to UK income tax on the dividend at the rate of 32.5 per cent. (to the extent that, taking the dividend as the top slice of the Shareholder's income, it falls above the threshold for the higher rate of income tax). In the 2009 Budget speech, the UK Government announced that with effect from 6 April 2010 a 50 per cent. rate of income tax will apply to taxable income above £150,000 and that dividends which fall within that income bracket will be taxable at a rate of 42.5 per cent.

A UK resident individual Shareholder whose shareholding in the Company is less than 10 per cent. of its issued share capital of a particular class should generally be entitled to a non-payable dividend tax credit in respect of dividends paid by the Company. This has the effect of lowering the effective rate of income tax on dividends received to 25 per cent. for higher rate tax payers (from 6 April 2010, to 36.11 per cent. in respect of income above £150,000) and to nil for basic rate taxpayers.

UK resident pension funds should be exempt from UK tax on dividends received from the Company.

A Shareholder which is a UK resident company and which receives a dividend from the Company will generally be subject to corporation tax on the dividend at the appropriate rate, currently up to 28 per cent. A dividend paid by the Company which is received by a corporate Shareholder in an accounting period in which the Shareholder is not a "small company" should generally be exempt from UK corporation tax. A company is a small company for this purpose if it is a micro or small enterprise (as defined in the Annex to Commission Recommendation of 6 May 2003 (2003/361/EC)) unless it is an open-ended investment company, authorised unit trust scheme, insurance company or friendly society. Where the dividend is not exempt from UK corporation tax, the Shareholder should be entitled to credit for UK tax paid by the Company or its subsidiaries if the Shareholder directly or indirectly controls not less than 10 per cent. of the voting power of the Company.

Capital Gains

A disposal of Ordinary Shares by a Shareholder who is either resident or, in the case of an individual, ordinarily resident for tax purposes in the UK may, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of the taxation of chargeable gains. Indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail prices index is not available to Shareholders, other than those subject to corporation tax on chargeable gains.

A proportion of the Placing Price is likely to be attributed to the Warrants for tax purposes.

A disposal of Warrants by a person who is an individual either resident or ordinarily resident for tax purposes in the UK may, depending on the Warrantholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of the taxation of chargeable gains. The exercise of a Warrant will not be treated as a disposal for capital gains tax purposes and nor will the failure to exercise a Warrant. On exercise of a Warrant any part of the Placing Price attributed to the Warrant for tax purposes will form part of the Warrantholder's base cost of the shares acquired as a result of exercise of the Warrant.

A Warrantholder which is a UK corporation taxpayer will generally be subject to corporation tax on a Warrant in accordance with the derivative contract regime. Broadly, under the derivative contracts regime the Warrantholder will be taxed in accordance with its accounting treatment of the Warrant. Following the exercise of a Warrant by a corporation taxpayer, an adjustment is made on a future disposal of the shares acquired as a result of exercise to avoid double counting of taxable profits and losses. In particular, where a net profit has been brought into account by the Warrantholder under the derivative contract regime, the base cost of the shares is correspondingly increased. Where a net loss has arisen under the derivative contract regime, the acquisition cost of the shares is correspondingly reduced and to the extent that the net loss exceeds the base cost of the shares, the difference is added to the disposal proceeds of the shares for corporation tax purposes.

If the Company were an "offshore fund" for UK tax purposes, any gain arising on the disposal or redemption of shares in the Company which constitute a "material interest in an offshore fund" may be taxable as income rather than as a capital gain. The Company should not be treated as an offshore fund for UK tax purposes under current law and, consequently, the provisions of Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 (the "Taxes Act") should not apply. Although the Finance Act 2009 contains legislation which will change the definition of an "offshore fund" broadly with effect in relation to Ordinary Shares acquired on or after 1 December 2009, the Company should not be an offshore fund under the new definition.

Stamp Taxes

No UK stamp duty, stamp duty land tax or stamp duty reserve tax should be payable by Shareholders on issue of the Ordinary Shares on Admission or exercise of the Warrants.

No UK stamp duty land tax or stamp duty reserve tax should be payable by Warrantholders on issue of the Warrants. Although stamp duty at a rate of 0.5 per cent. is potentially payable on the Warrant Instrument on issue by reference to the portion of the Placing Price attributable to the Warrant, in practice, it should not generally be necessary to pay any stamp duty.

Provided that the Ordinary Shares and Warrants are not registered in any register of the Company kept in the UK, no UK stamp duty reserve tax is payable on an agreement to transfer Ordinary Shares or Warrants and, although stamp duty at a rate of 0.5 per cent. is potentially payable on any document used to effect a transfer of Ordinary Shares or Warrants, in practice it should not generally be necessary to pay such stamp duty.

Other United Kingdom tax considerations

As it is probable that the Company will be owned by a majority of persons resident in the UK, the legislation applying to controlled foreign companies contained in Chapter IV of Part XVII of the Taxes Act may apply to any corporate shareholders who are resident in the UK. Under these rules, part of any undistributed income accruing to the Company or its non-UK subsidiaries may be attributed to such a Shareholder, and may in certain circumstances be chargeable to UK corporation tax in the hands of the Shareholder. However, this will only apply if the apportionment to that Shareholder (when aggregated with persons connected or associated with it) is at least 25 per cent. of the Company's relevant profits. The UK Government is currently consulting on the UK controlled foreign company rules.

The attention of Shareholders resident or ordinarily resident in the UK is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which any gain accruing in the

Company or a non-UK tax resident subsidiary which constitutes a chargeable gain could be attributed to any such Shareholders which have a greater than 10 per cent. interest (alone or together with connected persons) if the Company is controlled by five or fewer participators or participators who are directors. Effectively, any person who is a “participator” in the Company is treated for the purposes of UK taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to the person directly, equal to the proportion of the gain that corresponds to the person’s proportionate interest in the Company as a “participator”.

The attention of individual Shareholders ordinarily resident in the UK is drawn to the provisions of Chapter 2, Part 13 of the Income Tax Act 2007 under which the income accruing to the Company or a non-UK tax resident subsidiary may be attributed to such a Shareholder and may (in certain circumstances) be liable to UK income tax in the hands of the Shareholder. However, the provisions do not apply if such a Shareholder can satisfy HMRC that either (a) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected or (b) that all the relevant transactions were genuine commercial transactions, and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of those transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

3. GUERNSEY TAXATION

The Company has received tax exempt status from the Administrator of Income Tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (the “Ordinance”). The Company will need to reapply annually for exempt status for Guernsey tax purposes, incurring the current fee of £600 per annum.

If exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax. Payments of dividends and interest by a company that has exempt status for Guernsey tax purposes are regarded as having their source outside Guernsey and hence are payable without deduction of tax in Guernsey.

In the absence of an exemption, the Company would be treated as resident in Guernsey for Guernsey income tax purposes and subject to the zero rate regime, described below.

In response to the review carried out by the European Union Code of Conduct Group, the States of Guernsey agreed to abolish exempt tax status for the majority of companies and to introduce a zero rate of tax for companies carrying on all but a few specified types of regulated business from January 2008. However, the States of Guernsey also agreed that because collective investment schemes were not one of the regimes in Guernsey that were classified by the EU Code of Conduct Group as being harmful, collective investment schemes would continue to be able to apply for exempt status for Guernsey tax purposes after 31 December 2007. The Company will therefore continue to apply for and be granted exempt status after 1 January 2008 regardless of the changes to the general corporate tax regime changes introduced by the zero tax regime and these changes are not expected to have any material impact on the Company. The Company, in the absence of an exemption, together with any Guernsey incorporated subsidiaries, and any other companies controlled by the Company would however become Guernsey resident companies subject to the zero rate of Guernsey tax. Under this regime, the Company and any subsidiaries would not be required to withhold Guernsey income tax from interest or dividends paid by them other than in respect of distributions to Guernsey resident individuals.

The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures in 2011/2012, including possibly the introduction of a goods and services tax, depending on the state of Guernsey’s public finances at that time.

Non-Guernsey resident Shareholders will not be subject to Guernsey tax on the redemption or disposal of their holding of Ordinary Shares in the Company.

Guernsey currently does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax) gifts, sales or turnover, nor are there any estate duties, save for an *ad valorem* fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of shares in the Company.

4. EU SAVINGS TAX DIRECTIVE

Guernsey has introduced measures that are the same as the EU Savings Tax Directive. However, paying agents located in Guernsey are not required to operate the measures on distributions made to shareholders by closed ended investment companies established in Guernsey.

Shareholders

Shareholders resident outside Guernsey will not be subject to any income tax in Guernsey in respect of any Ordinary Shares owned by them. Any Shareholders who are resident for tax purposes in Guernsey, Alderney or Herm will incur Guernsey income tax on any dividends paid on Ordinary Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status. The Administrator is required to provide details of distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm to the Administrator of Income Tax in Guernsey.

5. OTHER TAXATION

Should the Group invest outside the UK, taxation at source may be suffered on interest and dividends in the jurisdiction in which the investment is made. The Group may also be liable to local taxation in certain jurisdictions on rental income or if the Company disposes of shares or securities of a company resident in that jurisdiction. The Company will endeavour to use commercially appropriate means to minimise any local tax whenever possible.

PART 6

PLACING ARRANGEMENTS

1. GENERAL

The Company will issue 10 million Ordinary Shares under the Placing at a Placing Price of 250 pence each. Allocations of Placing Shares will be determined at the discretion of Merrill Lynch International, following consultation with the Company. There is no minimum or maximum number of Placing Shares which can be applied for under the Placing. The Placing Shares will, when issued, rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

The Placing is expected to raise £25 million before expenses, from institutional and other investors, as well as from certain Directors and members of the NRC Management Team who will be investing approximately £5 million in aggregate. Application has been made for the entire issued ordinary share capital of the Company to be admitted to trading on AIM and to the Daily Official List of the CISX. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM and CISX at 8.00 a.m. on 1 September 2009.

Members of the public are not eligible to take part in the Placing. Shares in a Registered Closed Ended Investment Scheme cannot be offered directly to the public in Guernsey.

2. THE PLACING

The Company has entered into the Placing Agreement dated 26 August 2009 among the Company, NewRiver Capital, the Directors and Merrill Lynch International, pursuant to which, subject to certain conditions, Merrill Lynch International has agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. Under the Placing, the Placing Shares are being offered to institutional and other investors. No Placing Shares have been sold or are available in whole or in part to the public in the UK or elsewhere in connection with the Placing. The Placing is not being underwritten.

The Placing and investors' participation in it will be conditional on the Placing Agreement becoming unconditional in all respects, and not having been terminated in accordance with its terms, as referred to in paragraph 6.4 of Part 9 of this document. The conditions contained in the Placing Agreement include Admission occurring not later than 8.00 a.m. on 1 September 2009 or such later date as the Company and Merrill Lynch International may agree, not being later than close of business on 30 September 2009. Certain conditions are not capable of waiver.

If the Placing Agreement does not become unconditional or is terminated in accordance with its terms prior to Admission, the Placing will not proceed and each investor's rights and obligations will cease and no claims will be capable of being made by any investor in respect of the Placing and any payments made by the investor will be returned as soon as possible thereafter without interest. Without prejudice to the foregoing, the Company and Merrill Lynch International expressly reserve the right to determine, at any time prior to Admission, not to proceed with the Placing.

The Company, NewRiver Capital and the Directors have given certain customary representations, warranties and undertakings to Merrill Lynch International including, among others, warranties in relation to the information contained in this document and other documents prepared by the Company in connection with the Placing and warranties in relation to the business of the Company and NewRiver Capital, and their compliance with applicable laws and regulations. In addition, the Company and NewRiver Capital have agreed to indemnify Merrill Lynch International against certain liabilities, including in respect of the accuracy of information contained in this document, losses arising from a breach of the Placing Agreement and certain other losses suffered or incurred in connection with the Placing.

The liability of the Company and NewRiver Capital under the Placing Agreement is unlimited as to time and amount. The liability of the Directors under the Placing Agreement is subject to certain limitations as to time and quantum.

Merrill Lynch International is not entitled to any commission or discretionary fee under the Placing Agreement. However, the Company has agreed to pay certain expenses of Merrill Lynch International incurred in relation to the Placing.

Further information in relation to the Placing Agreement and placing arrangements can be found in Part 9 of this document.

3. LOCK-IN ARRANGEMENTS

In accordance with Rule 7 of the AIM Rules, certain of the Directors and certain members of the NRC Management Team who will be acquiring new Ordinary Shares and Warrants pursuant to the Placing have undertaken, save in limited circumstances, not to dispose of any of their Ordinary Shares or Warrants for a period of one year following Admission.

In addition, the Company has agreed with Merrill Lynch International not to issue or agree to issue any Ordinary Shares (or options over Ordinary Shares) for a period of 180 days from Admission without Merrill Lynch International's prior written consent (such consent not to be unreasonably withheld or delayed). Further information in relation to the lock-in arrangements can be found in paragraph 6.4 of Part 9 of this document.

4. ADMISSION, SETTLEMENT AND DEALINGS

It is expected that Admission of the Placing Shares will become effective and dealings in the Ordinary Shares will commence on AIM and CISX at 8.00 a.m. on 1 September 2009 or shortly thereafter. Settlement of dealings from that date will be on a three day rolling basis. The above date and time may be changed.

It is expected that Ordinary Shares to be held in uncertificated form will be delivered to the relevant CREST accounts on the day of Admission on a delivery versus payment basis and that share certificates for the Ordinary Shares to be held in certificated form will be dispatched within 10 business days of Admission. No temporary documents of title will be issued.

The ISIN number and SEDOL code for the Placing Shares are GG00B4Z05859 and B4Z0585, respectively.

5. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company will apply for the Ordinary Shares to be admitted to CREST on the date of Admission.

6. OVERSEAS INVESTORS

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Ordinary Shares (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised; (ii) in any jurisdiction in which the person making such offer, invitation or solicitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer, invitation or solicitation or invitation. The distribution of this document and any accompanying documents, and the offer and sale of the Ordinary Shares may be restricted by law. Persons into whose possession this document and any accompanying documents come must therefore inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, no document may be distributed, forwarded to or transmitted in, into or from the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to any US Person. Any person within the United States and any US Person who obtains a copy of this document must disregard it.

No public offering of the Ordinary Shares is being made in any jurisdiction. No action has been or will be taken by the Company, NewRiver Capital, Merrill Lynch International, Kinmont or their affiliates that would permit the offer or sale of the Ordinary Shares or possession or distribution of this document or any accompanying documents in any jurisdiction where action for that purpose is required.

The offer and sale of the Ordinary Shares and the Warrants have not been, nor will they be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not been, and will not be, registered under the Investment Company Act, and investors will not be entitled to the benefits of that Act. The Ordinary Shares and the Warrants may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Person. In connection with the Placing, the Ordinary Shares and the Warrants are being offered and sold only outside the United States to, and for the account or benefit of, non-US Persons in “offshore transactions” within the meaning of, and in reliance on the exemption from registration provided by, Regulation S under the Securities Act.

Each person to whom the Ordinary Shares and the Warrants are distributed, offered or sold in connection with the Placing and each subsequent investor in the Ordinary Shares and the Warrants will be deemed by its subscription for or investment in the Ordinary Shares and the Warrants to have given the representations, warranties and agreements set out in Part 7 (Selling and Transfer Restrictions) in this document.

7. COMPLIANCE AND MONEY LAUNDERING

Each investor participating in the Placing will be deemed to represent, warrant and undertake (for itself and any other person for whom it is subscribing for or purchasing Placing Shares) to Merrill Lynch International and the Company that:

- (a) it is aware of, has complied with and will continue to comply with any obligations it has under the Criminal Justice Act 1993, section 118 of the Financial Services and Markets Act 2000, the Proceeds of Crime Act 2002 and the Criminal Justice (Proceeds of Crime) Bailiwick of Guernsey Law, 1999 as amended, to the extent applicable; and
- (b) in respect of its subscription for or purchase of Placing Shares:
 - (i) it has complied fully with its obligations pursuant to the Money Laundering Regulations and the Criminal Justice (Proceeds of Crime) Bailiwick of Guernsey Law, 1999 as amended; and
 - (ii) it will provide Merrill Lynch International and the Company on demand with any information they may require for the purposes of verification under the Money Laundering Regulations or the Criminal Justice (Proceeds of Crime) Bailiwick of Guernsey Law, 1999 as amended.

It is a term of any subscription for or purchase of Placing Shares pursuant to the Placing that, to ensure compliance with the FSA’s Money Laundering Rules, the Proceeds of Crime Act 2002, the Money Laundering Regulations and the Criminal Justice (Proceeds of Crime) Bailiwick of Guernsey Law, 1999 as amended (as applicable) either Merrill Lynch International or the Company may, in its absolute discretion, require verification of a placee’s identity to the extent that it has not already provided the same. Pending such provision of evidence of identity, definitive certificates in respect of Placing Shares may be retained at the Company’s absolute discretion. If within a reasonable time after a request for verification of identity Merrill Lynch International and the Company have not received evidence satisfactory to them, Merrill Lynch International may, at its absolute discretion, terminate any placing commitment, in which event the monies payable on acceptance will, if paid, be returned without interest to the account of the drawee bank from which they were originally debited. No Placing Shares will be placed with an investor if before Admission that investor’s acceptance of any Placing Shares is rejected pursuant to the Money Laundering Regulations or the Criminal Justice (Proceeds of Crime) Bailiwick of Guernsey Law, 1999 as amended.

PART 7

SELLING AND TRANSFER RESTRICTIONS

1. GENERAL

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Ordinary Shares (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised; (ii) in any jurisdiction in which the person making such offer, invitation or solicitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer, invitation or solicitation or invitation. The distribution of this document and any accompanying documents, and the offer and sale of the Ordinary Shares in jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession this document and any accompanying documents come must therefore inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, no document may be distributed, forwarded to or transmitted in, into or from the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to any US Person. Any person within the United States and any US Person who obtains a copy of this document must disregard it.

No public offering of the Ordinary Shares is being made in any jurisdiction. No action has been or will be taken by the Company, NewRiver Capital, Merrill Lynch International, Kinmont or their affiliates that would permit the offer or sale of the Ordinary Shares or possession or distribution of this document or any accompanying documents in any jurisdiction where action for that purpose is required.

The offer and sale of the Ordinary Shares and the Warrants have not been, nor will they be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not been, and will not be, registered under the Investment Company Act, and investors will not be entitled to the benefits of that Act. The Ordinary Shares and the Warrants may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Person. In connection with the Placing, the Ordinary Shares and the Warrants are being offered and sold only outside the United States to, and for the account or benefit of, non-US Persons in “offshore transactions” within the meaning of, and in reliance on the exemption from registration provided by, Regulation S under the Securities Act.

The Ordinary Shares and the Warrants have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Ordinary Shares or the Warrants or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Ordinary Shares and the Warrants have not been and will be not qualified or registered under the applicable securities laws of Australia, Canada, Japan, South Africa or the Republic of Ireland. Accordingly, the Ordinary Shares may not be offered or sold to within, or to any national, resident or citizen of Australia, Canada, Japan, South Africa or the Republic of Ireland.

The Articles contain provisions designed to restrict the holding of shares by persons where, in the opinion of the Directors, such a holding could cause or be likely to cause the Company some legal, regulatory, pecuniary, tax or material administrative disadvantage.

Prospective investors are referred to the notices for prospective investors at the beginning of this document.

2. RESTRICTIONS APPLICABLE ALL PERSONS SUBSCRIBING FOR ORDINARY SHARES AND WARRANTS IN THE PLACING AND SUBSEQUENT INVESTORS IN THE ORDINARY SHARES AND WARRANTS

Each person to whom the Ordinary Shares and the Warrants are distributed, offered or sold in connection with the Placing and each subsequent investor in the Ordinary Shares and the Warrants will be deemed by its subscription for or investment in the Ordinary Shares and the Warrants, to have represented, warranted and agreed as follows (terms used herein that are defined in Regulation S under the Securities Act have the meanings given to them in Regulation S):

1. It is not a US Person and it is not acquiring any Ordinary Shares or Warrants for the account or benefit of a US Person, and it is acquiring the Ordinary Shares and the Warrants in an “offshore transaction” within the meaning of, and in compliance with, Regulation S under the Securities Act.
2. It is not acquiring any Ordinary Shares or Warrants with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of such Ordinary Shares or Warrants in the United States.
3. It understands and agrees that the Ordinary Shares and the Warrants have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and that the Ordinary Shares and the Warrants may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, US Persons, absent registration or an exemption from registration under the Securities Act.
4. It understands and agrees that the Company has not registered and will not register under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the US Investment Company Act.
5. No portion of the assets used by such investor to purchase, and no portion of the assets used by such investor to hold, the Ordinary Shares or Warrants or any beneficial interest therein constitutes or will constitute the assets of (a) an “employee benefit plan” that is subject to Title I of the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”), (b) a plan, individual retirement account or other arrangement that is subject to section 4975 of the US Internal Revenue Code of 1986, as amended (the “US Tax Code”), (c) entities whose underlying assets are considered to include “plan assets” of any plan, account or arrangement described in preceding clause (i) or (ii), or (iv) any governmental plan, church plan, non-US plan or other investor whose purchase or holding of the Ordinary Shares or Warrants would be subject to any state, local, non-US or other laws or regulations similar to Title I of ERISA or section 4975 of the US Tax Code or that would have the effect of the regulations issued by the US Department of Labor set forth at 29 CFR section 2510.3-101, as modified by section 3(42) of ERISA.
6. It acknowledges that the Company may receive a list of participants holding positions in its securities from one or more book-entry depositories.
7. If in the future it decides to offer, sell, pledge or otherwise transfer or deliver the Ordinary Shares or Warrants, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, pledge or other transfer or delivery of the Ordinary Shares or Warrants that might (in the absolute discretion of the Directors) require the Company to register under the Investment Company Act will be subject to the compulsory transfer provisions as provided in the articles of incorporation of the Company.
8. It has not engaged and will not engage, directly or indirectly, in any “direct selling efforts” (within the meaning of Regulation S under the Securities Act) with respect to any Ordinary Shares or Warrants, and that it will not make any offer to the public of the Placing Shares or Warrants prior to Admission.

9. It has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Placing or the Ordinary Shares or Warrants to any persons within the United States or to any US Persons, nor will it do any of the foregoing.
10. It is not a person who is resident in, or a citizen of, Australia, Canada, Japan, South Africa or the Republic of Ireland (or an agent or nominee of such a person) or a corporation, partnership or other entity organised under the laws of any such jurisdiction (or an agent or nominee of such a person).
11. It is entitled to subscribe for or invest in the Ordinary Shares and the Warrants comprised in the Placing under the laws of all relevant jurisdictions which apply to it, it has complied with such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid any issue, transfer or other taxes due in connection with its acceptance in any jurisdiction and it has not taken any action or omitted to take any action which will or may result in the Company, NewRiver Capital, Merrill Lynch International, Kinmont or their respective affiliates, agents, advisers being in breach of the legal and regulatory requirements of any jurisdiction in connection with the Placing or its acceptance of participation in the Placing.
12. It is a Relevant Person.
13. It is not a member of “the public” in Guernsey as that term is defined in the Registered Collective Investment Scheme Rules 2008.
14. In accepting its Placing Commitment, and save where otherwise agreed by the Company in writing, it is acting as principal and for no other person and that its acceptance of that participation will not give any other person a contractual right to require the issue, or the transfer, of any of the Placing Shares.
15. It irrevocably confirms Merrill Lynch International’s discretion with regard to the Placing Agreement and agrees that Merrill Lynch International does not owe it any duties in respect of any claim it may have relating to the Placing.
16. It acknowledges and agrees that that no clearances in relation to the Placing have been or will be obtained from the Securities Commission of any province of Canada and that the Placing Shares have not been and will not be registered under the securities laws of Australia, Japan, the Republic of Ireland or the Republic of South Africa and, therefore, the Placing Shares may not be, subject to certain exceptions, directly or indirectly, offered or sold in the Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa.
17. It has not offered or sold and will not offer or sell any Placing Shares in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (either as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and will not result in offers to the public in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.
18. It acknowledges and agrees in connection with any participation in the Placing that Merrill Lynch International is not acting for it in relation to the Placing or otherwise and that Merrill Lynch International will not have any duties or responsibilities to it for providing the protections afforded to their customers or for advising it with regard to the Placing or the Placing Shares.
19. In relation to the Placing, it irrevocably appoints any director of Merrill Lynch International as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of, or to purchase, any of the Placing Shares.
20. It is aware of, has complied with and will comply with its obligations (if any) in connection with money laundering under the Proceeds of Crime Act 2002 and the Criminal Justice (Proceeds of Crime) Bailiwick of Guernsey Law, 1999 as amended.

21. It has not relied on any representation relating to the Placing, the Placing Shares, the Company or NRC other than information contained in this document.
22. The Placing Shares will be issued or transferred subject to the terms and conditions set out herein and in the Articles.
23. The undersigned is subscribing for or investing in the Ordinary Shares for its own account or, if it is subscribing or investing as a fiduciary or agent for one or more accounts it has sole investment discretion with respect to each such account and it has full power and authority to make the foregoing representations, warranties and agreements on behalf of each such account.
24. It acknowledges and agrees that the Company, NewRiver Capital, Merrill Lynch International, Kinmont, their respective affiliates, agents, advisers and others and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements. If any of the representations, warranties or agreements deemed to have been made by it are no longer accurate or have not been complied with, it will immediately notify the Company.

PART 8

SUMMARY OF THE WARRANTS

1. INTRODUCTION

Shareholders who subscribe for Placing Shares in the Placing will, conditional upon Admission occurring by no later than 30 September 2009, receive Warrants, in the aggregate, to subscribe for 3 per cent. of the Fully Diluted Share Capital exercisable at the subscription price per Ordinary Share of £2.50, as adjusted in the circumstances summarised below under the heading “Terms of the Warrants”, and all such Warrants shall be fully vested and exercisable upon issuance.

The Warrants will expire on 1 September 2019, unless previously exercised or lapsed, and shall be of a single class for all purposes. The Warrants contain customary anti-dilution provisions (including in respect of dividends). The Warrants will be exercisable in whole or in part. The subscription price and number of shares for each Warrant will be subject to adjustment in respect of dilution events, including the payment by the Company of dividends, any amalgamation, reorganisation, reclassification, consolidation, merger or sale of all or substantially all of the Company’s assets (other than in the ordinary course of the Group’s business) and other dilutive events for which a failure to make any adjustments would not fully protect the purchase rights represented by the Warrants. The Warrants are freely transferable, subject to the transfer restrictions set out in the Warrant Instrument and on each Warrantholder’s certificate in respect of Warrants.

2. TERMS OF THE WARRANTS

2.1 Definitions

In relation to the summary of the terms of the Warrants below, references to persons include individuals, bodies corporate (wherever incorporated), unincorporated associations, funds and partnerships and the following terms and expressions have the following meanings:

“Affiliate” means any company, partnership, limited liability company or other entity which, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, another company, partnership, limited liability company or other person. Without limiting the generality of the foregoing, the term “Affiliate” shall include an investment fund managed by any such person or by a person that directly or in directly Controls, is Controlled by or is under common Control with such person.

“Anti-Dilution Provisions” means the provisions set out in paragraph 2.3 below.

“Assets” means any shares, securities, cash (or cash equivalents) or other property whatsoever (save for property or other assets purchased and disposed of pursuant to arm’s length transactions in the ordinary course of the Group’s business).

“Business Combination” means a merger, scheme of arrangement, amalgamation, consolidation, statutory share exchange or similar transaction that requires the approval of Shareholders.

“Business Day” means any day (other than a Saturday or Sunday) on which securities or investment exchanges are open in Guernsey and the United Kingdom for normal trading activity.

“Certificate” means a certificate evidencing a Warrantholder’s entitlement to Warrants.

“Consent” means the consent in writing of Warrantholders entitled to subscribe for not less than 51 per cent. of the Warrant Shares.

“Control” means any person, or persons together acting in concert (as such term is defined and construed by the City Code), obtaining 50 per cent. or more of the voting rights normally attributable to the share capital (whether obtained by way of acquisition, merger, share offering or other agreement or document or otherwise howsoever, including as a result of a share buy-back programme) or

otherwise obtaining the power (howsoever achieved) to direct or cause the direction of the management and policies of another person; and “Controlling” and “Controlled” shall be construed accordingly.

“Exchange Rate” means the mean of the spot rate for the purchase of sterling in the relevant currency at the close of business on the five Business Days immediately prior to the date of any calculation.

“Exercise Date” means the date of delivery to the registered office of the Company of the items specified in the Warrant Instrument (and the date of such delivery shall be the date on which such items are received at the Company’s registered office) or if not a Business Day then the immediately following Business Day.

“Exit Event” means a Sale or Business Combination.

“Exit Notification” means a notice from the Company to the Warrantholder, informing the Warrantholder of the occurrence of an Exit Event, or an anticipated Exit Event, and containing: (a) details of the nature of the Exit Event, or anticipated Exit Event; (b) the anticipated earliest date on which such Exit Event could occur; (c) the anticipated Fully Diluted Share Capital of the Company immediately prior to such Exit Event and immediately after such Exit Event, the anticipated number of Warrant Shares to be issued in relation to the relevant Warrant if the Subscription Rights were to be exercised in full, and the anticipated aggregate Subscription Price payable by the Warrantholder to exercise such rights; and (d) all other information available to the Company which is or might reasonably be considered to be material to the Warrantholder for the purposes of deciding whether or not (and if so when) to exercise its Subscription Rights, subject always to the Warrantholder complying with its legal obligations and any applicable regulatory requirements including the AIM Rules.

“Final Date” means 1 September 2019 or the first Business Day immediately thereafter.

“Group” means the Company and any holding company it may have and any subsidiary companies or undertakings of the Company or any such holding company from time to time.

“Investment Bank” means an independent internationally-recognised investment banking firm selected by the Directors with the Consent of Warrantholders, the fees and expenses of which shall be shared equally by the Company on the one hand and such holders on the other.

“Regulatory Approvals” means, with respect to a Warrantholder, to the extent applicable and required to permit a Warrantholder to exercise the Warrants for Ordinary Shares and to own such Ordinary Shares without the Warrantholder or the Company being in violation of applicable law, rules or regulation, the receipt of any necessary approvals and authorizations of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under any applicable law or regulation.

“Sale” means any transaction or series of transactions (whether or not related) entered into at any time after the date of the Warrant Instrument, resulting in a sale, assignment, transfer or other disposal at arm’s length to a person or persons acting in concert by any Shareholders of a majority in number of the Ordinary Shares, excluding any transaction that requires the approval of the Shareholders of the Company.

“Specified Percentage” means in respect of any Warrant and the exercise of the relevant Subscription Rights, the specified percentage stated in the Warrantholder’s Certificate which shall, when aggregated with the Specified Percentages in respect of all other Warrants, Certificates and Subscription Rights, be three per cent.

“Subscription Price” means two hundred and fifty (250) pence per Warrant Share, as such price may be adjusted from time to time in the circumstances summarised at paragraph 2.3 below.

“Time Value” means such an amount as will preserve the rights of the Warrantholder by providing just and equitable compensation in respect of the time value in the Warrant from the date of any

transaction to which paragraph 2.3.1.4(a) below applies to the Final Date as the same shall be determined by an independent Investment Bank.

“Voting Equity Securities” means in relation to any issuer, (i) voting equity securities of such issuer having no preference as to dividends or in a liquidation over any other securities of such issuers or (ii) securities convertible into or exchangeable for the voting securities described in (i).

“Warrant Shares” means such number of Ordinary Shares which, when allotted and issued to the Warranholders, will represent the Specified Percentage of the Fully Diluted Share Capital.

“Warranholder” means in relation to a Warrant, the person(s) whose name(s) appear(s) in the Register as the holder(s) of the Warrants.

2.2 ***Terms of the Warrants***

2.2.1 The Warrants in aggregate give the Warranholders the right to subscribe in cash at the Subscription Price for the Warrant Shares.

2.2.2 Each Warranholder shall have the right, upon the terms and conditions summarised below, to subscribe for or acquire from the Company in cash at the Subscription Price that Specified Percentage of the Fully Diluted Share Capital of the Company specified in its Certificate (the “Subscription Rights”).

2.2.3 Conditional upon Admission occurring by no later than 30 September 2009, the Subscription Rights may be exercised, in whole or in part, at any time or times prior to 17:59 on the Final Date.

2.2.4 The Company undertakes to send to the Warranholders an Exit Notification not less than 30 days prior to the expected completion date of an Exit Event, or, if the Company does not become aware of the Exit Event until a time which is less than 30 days prior to the expected date of the Exit Event, as soon as reasonably practicable after becoming aware of it.

2.2.5 Subject to the Company complying with its obligations pursuant to issue an Exit Notification and paragraph 2.2.6 below, the Warranholders shall have a period of 6 months from the date of an Exit Event in which to exercise their Subscription Rights (at the then prevailing Subscription Price). On the expiry of such period, all continuing rights of the Warranholders under the Warrant Instrument (including the Subscription Rights, if not exercised) shall lapse (save in relation to any outstanding notices of exercise of Subscription Rights, in which case, the Warranholders’ rights shall lapse upon completion by the Company of its obligations in respect of any notices of exercise).

2.2.6 Except as provided in this paragraph 2.2.6, all continuing rights of the Warranholders under the Warrant Instrument (including the Subscription Rights) shall lapse on the Final Date (save in relation to any outstanding notices of exercise of Subscription Rights, in which case, the Warranholders’ rights shall lapse upon completion by the Company of its obligations in respect of any notices of exercise).

2.3 ***Anti-Dilution Provisions***

2.3.1 In order to prevent dilution of the Subscription Rights granted under the Warrants, the Subscription Price shall be subject to adjustment from time to time summarised as follows:

2.3.1.1 *Subdivision or Consolidation/Combination of Ordinary Shares.* If the Company, at any time while the Warrants are outstanding: (a) shall pay a share or bonus share dividend on its Ordinary Shares or pay any other distribution in Ordinary Shares; (b) subdivide the class of Ordinary Shares into a larger number of shares; or (c) consolidate/combine the class of Ordinary Shares into a smaller number of shares, then the Subscription Price thereafter shall be determined by multiplying the Subscription Price by a fraction, the numerator of which shall be the number of Ordinary Shares (excluding

any Ordinary Shares held in treasury, if any) in issue before such event and the denominator of which shall be the number of Ordinary Shares (excluding any Ordinary Shares held in treasury, if any) in issue after such event. Any adjustment made pursuant to this paragraph 2.3.1.1 shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision or combination.

2.3.1.2 *Issuance of additional Ordinary Shares.* If the Company shall issue or sell additional Ordinary Shares, other than any issuance of the type summarised in paragraph 2.3.1.1 above, without consideration or for a consideration per share less than the Fair Market Value (as defined in paragraph 2.3.2.1 below) of the Ordinary Shares on the day immediately prior to such issue or sale, then, and in each such case, subject to paragraph 2.3.2.1 below, the Subscription Price shall be reduced concurrently with such issue or sale, to a price determined by multiplying such Subscription Price by a fraction:

- (a) the numerator of which shall be (i) the number of Ordinary Shares in issue immediately prior to such issue or sale plus (ii) the number of Ordinary Shares which the aggregate consideration received by the Company would purchase at such Fair Market Value of the Ordinary Shares; and
- (b) the denominator of which shall be the number of Ordinary Shares in issue immediately after such issue or sale,

provided that for the purposes of this procedure, any Ordinary Shares held in treasury shall not be deemed to be in issue and provided further that, notwithstanding the above, the provisions summarised in this paragraph 2.3.1.2 shall not be applicable to, and no adjustment to the Subscription Price shall be made with respect to, any issue of Ordinary Shares at the time of the initial public offering of Ordinary Shares and Admission.

2.3.1.3 *Dividends and Distributions.* If the Company shall pay or make a Dividend or Distribution (as defined below) to the Company's shareholders, the Subscription Price shall be adjusted by multiplying the Subscription Price in force immediately prior to such Dividend or Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price (as defined below) of one Ordinary Share on the Business Day immediately preceding the date of the announcement of the Dividend or Distribution; and
- B is the portion of the Fair Market Value (as determined at the date of announcement of the relevant Dividend) of the Dividend or Distribution attributable to one Ordinary Share.

Such adjustment shall become effective on the date on which such Dividend or Distribution is made.

As used in this paragraph 2.3.1.3:

"Dividend or Distribution" means (i) any Dividend; or (ii) any Dividend which is expressed by the Company or declared by the Board of Directors of the Company to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to the Company's shareholders or any

analogous or similar term, in which case, the Dividend or Distribution shall be the Fair Market Value of such Dividend or Distribution.

Provided that:

- (a) where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Ordinary Shares be, satisfied by the issue or delivery of Ordinary Shares or other property or assets, then the Dividend in question shall be treated as a Dividend of (i) the cash Dividend so announced or (ii) the Fair Market Value, on the date of announcement of such Dividend, of the Ordinary Shares or other property or assets to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of Ordinary Shares elected therefor, regardless of whether any such election is made) if the Fair Market Value of such Ordinary Shares or other property or assets is greater than the cash Dividend so announced;
- (b) for the purposes of the definition of Dividend or Distribution, any issue of Ordinary Shares falling within paragraphs 2.3.1.1 or 2.3.1.2 shall be excluded; and
- (c) a purchase or redemption of share capital by the Company shall not constitute a Dividend unless in the case of purchase of Ordinary Shares, the weighted average price (before expenses) on any one day in respect of such purchases exceeds by more than 5 per cent. the closing price of the Ordinary Shares on the London Stock Exchange at the opening of business either (1) on that date, or (2) where an announcement has been made of the intention to purchase Ordinary Shares at some future date at a specified price, on the Business Day immediately preceding the date of such announcement and, if in the case of either (1) or (2), the relevant day is not a Business Day, the immediately preceding Business Day, in which case such purchase shall be deemed to constitute a Dividend in the amount of the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased by the Company;

“Current Market Price” means, in respect of an Ordinary Share at a particular date, the average of closing sale price of an Ordinary Share on the London Stock Exchange for the five consecutive Business Days ending on the Business Day immediately preceding such date; and

“Dividend” means any dividend or distribution, whether of cash, assets or other property and whenever paid or made and however described (and for these purposes a distribution of assets includes, without limitation, an issue of shares or other securities credited as fully or partly paid up (other than an issue of Ordinary Shares falling within paragraphs 2.3.1.1 or 2.3.1.2)).

2.3.1.4 *Consolidation, Merger etc.*

- (a) *Adjustments for Consolidation, Merger, Sale of Assets, Reorganisation etc.* If the Company after the date of the relevant Certificate (i) shall consolidate or amalgamate with or merge into any other Person (as hereinafter defined) and shall not be the continuing or surviving corporation of such consolidation, amalgamation or merger; (ii) shall permit any other Person to consolidate or amalgamate with or merge into the Company and the Company shall be the continuing or surviving Person but, in connection with such consolidation, amalgamation or merger, the Ordinary Shares shall be changed into or exchanged for Assets of any other Person; (iii) shall transfer all or substantially all of its Assets to any other Person; (iv) shall effect a capital reorganisation or reclassification of the Ordinary Shares (other than a capital reorganisation or reclassification resulting in an adjustment to the Subscription Price as provided

in another paragraph of this paragraph 2.3); or (v) shall effect any other transaction in which the Ordinary Shares are changed into or exchanged for Assets of any other Person, then, in the case of each such transaction, proper provision shall be made so that, upon the basis and the terms and in the manner provided in this summary of the Warrants, the Warrantholder, upon the exercise hereof at any time after the completion of such transaction, shall be entitled to receive (at the aggregate Subscription Price in effect at the time of completion of such transaction for all Ordinary Shares issuable upon such exercise immediately prior to completion of such transaction), in lieu of the Ordinary Shares issuable upon such exercise prior to completion of such transaction, the amount of Assets to which such Warrantholder would actually have been entitled as a shareholder upon such consummation if such Warrantholder had exercised its Subscription Rights immediately prior thereto together with an amount equal to the Time Value in respect of any such Assets which are not Voting Equity Securities. "Person" means an individual, company, corporation, limited liability company, firm, partnership, trust, estate, unincorporated association or other entity.

- (b) *Assumption of Obligations.* Notwithstanding anything contained in this summary of the Warrants to the contrary, the Company will not effect any of the transactions described in (i) to (v) of the preceding paragraph 2.3.1.4(a) above unless, prior to the completion thereof, each Person which may be required to deliver any Assets upon the exercise of the Subscription Rights, as provided in this summary of the Warrants shall assume, by written instrument delivered to, and reasonably satisfactory to, the Warrantholder the obligations of the Company under the Certificate (and if the Company shall survive the completion of such transaction, such assumption shall be in addition to, and shall not release the Company from, any continuing obligations of the Company under the Certificate). The provisions summarised in this paragraph 2.3.1.4(b) shall not be deemed to authorise the Company to enter into any transaction not otherwise permitted by the Articles.

2.3.2 Other provisions applicable to adjustments

The following provisions are applicable to the making of adjustments to the number of Warrant Shares for which the relevant Certificate is exercisable.

- 2.3.2.1 *Computation of the value of Assets and Fair Market Value for the purposes of the Anti-Dilution Provisions.* To the extent that it shall be necessary to value any Assets pursuant to the Warrant Instrument, unless expressly provided otherwise, the value of such Assets shall be determined by the Directors with the Consent of Warrantholders, or, in the event that no Consent is obtained, by an Investment Bank. To the extent that the Assets comprise cash, then the value of such cash, if expressed in a currency other than sterling, shall be calculated in accordance with paragraph 2.5 below. The "Fair Market Value" of the Ordinary Shares at any given time shall mean: (a) if the Ordinary Shares are listed on a securities exchange (or quoted in a securities quotation system), the mean closing sale price of the Ordinary Shares on such exchange (or in such quotation system), or, if the Ordinary Shares are listed on (or quoted in) more than one exchange (or quotation system), the mean closing sale price of the Ordinary Shares on the principal securities exchange (or quotation system) on which the Ordinary Shares are then traded, or, if the Ordinary Shares are not then listed on a securities exchange (or quotation system) but are traded in the over-the-counter market, the mean of the latest bid and asked quotations for the Ordinary Shares in such market, in each case for the last five Business Days immediately preceding the day on which such Fair Market Value is determined in accordance with the applicable provisions summarised in this paragraph 2.3; or (b) if no such closing sales prices or quotations are available because

such shares are not publicly traded or otherwise, the fair value of such shares as determined by the Directors with the Consent of Warranholders, or, if they shall fail to agree within 14 days (or a further period on written agreement of all such parties), by an Investment Bank. The “Fair Market Value” of any Dividend or Distribution at any given time shall mean, with respect to any property on any date, the fair market value of that property as determined by an Investment Bank; provided that the fair market value of a cash Dividend paid or to be paid shall be the amount of such cash Dividend.

2.3.2.2 *When adjustment to be made.* The adjustments required by this paragraph 2.3 shall be made whenever and as often as any specified event requiring an adjustment shall occur.

2.3.2.3 *Fractional interest; rounding.* In computing adjustments as summarised in this paragraph 2.3, fractional interests in Ordinary Shares shall be taken into account to the nearest 1/10th of a share, and adjustments in the Subscription Price shall be made to the nearest £0.01.

2.3.2.4 *Certain exclusions.* No adjustment in the number of Ordinary Shares purchasable under the Warrant Instrument or the Subscription Price therefor shall be made as a result of:

- (a) the issuance of any employee share options or any Ordinary Shares issuable under employee share options, employee share purchase plans, or any other form of equity based compensation granted to employees of the Group; or
- (b) the acquisition or disposal of any property or other assets pursuant to an arm’s length transaction in the ordinary course of the Group’s business.

2.3.2.5 *Computation of consideration.* For the purposes of this paragraph 2.3:

- (a) the consideration for the issue or sale of any additional Ordinary Shares shall, irrespective of the accounting treatment of such consideration:
 - (i) insofar as it consists of cash, be computed at the net amount of cash received by the Company;
 - (ii) insofar as it consists of property (including securities) other than cash, be computed at the fair value thereof at the time of such issue or sale, as determined by the Directors with the Consent of Warranholders, or, if they shall fail to agree within 14 days (or a further period on written agreement of all such parties), by an Investment Bank; and
 - (iii) in case additional Ordinary Shares are issued or sold together with other stock or securities or other assets of the Company for a consideration which covers both, be the portion of such consideration so received, computed as described in paragraphs 2.3.2.5(a)(i) and (ii) above, attributable to such additional Ordinary Shares, all as determined in good faith by the Directors with the Consent of Warranholders, or, if they shall fail to agree within 14 days (or a further period on written agreement of all parties), by an Investment Bank;
- (b) additional Ordinary Shares deemed, pursuant to the provisions summarised in paragraph 2.3.3 below, to have been issued, relating to Options and Convertible Securities, shall be deemed to have been issued for a consideration per share determined by dividing:
 - (i) the total amount, if any, received and receivable by the Company as consideration for the issue, sale, grant or assumption of the Options or Convertible Securities in question, plus the minimum aggregate amount of additional consideration (as set out in the instruments relating thereto, without regard to any provision contained therein for a subsequent

adjustment of such consideration to protect against dilution) payable to the Company upon the exercise in full of such Options or the conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, in each case computing such consideration as described in paragraph 2.3.2.5(a) above; by

- (ii) the maximum number of Ordinary Shares (as set out in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities; and
- (iii) additional Ordinary Shares deemed to have been issued in the circumstances described in paragraph 2.3.1.1 above, relating to stock dividends, stock splits, etc., shall be deemed to have been issued for no consideration.

2.3.3 Treatment of Options and Convertible Securities

In case the Company at any time or from time to time after the date of the Warrant Instrument shall issue, sell, grant or assume, or shall fix a record date for the determination of holders of any class of securities of the Company other than the Ordinary Shares entitled to receive, any (i) Options or (ii) Convertible Securities, then, and in each such case, the maximum number of additional Ordinary Shares (as set out in the instrument relating thereto, without regard to any provisions contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed for purposes of the provisions of summarised in paragraph 2.3.1.2 above to be additional Ordinary Shares issued as of the time of such issue, sale, grant or assumption or, in case such a record date shall have been fixed, as of the close of business on such record date (or, if the Ordinary Shares trade on an ex-dividend basis, on the date prior to the commencement of ex-dividend trading); provided that such additional Ordinary Shares shall not be deemed to have been issued unless the consideration per share (determined pursuant to the procedure described in paragraph 2.3.2.5 above) would be less than the Fair Market Value, on the date immediately prior to such issue, sale, grant or assumption or immediately prior to the close of business on such record date (or, if the Ordinary Shares trade on an ex-dividend basis, on the date prior to the commencement of ex-dividend trading), as the case may be, and provided further, that in any such case in which additional Ordinary Shares are deemed to be issued:

2.3.3.1 no further adjustment of the Subscription Price shall be made upon the subsequent issue or sale of Convertible Securities or Ordinary Shares upon the exercise of such Options or the conversion or exchange of such Convertible Securities;

2.3.3.2 if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Company, or decrease or increase in the number of additional Ordinary Shares issuable, upon the exercise, conversion or exchange thereof (by change of rate or otherwise), the Subscription Price computed upon the original issue, sale, grant or assumption thereof (or upon the occurrence of the record date, or date prior to the commencement of ex-dividend trading, as the case may be, with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease. insofar as it affects such Options, or the rights of conversion or exchange under such Convertible Securities, which are outstanding at such time;

2.3.3.3 upon the expiry (or purchase by the Company and cancellation or retirement) of any such Options which shall not have been exercised or the expiry of any rights of conversion or exchange under any such Convertible Securities which (or purchase by the Company and cancellation or retirement of any such Convertible Securities the rights of conversion or exchange under which) shall not have been exercised, the Subscription Price computed upon the original issue, sale, grant or assumption thereof (or upon the occurrence of the record date, or date prior to the commencement of ex-dividend trading, as the case may be, with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiry (or such cancellation or retirement, as the case may be), be recomputed as if:

- (a) in the case of Options for Ordinary Shares or Convertible Securities, the only additional Ordinary Shares issued or sold were the additional Ordinary Shares, if any, actually issued or sold upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was (i) an amount equal to (1) the consideration actually received by the Company for the issue, sale, grant or assumption of all such Options, whether or not exercised, plus (2) the consideration actually received by the Company upon such exercise, minus (3) the consideration paid by the Company for any purchase of such Options which were not exercised; or (ii) an amount equal to (1) the consideration actually received by the Company for the issue or sale of all such Convertible Securities which were actually converted or exchanged, plus (2) the additional consideration, if any, actually received by the Company upon such conversion or exchange, minus (3) the consideration paid by the Company for any purchase of such Convertible Securities the rights of conversion or exchange under which were not exercised; and
- (b) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued or sold upon the exercise of such Options that were issued at the time of the issue, sale, grant or assumption of such Options, and the consideration received by the Company for the additional Ordinary Shares deemed to have then been issued was an amount equal to (1) the consideration actually received by the Company for the issue, sale, grant or assumption of all such Options, whether or not exercised, plus (2) the consideration deemed to have been received by the Company (pursuant to the procedure summarised in paragraph 2.3.2.5 above) upon the issue or sale of such Convertible Securities with respect to which such Options were actually exercised, minus (3) the consideration paid by the Company for any purchase of such Options which were not exercised;

2.3.3.4 no readjustment pursuant to the provisions summarised in paragraphs 2.3.3.2 and 2.3.3.3 above shall have the effect of increasing the Subscription Price by an amount in excess of the amount of the adjustment thereof originally made in respect of the issue, sale, grant or assumption of such Options or Convertible Securities; and

2.3.3.5 in the case of any such Options which expire by their terms not more than 30 days after the date of issue, sale, grant or assumption thereof, no adjustment of the Subscription Price shall be made until the expiry or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in paragraph 2.3.3.3 above.

2.3.4 Adjustment in number of Warrant Shares

Upon each adjustment of the Subscription Price pursuant to the provisions of paragraphs 2.3.1.1 or 2.3.1.2 above, the number of Ordinary Shares for which the Subscription Rights are exercisable shall be adjusted by multiplying the number of Ordinary Shares for which the Subscription Rights were exercisable prior to such adjustment by a fraction (i) whose

numerator is the Subscription Price in effect immediately prior to such adjustment; and (ii) whose denominator is the Subscription Price in effect immediately after such adjustment.

2.3.5 Other dilutive events

If any event occurs where the provisions of summarised in this paragraph 2.3 are not strictly applicable but the failure to make any adjustment would not fairly protect the Subscription Rights represented by the Certificate in accordance with the essential intent and principles of such paragraphs, then, in each such case, the Directors shall appoint an Investment Bank, which shall give its opinion upon the adjustment, if any, on a basis consistent with the essential intent and principles summarised in this paragraph 2.3, necessary to preserve, without dilution, the Subscription Rights represented by the Certificate. Upon receipt of such opinion, the Company will notify the Warrantheholders of its content and shall make the adjustments described therein.

2.3.6 Notices

Immediately upon any adjustment of the Subscription Price, the Company shall give, or cause to be given, written notice thereof, executed by a director of the Company, to the Warrantheholder, setting out in reasonable detail the event requiring the adjustment, the method by which the adjustment was calculated, the number of Warrant Shares for which the Subscription Rights are exercisable and the Subscription Price after giving effect to such adjustment. The Company shall keep at its registered office copies of all such written notices and cause the same to be available for inspection during normal business hours by the Warrantheholder. The Company shall give, or cause to be given, written notice to the Warrantheholder at least 20 days prior to the date on which the Company closes its books or takes a record (i) with respect to any dividend or distribution upon Ordinary Shares, (ii) with respect to any pro rata subscription offer to holders of Ordinary Shares or (iii) for determining rights to vote with respect to any transaction described in paragraph 2.3.1.4, dissolution or liquidation. The Company shall also give, or cause to be given, written notice to the Warrantheholder at least 20 days prior to the date on which any transaction described in paragraph 2.3.1.4 shall take place. Where the number of Warrant Shares for which the Subscription Rights are exercisable is adjusted pursuant to the provisions summarised in this paragraph 2.3, the Company shall issue to each Warrantheholder a new Certificate in respect of the remaining Warrants held by such Warrantheholder, such that all Warrantheholders shall, between them, hold Certificates in respect of the Specified Percentage of the Fully Diluted Share Capital.

2.4 ***Warrant Transfer Restrictions***

Subject to the transfer conditions referred to in the legend endorsed on the Certificates, the relevant Warrants and all rights pertaining to them are transferable in whole or in part, without charge to the Warrantheholder, once vested and upon surrender of the relevant Certificate with a properly executed instrument of transfer at the registered office of the Company. No transfer may be made in violation of any provision of the Articles or without any Regulatory Approvals.

2.5 ***Currency Conversion***

Where pursuant to the provisions of the Warrant Instrument the context requires a currency to be converted into sterling, such conversion shall be carried out at the Exchange Rate.

PART 9

ADDITIONAL INFORMATION

This document includes particulars given in compliance with the CISX Listing Rules for the purpose of giving information with regard to the Company. The Company, whose registered office is set out in paragraph 1.2 below, and the Directors, whose names appear on page 8 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

1. THE COMPANY AND NEWRIVER CAPITAL

- 1.1 The Company was incorporated with limited liability in Guernsey on 4 June 2009 with the name “NewRiver Retail Limited” with registered number 50463 as a Registered Closed Ended Investment Scheme registered under Section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission. The Company has been incorporated with an unlimited life. The Company was incorporated with an unlimited share capital and operates under the Law and ordinances and regulations made thereunder. It is domiciled in Guernsey. It has no employees.
- 1.2 The address of the registered office, head office, business address for the Directors and principal place of business of the Company is Isabelle Chambers, Route Isabelle, St. Peter Port, Guernsey, Channel Islands GY1 3TX and its telephone number is + 44 1481 735540.
- 1.3 It is intended that the Company’s principal activity will be to purchase (principally through subsidiary companies), hold and sell real estate (land and buildings). The Company may purchase entities (or part thereof), including companies, whose principal activity is property investment or whose principal assets are investment properties.
- 1.4 The memorandum of incorporation of the Company provides that the Company has unlimited objects.
- 1.5 Changes in the authorised and issued share capital of the Company since its incorporation are summarised in paragraph 2 below.
- 1.6 As a company whose Ordinary Shares will be admitted to trading on AIM and to listing on the Daily Official List of the CISX, the Company will be subject to the AIM Rules for Companies and the CISX Listing Rules from Admission.
- 1.7 The website address for the Company (to include the information as required by the AIM Rules) is www.newriverretail.com.
- 1.8 NewRiver Capital was established in England and Wales on 4 February 2009. The principal legislation under which it operates in the UK is the UK Companies Act 2006. NewRiver Capital is domiciled in England and Wales and its registered office and principal place of business is 18 Hanover Square, London W1S 1HX and its telephone number is +44 20 3178 4577.
- 1.9 Aside from its relationship with the Company, the initial work carried out in preparing the Company’s business plan, identifying opportunities consistent with such plan and its entry into the Abingdon Management Contract (described at paragraph 6.7 of this Part 9), NewRiver Capital has not carried on business nor traded nor incurred borrowings or indebtedness (save for a sum of less than £70,000, which it has borrowed from entities ultimately owned by David Lockhart or Allan Lockhart for the purposes of its start-up and initial running costs), and has not granted any mortgages or charges over any property and has not provided any guarantees.

2. SHARE AND LOAN CAPITAL

- 2.1 The share capital of the Company as at the date of this document is represented by an unlimited number of Ordinary Shares with no par value.

- 2.2 The issued share capital of the Company is, at the date of this document, one Ordinary Share of no par value issued to Morgan Sharpe Nominees Limited as the original subscriber to the Company's memorandum of incorporation for nil consideration.
- 2.3 On the assumption that all of the Ordinary Shares available under the Placing are fully taken up and are issued, the share capital of the Company will consist of an unlimited number of Ordinary Shares of no par value and the issued shares of the Company (all of which will be fully paid up) will, immediately following Admission, consist of 10,000,000 Ordinary Shares.
- 2.4 The Company is a no par value company and is authorised to issue, and the Directors of the Company are authorised to allot, any number of no par value shares, subject to the Articles. One Ordinary Share of no par value was issued to the subscriber to the memorandum of incorporation on 4 June 2009 for nil consideration and will be transferred pursuant to the Placing to Allan Lockhart.
- 2.5 Since incorporation, there have been no changes in the issued share capital of the Company.
- 2.6 The Articles contain pre-emption rights for Shareholders in relation to issues of shares in consideration for cash. Further information in relation to such pre-emption rights and their disapplication can be found in the summary of the Articles at paragraph 3 of this Part 9.
- 2.7 By an ordinary resolution dated 17 June 2009 the Company took authority, in accordance with section 315 of the Law to make market acquisitions (within the meaning of section 316(1) of the Law) of fully paid Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased shall be 14.99 per cent. of the Company's Ordinary Shares in issue immediately following Admission. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall not exceed 105 per cent. of the average of the middle market quotation for an Ordinary Share as published by the London Stock Exchange for the five business days immediately preceding the date on which the Ordinary Share is purchased and the minimum price shall be one pence per Ordinary Share. The Company is permitted to fund the payments for purchases of Ordinary Shares in any manner permitted by the Law. Such authority shall expire at the annual general meeting of the Company in 2010 unless such authority is varied, revoked or renewed prior to such date by a special resolution of the Company in general meeting.
- 2.8 By a special resolution dated 20 August 2009, the Company resolved to disapply the pre-emption rights set out in the Articles in respect of the Ordinary Shares to be issued to Warranholders upon exercise of any Warrants.
- 2.9 Pursuant to a share transfer agreement dated 26 August 2009 between the Company and the shareholders of NewRiver Capital, being Allan Lockhart and David Lockhart, the shareholders of NewRiver Capital have agreed to transfer the entire issued share capital of NewRiver Capital to NewRiver Retail for the consideration of £1, conditional only upon Admission occurring. NewRiver Capital will at Admission become a wholly-owned subsidiary of NewRiver Retail. The share transfer agreement contains warranties given by Allan Lockhart and David Lockhart as at the date of the agreement and as repeated at completion of the agreement as to their title to the shares being transferred and their capacity and ability to sell their shares free of any encumbrances and also in relation to the limited nature of the business carried on by NewRiver Capital between its incorporation and the date of completion of the agreement. The liability of the shareholders under the warranties is capped at £250,000 (apportioned equally between the shareholders) and limited to a period of 12 months following completion of the agreement.
- 2.10 The Ordinary Shares to be issued under the Placing will be allotted (conditional upon Admission) pursuant to the authority contained in the Articles.
- 2.11 Save as disclosed in this paragraph 2, there has been no issue of share or loan capital of the Company since its incorporation and all issued shares have been fully paid and there is no proposed issue of any shares or loan capital of the Company.
- 2.12 Save as disclosed in this document, no person has any preferential subscription rights for any share capital of the Company.

- 2.13 Save as disclosed in this paragraph 2 or in paragraph 6 below, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company since its incorporation.
- 2.14 Prior to, or on, the date of Admission, it is intended that the following options to acquire Ordinary Shares will have been granted to David Lockhart and Allan Lockhart under the CSOP:

<i>Name</i>	<i>Number of Ordinary Shares subject to option*</i>	<i>Exercise Price (pence)</i>	<i>Vesting</i>	<i>Lapse</i>
David Lockhart	12,000	Placing Price	The 3rd anniversary of Admission ⁽¹⁾ .	Day before the 10th anniversary of grant
Allan Lockhart	12,000	Placing Price	The 3rd anniversary of Admission ⁽¹⁾ .	Day before the 10th anniversary of grant

- (1) Subject to at least an additional £25,000,000 being raised by the Company (i.e. in addition to the proceeds of the Placing) within 18 months of the date of Admission or a takeover or change of control occurring prior to such date. If an additional £25,000,000 is not raised by the Company, nor is there a takeover or change of control, within 18 months of the date of Admission, these options will lapse.

- 2.15 Prior to, or on, the date of Admission, it is intended that the following options to acquire Ordinary Shares will have been granted to David Lockhart and Allan Lockhart under the Unapproved Plan:

<i>Name</i>	<i>Number of Ordinary Shares subject to option*</i>	<i>Exercise Price (pence)</i>	<i>Vesting</i>	<i>Lapse</i>
David Lockhart	2% of the issued equity share capital of the Company as at the date 18 months after Admission (less 12,000 Ordinary Shares) ⁽¹⁾	Placing Price	Split equally between the 3rd, 4th and 5th anniversary of Admission ⁽²⁾	Day before the 10th anniversary of grant
Allan Lockhart	1.44% of the issued equity share capital of the Company as at the date 18 months after Admission (less 12,000 Ordinary Shares) ⁽¹⁾	Placing Price	Split equally between the 3rd, 4th and 5th anniversary of Admission ⁽²⁾	Day before the 10th anniversary of grant

- (1) Subject to a cap based on an Ordinary Share capital increased by any fundraising or fundraisings post-Admission not exceeding, in aggregate, £125 million. If exercise of the option takes place on a date prior to 18 months after the date of Admission (for example, due to a takeover or change of control), the number of Ordinary Shares over which the option may be exercised will be the specified percentage of the issued equity share capital of the Company immediately prior to the takeover or change of control (less 12,000 Ordinary Shares).
- (2) Subject to at least an additional £25,000,000 being raised by the Company (i.e. in addition to the proceeds of the Placing) within 18 months of the date of Admission or a takeover or change of control occurring prior to such date. If an additional £25,000,000 is not raised by the Company, nor is there a takeover or change of control, within 18 months of the date of Admission, these options will lapse.

* These figures are based on certain assumptions as to the placing price of the Ordinary Shares. However, if this changes prior to the publication of the final Admission Document, the number of Ordinary Shares set out in the tables above may need to be altered.

2.16 Prior to, or on, the date of Admission, it is intended that the following options to acquire Ordinary Shares will have been granted to Paul Roy under the Paul Roy Options:

<i>Name</i>	<i>Number of Ordinary Shares subject to option</i>	<i>Exercise Price (pence)</i>	<i>Vesting</i>	<i>Lapse</i>
Paul Roy	0.4% of the issued equity share capital of the Company as at the date 12 months after Admission (subject to a minimum of 100,000 Ordinary Shares) ⁽¹⁾	Placing Price	The 1st anniversary of Admission	Day before the 10th anniversary of grant
Paul Roy	0.4% of the issued equity share capital of the Company as at the date 18 months after Admission (subject to a minimum of 100,000 Ordinary Shares) ⁽¹⁾	Placing Price	The 2nd anniversary of Admission	Day before the 10th anniversary of grant

(1) Subject to a cap based on an Ordinary Share capital increased by any fundraising or fundraisings post-Admission not exceeding, in aggregate, £125 million. If exercise of the option takes place on a date prior to the stated date of vesting (for example, due to a takeover or change of control), the number of Ordinary Shares over which the option may be exercised will be the specified percentage of the issued equity share capital of the Company immediately prior to the takeover or change of control.

2.17 Save as disclosed in this paragraph 2 and in Part 8 of this document in relation to the Warrants, no share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.

2.18 Within the period of 18 months following the date of Admission, the Management Committee shall (having regard to recommendations by David Lockhart) have the discretion to grant, or authorise the grant by the trustee of the EBT of, further options under the CSOP and/or Unapproved Plan to the Additional NewRiver Capital Directors provided that the number of Ordinary Shares under such options, when added to the number of Ordinary Shares under the other options described at paragraphs 2.14 to 2.16 above, do not exceed 6.24 per cent. of the issued Ordinary Share capital of the Company at that time (subject to a cap on the 6.24 per cent. based on an Ordinary Share capital increased by any fundraising or fundraisings post-Admission not exceeding, in aggregate, £125 million). This limit of 6.24 per cent. is in addition to the limit, incorporated into the rules of the CSOP, Unapproved Plan and PSP, of 10 per cent. of the Ordinary Share capital of the Company which may be issued or issuable pursuant to options or awards granted in any 10 year period pursuant to any employees' share scheme, profit sharing scheme or employee share ownership plan.

2.19 Other than pursuant to the Placing, none of the Ordinary Shares have been marketed or are available in whole or in part to the public in conjunction with the application for the Ordinary Shares to be admitted to trading on AIM or listed on the CISX.

2.20 The Placing Shares will be in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. The Company intends to apply for the Shares to be admitted to CREST with effect from Admission. It is expected that definitive share certificates for the Placing Shares held in certificated form will be posted to allottees within 10 business days of Admission. Placing Shares to be held through CREST will be credited to CREST accounts on Admission. The Articles permit the holding of Ordinary Shares in CREST.

- 2.21 There are no shares in the Company not representing capital and there are no shares in the Company held by any of its subsidiaries.
- 2.22 It is intended that the EBT will have subscribed for a total of 624,000 Ordinary Shares for no consideration on the date of Admission in order to satisfy options/awards made or to be made under the Share Incentive Plans.

3. MEMORANDUM AND ARTICLES OF INCORPORATION

The memorandum of incorporation of the Company provides that the objects of the Company are unlimited and a copy of the memorandum is available for inspection at the addresses specified in paragraph 15 below.

The Articles contain provisions, *inter alia*, to the following effect:

3.1 *Voting shares*

3.1.1 The share capital of the Company is represented by an unlimited number of Ordinary Shares of no par value having the rights hereinafter described. The Ordinary Shares shall rank *pari passu* in all respects.

3.1.2 The holders of Ordinary Shares shall have the following rights:

(a) *Dividends*

Holders of Ordinary Shares are entitled to receive, and participate in, any dividends or other distributions resolved to be distributed in respect of any accounting period or other period.

(b) *Winding up*

On a winding up, the holders of Ordinary Shares shall be entitled to the surplus assets remaining after payment of all the creditors of the Company.

(c) *Voting*

The holders of Ordinary Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company and each holder of Ordinary Shares being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of each Ordinary Share held by him.

3.1.3 Any shares may with the sanction of the Board be issued on terms that they are, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner as the Board may determine.

3.1.4 The Company and any of its subsidiary companies may give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of shares in the Company or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company.

3.1.5 Subject to the provisions of the Law, the rules of the Financial Services Authority and the London Stock Exchange, the Company may from time to time purchase its own shares (including any redeemable shares).

3.2 *Variation of rights*

If at any time the shares of the Company are divided into different classes, all or any of the rights for the time being attached to any share or class of shares may be varied with the consent in writing of the holders of not less than three-fourths in number of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares but

so the quorum shall be two members present in person or by proxy holding or representing not less than one-third of the issued shares of that class.

3.3 ***Issues of shares***

3.3.1 Subject to the Articles and paragraph 3.3.2 below, shares for the time being unallotted and unissued shall be at the disposal of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Board determines but so that no share shall be issued at a discount, whether to the market price of the shares or the net asset value per share, except in accordance with the Law and so that the amount payable on application on each share shall be fixed by the Board.

3.3.2 Subject to the Articles, any shares available for issue for cash consideration from time to time (save for any Warrant Shares pursuant to a special resolution dated 20 August 2009) shall, before they are issued, be offered to all the existing holders of shares in the Company in proportion as nearly as practicable to the existing number of the shares held by them respectively. Such offer shall be made by notice which specifies the number and class of shares offered, the proportionate entitlement of the relevant member, the price per share and the period within which the offer, if not accepted, will be deemed to be declined. Subject to the Articles, after the expiration of that period, the Directors shall offer the shares so declined to the persons who have accepted all the shares offered to them in the same manner as the original offer. If any shares comprised in such further offer are declined or deemed to be declined such further offer shall be withdrawn in respect of such shares. Any shares not accepted pursuant to the above or not capable of being so offered (whether excluded by special resolution or otherwise) shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper. Notwithstanding the above, the Company may disapply by special resolution any pre-emption rights in respect of Ordinary Shares available for issue and the Board shall have at its disposal up to 10 per cent. of the Company's issued shares in any calendar year for issue on such terms and conditions (including for cash consideration) and at such times and to such persons as the Board may determine without such issue requiring resolution of the members. In addition, the Directors are empowered by the Company pursuant to a special resolution dated 20 August 2009 to issue any shares required to be issued in connection with any exercise of Warrants without such issue being offered to all existing holders of Ordinary Shares.

3.3.3 Subject to the Law, the Company may pay any brokerage or commission of such amount as may from time to time be determined by the Directors on any issue of Ordinary Shares.

3.3.4 No person shall be recognised by the Company as holding any Ordinary Share upon any trust and the Company shall not be bound by or recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Ordinary Share (except as provided by the Articles or the Law), or any other right in respect of any Ordinary Share, except an absolute right thereto in the registered holder.

3.4 ***Compulsory acquisition of shares***

The Articles do not contain any rights compulsorily to acquire shares.

3.5 ***Notice requiring disclosure of interest in shares***

The Directors shall have power by notice in writing to require any member to disclose to the Company the identity of any person (other than the member) who has any interest in the Relevant Share Capital (meaning the Company's issued shares of any class carrying rights to vote at a general meeting) held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

The Company shall maintain a register of interested parties and whenever in pursuance of a requirement imposed on a member as aforesaid the Company is informed of an interested party the

identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request.

If any member is in default in supplying to the Company the information required by the Company within the prescribed period, the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the Ordinary Shares in respect of which the default has occurred (the “default shares”) and any other shares held by the members (i) the member shall not be entitled to vote in general meetings; (ii) where the default shares represent at least 0.25 per cent. of the class of shares concerned, the direction notice may additionally direct that dividends or the proceeds of any repurchase or repayment of such default shares will be retained by the Company (without interest); and (iii) that no transfer of the default shares (other than a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer made to acquire all the issued Ordinary Shares of the Company or the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the Ordinary Shares to a party unconnected with the member and with other persons appearing to the Directors to be interested in such Ordinary Shares or a transfer in consequence of a sale made through the London Stock Exchange or any stock exchange outside the UK on which the Company’s shares of the same class as the default shares are normally traded (“excepted transfer”)) shall be registered unless the member is not himself in default as regards supplying the information requested and the transfer is part only of the member’s holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying the information is interested in any of the Ordinary Shares which are the subject of the transfer.

If Ordinary Shares are issued to a member as a result of that member holding other Ordinary Shares in the Company and if the Ordinary Shares in respect of which the new Ordinary Shares are issued are default shares in respect of which the member is for the time being subject to particular restrictions, the new Ordinary Shares shall on issue become subject to the same restrictions whilst held by that member as such default shares.

Any direction notice shall have effect in accordance with its terms for as long as the default in respect of which the direction notice was issued continues, but shall cease to have effect in relation to any Ordinary Shares which are transferred by such member by means of an excepted transfer. As soon as practicable after the direction notice has ceased to have effect (and in any event within seven days thereafter) the Directors shall procure that the restrictions described in this paragraph 3.5 shall be removed and that distributions and other moneys withheld are paid to the member.

Any member who has given notice to the Company of an interested party and who subsequently ceases to have any party interested in his Ordinary Shares or has any other party interested in his Ordinary Shares shall notify the Company in writing of the cessation or change in such interest and the Directors shall promptly amend the register of interested parties accordingly.

3.6 ***CREST***

The Articles provide that the Directors may implement such arrangements as they may think fit in order for any class of shares to be admitted to settlement by means of the CREST system. If the Directors implement any such arrangements no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

- (a) the holding of shares of that class in uncertificated form;
- (b) the transfer of title to shares of that class by means of the CREST system; or
- (c) the CREST Guernsey Requirements.

Where any class of shares is for the time being admitted to settlement by means of the CREST system such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements. Unless the Directors otherwise determine, such securities held by

the same holder or joint holder in both certificated form and uncertificated form shall be treated as separate holdings. Such securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements. Title to such shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST system. Every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary, however and whenever arising and however expressed.

Subject as provided in the Articles, any member may transfer all or any of his shares which are in certificated form by an instrument of transfer in any form which the Directors may approve. The instrument of transfer of a share shall be signed by or on behalf of the transferor. The Directors may refuse to register any transfer of certificated shares unless the transfer is in favour of no more than four transferees and the instrument of transfer is lodged at the registered office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

The Directors may decline to register any transfer of any shares which are or become owned, directly or indirectly by an individual which, in the opinion of the Directors, might give rise to circumstances which could cause the Company some legal, regulatory, pecuniary, tax or material administrative disadvantage.

The Directors may also decline to register any transfer of shares to, or the transfer of any shares or warrants which are or become owned, directly or indirectly, by, a US Person in circumstances which might cause or be likely to cause the Company to become subject to the registration requirements of the Investment Company Act or the Securities Act or with any securities regulatory authority of any state of the United States or other jurisdiction. Members are required to notify the Company immediately in the event that they become US Persons.

The Directors may also refuse to register any share which is not fully paid up provided that this would not prevent dealings from taking place on an open and proper basis. The Directors may also refuse to register any transfer of shares which is prohibited by the provisions described in paragraph 3.5 above or any transfer of certificated shares unless such transfer is in respect of one class of share only, is in favour of no more than four transferees and the instrument of transfer is lodged at the registered office or such other place as the Directors may appoint and the transfer is not in favour of any non-qualified holder.

Subject to the CREST Guernsey Requirements, the registration of transfers may be suspended at such time and for such periods as the Directors may determine, provided that such suspension shall not be for more than 30 days in any year. Any such suspension will be notified to the CISX.

If it shall come to the notice of the Directors that any shares are owned directly or beneficially by a non-qualified holder, the Directors may require such person (i) to provide the Directors within 30 days with sufficient satisfactory documentary evidence to satisfy the Directors that such person does not fall within the definition of a non-qualified holder and in default of such evidence (ii) to sell or transfer his ordinary shares to a person qualified to own the same within 30 days and within such 30 days to provide the Directors with satisfactory evidence of such sale or transfer.

3.7 *Alteration of capital*

The Company at any time may, by ordinary resolution, increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.

3.8 *Notice and requisitioning of general meetings*

Notice for any general meeting shall be sent by the secretary or officer of the Company or any other person appointed by the Board not less than fourteen clear days before the meeting. The notice must specify the time and place of the general meeting and any special business to be put to the meeting

and the general nature of the business to be transacted. With the consent of all the members of the Company, a general meeting may be convened by a shorter notice or at no notice in any manner they think fit. The accidental omission to give notice of any meeting or the non-receipt of such notice by any member of the Company shall not invalidate any resolution, or any proposed resolution, otherwise duly approved.

The Board may, and shall on the requisition in writing of Shareholders who hold more than ten per cent. of the voting rights attaching to the Company's share capital (excluding any capital held as treasury shares) proceed to convene a general meeting. A Shareholders' requisition shall be dated and shall state the general nature of the business to be dealt with at the meeting and shall be signed by the requisitionists.

If the Board does not proceed to convene a meeting to be held within 21 days from the date of the requisition, the requisitionists or any of them representing more than one half of the total voting rights of the members who requisitioned the meeting, may themselves convene the meeting. Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Board.

3.9 ***Interests of Directors***

3.9.1 A Director may not vote (or be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting) in respect of any contract, arrangement, transaction or any other proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company) but, in the absence of some other material interest than is mentioned below, this prohibition does not apply to a resolution concerning any of the following matters:

- (a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning the offer of shares, debentures or other securities of or by the Company or its subsidiary undertakings for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor or otherwise, provided that he is not the holder of or beneficially interested in one per cent. or more of: (a) the issued shares of such company (or of any third company through which his interest is derived) or (b) of the voting rights in the relevant company; and
- (e) any proposal for the purchase or maintenance of insurance for the benefit of the Directors or persons including the Directors.

3.9.2 Any Director may act by himself or by his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

3.9.3 Any Director may continue to be or become a director, managing director, manager or other officer or member of any company in which the Company may be interested and any such Director shall not be accountable to the Company for any remuneration or other benefits

received by him as a director, managing director, manager or other officer or member of any other company.

3.10 ***Remuneration of Directors***

3.10.1 The Directors shall be entitled to such remuneration as the Directors shall determine from time to time provided that the ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under the Articles) shall not exceed £600,000 per annum (or such other sum as may be approved by the Company in general meeting). Such remuneration shall be deemed to accrue from day to day. The Directors shall also be paid all travelling, hotel and other expenses incurred by them in attending meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

3.10.2 A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

3.11 ***Nomination, appointment and removal of Directors***

3.11.1 The Directors shall have power at any time eligible in accordance with section 139 of the law to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

3.11.2 The office of a Director shall be vacated in any of the following events, namely:

- (a) if he resigns his office by notice in writing signed by him and left at the registered office;
- (b) if he dies or becomes of unsound mind;
- (c) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (d) if he absents himself from meetings of the Board for a period of twelve months and the Board resolves his office shall be vacated;
- (e) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment;
- (f) save in the case of a Director who, at the time of his appointment, was resident in the United Kingdom, if he becomes resident in the United Kingdom and as a result thereof a majority of the Directors are resident in the United Kingdom;
- (g) if he be requested to resign by written notice signed by all the other Directors; or
- (h) if he is removed from office by an ordinary resolution of the Company in general meeting.

3.11.3 The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by appointing a person thereto by ordinary resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to the Articles) fill up any other vacancies.

3.11.4 At a general meeting, a resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved unless a resolution passed by a majority of the members that it shall be so made has been first agreed to by the meeting without any vote being given against it.

3.12 ***Retirement of Directors***

3.12.1 A third of the Directors (save for David Lockhart whilst he holds the position of Director) shall be subject to retirement and re-election every year.

3.12.2 A Director is not required to hold shares in the Company. A Director who is not a member is nevertheless entitled to attend and speak at general meetings.

3.12.3 No Director shall be required to vacate his office at any time by reason of the fact that he has attained any specific age.

3.13 ***Dividends***

3.13.1 The Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Directors.

3.13.2 Dividends shall be paid in accordance with the Law.

3.13.3 The Directors may if they think fit from time to time pay the members such interim dividends as appear to be justified by the profits of the Company.

3.13.4 No dividend or other amount payable to any member shall bear interest against the Company. All unclaimed dividends and other amounts payable as aforesaid may be invested or otherwise made use of for the benefit of the Company until claimed. Any dividend unclaimed on the earlier of (a) six years from the date when it first became payable and (b) the date on which the Company is wound up, shall be forfeited and shall revert to the Company, without the necessity for any declaration or other action by the Company.

3.13.5 The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Board, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Board may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Law.

3.14 ***Winding up***

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the members *in specie* the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any asset in respect of which there is liability.

3.15 ***Borrowing***

3.15.1 The Board may exercise all the powers of the Company to borrow money and to mortgage, hypothecate, pledge or charge all or part of its undertaking, property and assets and uncalled capital and to issue debentures or other securities, whether outright or as collateral security for any liability or obligation of the Company or of any third party.

3.15.2 Any person lending money to the Company shall be entitled to assume that the Company is acting in accordance with the Articles and shall not be concerned to enquire whether such provisions have in fact been complied with.

3.16 ***Register of Shareholders and other statutory records***

The register of Shareholders is the hard copy register of Shareholders kept at the Company's registered office pursuant to the Law. The other statutory records of the Company are kept at the same address.

3.17 ***The Disclosure and Transparency Rules***

The Articles require that, from Admission and for so long as the Company has any of its share capital admitted to trading on AIM, or any successor market or any other market operated by the London Stock Exchange, every Shareholder must comply with the notification and disclosure requirements set out in Chapter 5 of the Disclosure and Transparency Rules Sourcebook (as amended and varied from time to time) of the FSA Handbook as if the Company were classified as an "issuer" whose "Home State" is the United Kingdom.

Under the Disclosure and Transparency Rules, a Shareholder is required to notify the Company of the percentage of its voting rights if the percentage of voting rights which he holds (directly or indirectly) reaches, exceeds or falls below 3 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. The notification must be made within four trading days of the Shareholder learning of the acquisition or disposal leading to the increase or decrease in his shareholding.

Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make the required disclosure to the Company may result in disenfranchisement.

4. SHARE INCENTIVE PLANS

The Company has adopted the Share Incentive Plans, the principal provisions of which are as follows:

4.1 ***The NewRiver Retail Limited Performance Share Plan 2009 ("PSP")***

Status of the PSP

Awards granted under the PSP ("PSP Awards") will take the form of options to acquire Ordinary Shares for nil consideration, either by way of subscription from the Company or by way of transfer from an employee benefit trust established by the Company. The PSP Awards will have no beneficial tax status.

It is intended that the PSP will be operated in conjunction with the EBT.

The PSP will be adopted by the Company prior to or on the date of Admission.

Eligibility

All employees (including executive directors) of the Company and any of its subsidiaries may be granted PSP Awards under the PSP.

Grant

The Management Committee will have absolute discretion to select the employees to whom PSP Awards may be granted and, subject to the limits set out below, to determine the number of Ordinary Shares to be subject to each PSP Award. The Management Committee will have regard to recommendations made by David Lockhart.

PSP Awards may be granted during the period of 42 days commencing on: (a) the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year (provided that if the Ordinary Shares continue to be admitted to AIM or listed on the CISX at the time in question, no PSP Award shall be granted until the dealing day immediately following the date of any such announcement); or (b) any other time fixed by the Management Committee where, in its discretion, circumstances are considered to be exceptional so as to justify the grant of PSP Awards.

If the grant of a PSP Award on any of the above days would be prohibited by virtue of the AIM Rules, the CISX Listing Rules (if relevant), or any statute or regulation or any order made pursuant to such

statute, then such PSP Award may be granted during the period of 42 days commencing immediately after the time that such prohibition shall cease to have effect.

No consideration is payable for the grant of a PSP Award.

No PSP Award may be made before the first anniversary of Admission unless and until at least £25,000,000 of secondary capital has been raised by the Company after Admission.

Plan Limits

No PSP Award may be granted under the PSP if, as a result, the number of Ordinary Shares issued or issuable pursuant to PSP Awards granted during the previous ten years under the PSP or any other employees' share scheme, profit sharing scheme or employee share ownership plan adopted by the Company or any other member of the Group would exceed ten per cent. of the share capital of the Company in issue on that date.

For the purposes of the limit set out above:

- any Ordinary Shares issued or then capable of being issued pursuant to any options granted on or prior to the date of Admission under any employees' share scheme adopted by the Company (including the Paul Roy Options) shall not count towards the limit set out above;
- any Ordinary Shares issued or then capable of being issued pursuant to any options granted under the CSOP or the Unapproved Plan to the Additional NewRiver Capital Directors within the period of 18 months following the date of Admission shall not count towards the limit set out above, provided that the number of Ordinary Shares under such options, when added to the number of Ordinary Shares under the options described in the preceding bullet point, do not exceed 6.24 per cent. of the issued Ordinary Share capital of the Company at the time that such options are granted (and subject to a cap on the 6.24 per cent. based on an Ordinary Share capital increased by any fundraising or fundraisings post-Admission not exceeding, in aggregate, £125 million); and
- where a PSP Award takes the form of a right to acquire Ordinary Shares from an employee benefit trust established by the Company, such Ordinary Shares will only be counted as "issued or issuable" to the extent to which they have been issued (or there is an intention for them to be issued) by the Company to the trust for the purposes of the PSP or any other employees' share scheme operated by the Company.

Individual Limit

In general, each individual's participation is limited so that, in any one financial year of the Company, the aggregate market value of Ordinary Shares subject to all PSP Awards (calculated as at the date of grant of each PSP Award) granted to the individual under the PSP in that financial year, will not exceed 100 per cent. of the individual's basic salary at the date of grant.

The individual limits referred to above can be exceeded in relation to PSP Awards made to David Lockhart or to Allan Lockhart or in circumstances which the Management Committee considers to be exceptional.

Performance Target

The exercise of PSP Awards will normally be made conditional upon the achievement of a performance target set at the time of grant. Such performance target shall be measured over a performance period (determined by the Management Committee at the time of grant but which shall not, save in exceptional circumstances, be less than three years) ("Performance Period").

PSP Awards will become capable of exercise following a date ("Vesting Date") specified at the time of grant which occurs after the expiry of the relevant Performance Period, subject to the satisfaction of the performance target. The Vesting Date for a PSP Award may not, save in exceptional circumstances, occur before the third anniversary of the date of grant.

If events occur which cause the Management Committee reasonably to consider that a different or amended target would be a fairer measure of performance, the Management Committee may waive or amend the original performance target in such manner as it deems fit provided that any such amended target is not materially more difficult to achieve than the original performance target.

It should also be noted that a performance target, applying to a PSP Award, may be measured over a period that is shorter than the Performance Period in circumstances where an employee ceases to be an employee of the Group before the end of the relevant Performance Period or certain corporate events occur (such as a change of control of the Company) before the end of the relevant Performance Period. In these circumstances such performance target may be modified in such manner as the Management Committee thinks fit so as to be applied over such shortened period.

Dividends

Until a PSP Award has been exercised and the Ordinary Shares subject to such PSP Award have been transferred or issued to the PSP Award holder, the PSP Award holder shall have no entitlement to any dividends or other distributions payable in respect of such Ordinary Shares by reference to a record date preceding the date of such transfer or issue.

If, at any time, a dividend or other cash distribution is paid by the Company in respect of its Ordinary Shares, the number of Ordinary Shares under each PSP Award then subsisting (and in respect of which the Vesting Date has not passed) shall be increased to reflect the value of the dividend. The number of Ordinary Shares to be added to a PSP Award (“Dividend Equivalent Shares”) shall equate to such number of Ordinary Shares as could have been purchased, at the share price prevailing on the date the dividend is paid, from an amount equal to the dividend paid on each Ordinary Share multiplied by the number of Ordinary Shares under the PSP Award.

To the extent that a PSP Award does not vest and become exercisable in relation to any Ordinary Shares, the PSP Award shall also cease to be exercisable in respect of a proportionate number of Dividend Equivalent Shares.

Dividend Equivalent Shares that have been issued and any Dividend Equivalent Shares that have been notionally added to a PSP Award shall be taken into account for the purposes of applying the plan limits set out above. Any potential right to receive Dividend Equivalent Shares in the future shall not, however, be taken into account.

Exercise of PSP Awards

A PSP Award may only be exercised in the twelve month period immediately following the occurrence of the Vesting Date to the extent that the performance target has been satisfied and the PSP Award holder is still an employee within the Group.

No PSP Award is capable of exercise more than ten years after its date of grant and will lapse on the tenth anniversary of its date of grant.

PSP Awards may not be exercised during any period prohibited under the AIM Rules or the CISX Listing Rules (if relevant).

If a PSP Award holder ceases to be an employee of the Group before the Vesting Date by reason of injury, incapacity, ill health or disability of the PSP Award holder or his or her spouse or civil partner (evidenced to the reasonable satisfaction of the Management Committee), redundancy, retirement, upon the sale or transfer out of the Group of the company or undertaking employing him or any other circumstance stipulated by the Management Committee as at the date of grant of a PSP Award (including consideration by the Management Committee as to the amount of the Placing proceeds invested by the Company at such time) (“Good Leaver”), his PSP Award shall be exercisable during the twelve month period following the Vesting Date of such PSP Award; if not so exercised, such PSP Award will lapse. In such circumstances, the Management Committee may, in its discretion determine

that such PSP Award may be exercised for a period of twelve months after the PSP Award holder ceases to be employed within the Group; if not so exercised, such PSP Award will lapse.

In the event of cessation of employment of the PSP Award holder by reason of his death, his personal representatives will be entitled to exercise the PSP Award within twelve months following the date of his death.

If a PSP Award holder ceases to be an employee of the Group for any reason other than those described above, PSP Awards may become exercisable for a limited period at the discretion of the Management Committee.

The PSP Awards granted to David Lockhart or Allan Lockhart (at any time) may be exercised during the twelve months following the date of cessation of employment if the holders of such PSP Awards cease to be an employee of the Group by reason of: (a) being a Good Leaver; or (b) the ill-health, incapacity, injury or disability of such PSP Award holder's spouse or civil partner (evidenced to the reasonable satisfaction of the Management Committee); or (c) at the time of or in anticipation of cessation of employment at the discretion of the Management Committee (including consideration by the Management Committee as to the amount of the proceeds of the Placing invested by the Company at such time), in any other circumstances.

Exercise of PSP Awards is also possible earlier than the Vesting Date in the event of a takeover (whether by way of a general offer, a scheme of arrangement or any other merger or acquisition resulting in a change of control of the Company or otherwise) or the voluntary winding up of the Company. In the case of a takeover of the Company by way of a general offer or the transfer out of the Group of the undertaking employing the PSP Award holder concerned, the Management Committee may allow the PSP Award to be exercised immediately before, but with effect from, the takeover or the transfer of the undertaking concerned.

In all of these circumstances allowing for the exercise of a PSP Award prior to the Vesting Date, the PSP Award may not be exercised unless (subject to any modification of the performance target in accordance with the rules of the PSP) the performance condition, if any, to which it is subject has been satisfied.

Other than in respect of any PSP Awards made to David Lockhart or Allan Lockhart which shall always be capable of exercise in full in the event of cessation of their employment, where a PSP Award is exercised before the occurrence of the Vesting Date as a consequence of the PSP Award holder ceasing to remain an employee within the Group, the maximum number of Ordinary Shares over which any PSP Award is capable of exercise may, at the discretion of the Management Committee, be pro-rated down on a time apportioned basis by reference to the time that has elapsed from the relevant date of grant to the relevant event giving rise to the early exercise of the PSP Award.

When exercising its discretion in connection with PSP Awards and cessation of employment as set out above, the Management Committee shall have regard to the aggregate funds which have been invested into real estate assets by the Company at the time such discretion is exercised.

Other PSP Award terms

Where a PSP Award has been granted by the Company as a right to subscribe for Ordinary Shares, the PSP provides the facility for the exercise of a PSP Award to be satisfied by either the issue of Ordinary Shares, the transfer of Ordinary Shares held by an existing shareholder who has agreed to satisfy the exercise of the PSP Award or by the transfer of Ordinary Shares held in treasury.

PSP Awards are not capable of transfer or assignment.

Until PSP Awards are exercised, PSP Award holders have no voting or other rights in relation to the Ordinary Shares subject to those PSP Awards.

Ordinary Shares allotted pursuant to the exercise of a PSP Award will rank *pari passu* in all respects with the Ordinary Shares already in issue. Ordinary Shares transferred on the exercise of a PSP Award

shall be transferred without the benefit of any rights attaching to the Ordinary Shares by reference to a record date preceding the date of that exercise. For so long as the Ordinary Shares are traded on AIM and listed on the CISX, the Company will use its best endeavours to procure that the Ordinary Shares issued following exercise of any PSP Awards are admitted to trading on AIM and listed on the CISX as soon as practicable after allotment.

Benefits obtained under the PSP are not pensionable.

Adjustment of PSP Awards

The number of Ordinary Shares under a PSP Award may be adjusted by the Management Committee in the event of any capitalisation issue or rights issue (other than an issue of Ordinary Shares pursuant to a scrip dividend issued by the Company) or rights offer or any other variation in the share capital of the Company including (without limitation) any consolidation, subdivision or reduction of capital.

Administration & amendment

The PSP will be administered by the Management Committee. The Management Committee may amend the terms of the PSP.

The rules of the PSP which relate to:

- the persons to whom Ordinary Shares are provided under the PSP;
- the limits on the number of Ordinary Shares which may be issued under the PSP;
- the maximum entitlement of any PSP Award holder;
- the basis for determining a PSP Award holders entitlement to Ordinary Shares or PSP Awards; and
- the basis for determining the adjustment of any PSP Award following any increase or variation in the share capital of the Company,

cannot be amended to the advantage of any PSP Award holder or potential PSP Award holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the PSP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Award holders or any Group company.

Termination

The PSP may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further PSP Awards can be granted. Termination shall not affect the outstanding rights of existing PSP Award holders.

4.2 ***The NewRiver Retail Limited Company Share Option Plan 2009 (“CSOP”)***

Status of the CSOP

The CSOP is designed to be capable of approval by HMRC under Schedule 4 of ITEPA (“Schedule 4”). The terms of the CSOP are subject to amendment as may be required by HMRC in order to achieve such HMRC approval.

It is intended that the CSOP will be adopted by the Company prior to or on the date of Admission.

Eligibility

All employees (including full time executive directors) of the Company and any of its subsidiaries may be granted options over Ordinary Shares under the CSOP provided that they are not prohibited, pursuant to Schedule 4, from being granted an option by virtue of having, or having had, a material interest in the Company.

Grant

The Management Committee has absolute discretion to select the persons to whom options are to be granted and, subject to the limits set out below, in determining the number of Ordinary Shares subject to each option.

No options may be granted unless and until the CSOP has been formally approved by HMRC under Schedule 4. It is anticipated that this approval will be obtained on or before the date of Admission.

Options may be granted during the period of 42 days commencing on: (a) the date the CSOP is adopted by the Company; (b) the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year (provided that if the Ordinary Shares continue to be admitted to AIM or listed on the CISX at the time in question, no option shall be granted until the dealing day immediately following the date of any such announcement); or (c) any other time fixed by the Management Committee where, in its discretion, circumstances are considered to be exceptional so as to justify the grant of options.

If the grant of an option on any of the above days would be prohibited by virtue of the AIM Rules, the CISX Listing Rules (if relevant) or any statute or regulation or any order made pursuant to such statute, then such option may be granted during the period of 42 days commencing immediately after the time that such prohibition shall cease to have effect.

No consideration is payable for the grant of an option.

Plan Limits

With the exception of the option grants described at paragraph 2.14 of this Part 9, no options may be granted before the first anniversary of Admission unless and until at least £25 million of additional capital is raised by the Company (i.e. in addition to the proceeds of the Placing).

On any date, no option may be granted under the CSOP if, as a result, the number of Ordinary Shares issued or issuable pursuant to options granted during the previous ten years under the CSOP or any other employees' share scheme, profit sharing scheme or employee share ownership plan adopted by the Company or any other member of the Group would exceed ten per cent. of the share capital of the Company in issue on that date.

For the purposes of the limit set out above:

- any Ordinary Shares issued or then capable of being issued pursuant to any options granted on or prior to the date of Admission, (whether under the CSOP or any other employees' share scheme adopted by the Company and including the Paul Roy Options) shall not count towards the limit set out above;
- any Ordinary Shares issued or then capable of being issued pursuant to any options granted under the CSOP or the Unapproved Plan to the Additional NewRiver Capital Directors within the period of 18 months following the date of Admission shall not count towards the limit set out above, provided that the total number of Ordinary Shares issued or then capable of being issued under this bullet point, when added to the total number of Ordinary Shares issued or then capable of being issued under the preceding bullet point, shall not exceed 6.24 per cent. of the Ordinary Share capital of the Company at the time that such options are granted (and subject to a cap on the 6.24 per cent. based on an Ordinary Share capital increased by any fundraising or fundraisings post-Admission not exceeding, in aggregate, £125 million); and
- where an option takes the form of a right to acquire Ordinary Shares from an employee benefit trust established by the Company, such Ordinary Shares will only be counted as "issued or issuable" to the extent to which they have been issued (or there is an intention for them to be issued) by the Company to the trust for the purposes of the CSOP or any other employees' share scheme operated by the Company.

The table at paragraphs 2.14 and 2.15 of this Part 9 sets out the options intended to be granted on or before Admission.

Individual Limit

Each individual's participation is limited so that the aggregate market value of Ordinary Shares subject to all options (calculated as at the date of grant of each option) held by that individual and granted under the CSOP or any other HMRC approved company share option plan operated by the Company or any associated company, shall not exceed £30,000 (or such other amount as may be permitted by HMRC from time to time).

Exercise Price

The exercise price per Ordinary Share under an option is determined by the Management Committee at the time of grant but may not be less than the market value of an Ordinary Share as at the date of grant (as agreed by HMRC's Shares and Assets Valuation).

The exercise price (as well as the number of Ordinary Shares under option) may be adjusted by the Management Committee in the event of any capitalisation issue or rights issue (other than an issue of Ordinary Shares pursuant to a scrip dividend issued by the Company) or rights offer or any other variation in the share capital of the Company including (without limitation) any consolidation, subdivision or reduction of capital. Any such adjustment will require the prior approval of HMRC.

Performance Target

The exercise of options granted under the CSOP will, in normal circumstances, be conditional upon the achievement of an objective performance target set at the time of grant. Such performance target shall be measured over a performance period (determined by the Management Committee at the time of grant but which shall not be less than three years) ("Performance Period"). Exercise of: (a) the options granted before or on the date of Admission; and (b) the options granted to the Additional NewRiver Capital Directors will be subject to a performance target that either: the Company is subject to a takeover or change of control; or at least £25,000,000 of additional capital is raised by the Company, within 18 months of Admission. Such options will lapse after 18 months in the event that the performance target is not satisfied.

The option will become capable of exercise following a date ("Vesting Date") specified at the time of grant which occurs after the expiry of the relevant Performance Period, subject to the satisfaction of the applicable performance target. The Vesting Date for an option may not occur before the third anniversary of the date of grant.

If events occur which cause the Management Committee reasonably to consider that a different or amended target would be a fairer measure of performance, the Management Committee may waive or amend the original performance target in such manner as it deems fit provided that any such amended target is not materially more difficult to achieve than the original performance target.

It should also be noted that a performance target, applying to an option, may be measured over a period that is shorter than the Performance Period in circumstances where an employee ceases to be a Group employee before the end of the relevant Performance Period or certain corporate events occur (such as a change of control of the Company) before the end of the relevant Performance Period. In these circumstances such performance target may be modified in such manner as the Management Committee thinks fit so as to be applied over such shortened period.

Exercise of options

Normally, an option may only be exercised following the occurrence of the Vesting Date to the extent that the performance target has been satisfied and the option holder is still an employee within the Group.

No option is capable of exercise more than ten years after its date of grant and will lapse on the tenth anniversary of its date of grant.

Options may not be exercised during any period prohibited under the AIM Rules or the CISX Listing Rules (if relevant).

If an option holder ceases to be an employee of the Group before the Vesting Date by reason of injury, ill health, incapacity or disability of the option holder or his or her spouse or civil partner (evidenced to the reasonable satisfaction of the Management Committee), redundancy or retirement on or after reaching the age of 55 or upon the sale or transfer out of the Group of the company or undertaking employing him, his option shall be exercisable during the six month period following the Vesting Date of such option; if not so exercised, such option will lapse. In such circumstances, the Management Committee may, in its discretion, determine that such option may be exercised for a period of six months after the option holder ceases to be employed within the Group; if not so exercised, such option will lapse.

In the event of cessation of employment of the option holder by reason of his death, his personal representatives will be entitled to exercise the option within twelve months following the date of his death.

If an option holder ceases to be employed within the Group for any reason other than those described above, options may also become exercisable for a limited period at the discretion of the Management Committee.

The options granted on or before the date of Admission and to David Lockhart and Allan Lockhart (at any time) may be exercised during the twelve months following the date of cessation of employment if such option holder ceases to be an employee of the Group by reason of: (a) injury, ill health, incapacity or disability (evidenced to the reasonable satisfaction of the Management Committee); or (b) redundancy; or (c) retirement on or after reaching the age of 55; or (d) upon the sale or transfer out of the Group of the company or undertaking employing him; or (e) the disability, injury, incapacity or ill health of such option holder's spouse or civil partner (evidenced to the reasonable satisfaction of the Management Committee); or (f) any other circumstance stipulated by the Management Committee as at the date of grant of such options; or (g), at the time of or in anticipation of cessation of or after employment at the discretion of the Management Committee (including consideration by the Management Committee as to the amount of the proceeds of the Placing invested by the Company at such time), in any other circumstances; or (h) in respect only of the options granted on or after Admission (in respect only to those options to be granted to David Lockhart and/or Allan Lockhart which are described in paragraph 2.14 of this Part 9) in the event that such option holder is given notice by his employer under his service agreement (other than where such notice is given in circumstances where the option holder's employer may summarily dismiss the option holder in accordance with his service agreement with such employer).

Exercise of options is also possible earlier than the Vesting Date in the event of a takeover (whether by way of a general offer, a scheme of arrangement or otherwise) or the voluntary winding up of the Company. In the case of a takeover of the Company by way of a general offer or the transfer out of the Group of the undertaking employing the option holder concerned, the Management Committee may allow the option to be exercised immediately before, but with effect from, the takeover or the transfer of the undertaking concerned.

In all of these circumstances allowing for early exercise of an option prior to the Vesting Date, the option may not be exercised unless (subject to any modification of the performance target in accordance with the rules of the CSOP) the performance target, if any, to which it is subject has been satisfied.

Other than in respect of options granted on or prior to the date of Admission or to David Lockhart or Allan Lockhart, which shall always be capable of exercise in full in the event of cessation of their employment, where an option is exercised before the occurrence of the Vesting Date as a consequence

of the option holder ceasing to remain an employee within the Group, the maximum number of Ordinary Shares over which any option is capable of exercise may, at the discretion of the Management Committee, be pro-rated down on a time apportioned basis by reference to the time that has elapsed from the relevant date of grant to the relevant event giving rise to the early exercise of the option. In relation to the pro-rating mechanism outlined above, the Management Committee has a discretion, having full regard to all the circumstances surrounding the early exercise of an option, to ignore the prescribed pro-rating of the Ordinary Shares over which such option may be exercised.

When exercising its discretion in connection with options and cessation of employment as set out above, the Management Committee shall have regard to the aggregate funds which have been invested into real estate assets by the Company at the time such discretion is exercised.

Other option terms & issues of Ordinary Shares

The CSOP provides the facility for the exercise of an option to be satisfied by either the issue of Ordinary Shares, the transfer of Ordinary Shares held by an existing shareholder who has agreed to satisfy the exercise of the option or by the transfer of Ordinary Shares held in treasury.

Options are not capable of transfer or assignment.

Until options are exercised, option holders have no voting or other rights in relation to the Ordinary Shares subject to those options.

Ordinary Shares allotted pursuant to the exercise of an option will rank *pari passu* in all respects with the Ordinary Shares already in issue but shall not rank for any dividends or other distribution payable by reference to a record date preceding the date of such allotment. Ordinary Shares transferred on the exercise of an option shall be transferred without the benefit of any rights attaching to the Ordinary Shares by reference to a record date preceding the date of that exercise. For so long as the Company's Ordinary Shares are traded on AIM and listed on the CISX, the Company will use its best endeavours to procure that the Ordinary Shares issued following exercise of any options are admitted to trading on AIM and listed on the CISX as soon as practicable after allotment.

Benefits obtained under the CSOP are not pensionable.

Administration & amendment

The CSOP will be administered by the Management Committee. The Management Committee may amend the provisions of the CSOP. However, no amendment to a key feature of the CSOP shall have effect until HMRC has approved such amendment.

The rules of the CSOP which relate to:

- the persons to whom Ordinary Shares are provided under the CSOP;
- the limits on the number of Ordinary Shares which may be issued under the CSOP;
- the maximum entitlement of any option holder;
- the basis for determining an option holders entitlement to Ordinary Shares or options; and
- the basis for determining the adjustment of an option following any increase or variation in the share capital of the Company,

cannot be amended to the advantage of any option holder or potential option holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the CSOP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders or any Group company.

Termination

The CSOP may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further options can be granted. Termination shall not affect the outstanding rights of existing option holders.

4.3 ***The NewRiver Retail Limited Unapproved Share Option Plan 2009 (“Unapproved Plan”)***

Status of the Unapproved Plan

The Unapproved Plan will have no beneficial tax status.

It is intended that the Unapproved Plan will be adopted by the Company prior to or on the date of Admission.

Eligibility

All employees (including executive directors) of the Company and any of its subsidiaries may be granted options over Ordinary Shares under the Unapproved Plan.

Grant

The Management Committee has absolute discretion to select the persons to whom options are to be granted and, subject to the limits set out below, in determining the number of Ordinary Shares subject to each option. The Management Committee will have regard to the recommendations made by David Lockhart.

Options may be granted during the period of 42 days commencing on: (a) the date the Unapproved Plan is adopted by the Company; (b) the date of the preliminary announcement of the Company’s annual results or the announcement of its half-yearly results in any year (provided that if the Ordinary Shares continue to be admitted to AIM or listed on the CISX at the time in question, no option shall be granted until the dealing day immediately following the date of any such announcement); or (c) any other time fixed by the Management Committee where, in its discretion, circumstances are considered to be exceptional so as to justify the grant of options.

If the grant of an option on any of the above days would be prohibited by virtue of the AIM Rules, the CISX Listing Rules (if relevant) or any statute or regulation or any order made pursuant to such statute, then such option may be granted during the period of 42 days commencing immediately after the time that such prohibition shall cease to have effect.

No consideration is payable for the grant of an option.

Plan Limits

With the exception of the option grants described at paragraph 2.15 of this Part 9, no options may be granted before the first anniversary of Admission unless and until at least £25 million of additional capital is raised by the Company (i.e. in addition to the proceeds of the Placing).

On any date, no option may be granted under the Unapproved Plan if, as a result, the number of Ordinary Shares issued or issuable pursuant to options granted during the previous ten years under the Unapproved Plan or any other employees’ share scheme, profit sharing scheme or employee share ownership plan adopted by the Company or any other member of the Group would exceed ten per cent. of the share capital of the Company in issue on that date.

For the purposes of the limit set out above:

- any Ordinary Shares issued or then capable of being issued pursuant to any options granted on or prior to the date of Admission (whether under the Unapproved Plan or any other employees’ share scheme adopted by the Company and including the Paul Roy Options) shall not count towards the limit set out above;

- any Ordinary Shares issued or then capable of being issued pursuant to any options granted under the Unapproved Plan to the Additional NewRiver Capital Directors within the period of 18 months following the date of Admission shall not count towards the limit set out above, provided that the total number of Ordinary Shares issued or then capable of being issued under this bullet point, when added to the total number of Ordinary Shares issued or then capable of being issued under the preceding bullet point, shall not exceed 6.24 per cent. of the Ordinary Share capital of the Company at the time that such options are granted (and subject to a cap on the 6.24 per cent. based on an Ordinary Share capital increased by any fundraising or fundraisings post-Admission not exceeding, in aggregate, £125 million); and
- where an option takes the form of a right to acquire Ordinary Shares from an employee benefit trust established by the Company, such Ordinary Shares will only be counted as “issued or issuable” to the extent to which they have been issued (or there is an intention for them to be issued) by the Company to the trust for the purposes of the Unapproved Plan or any other employees’ share scheme operated by the Company.

The table at paragraphs 2.14 and 2.15 of this Part 9 sets out the options intended to be granted on or before Admission.

Exercise Price

The exercise price per Ordinary Share under an option is determined by the Management Committee at the time of grant but may not be less than the market value of an Ordinary Share as at the date of grant.

The exercise price (as well as the number of Ordinary Shares under option) may be adjusted by the Management Committee in the event of any capitalisation issue or rights issue (other than an issue of Ordinary Shares pursuant to a scrip dividend issued by the Company) or rights offer or any other variation in the share capital of the Company including (without limitation) any consolidation, subdivision or reduction of capital.

Performance Target

The exercise of options granted under the Unapproved Plan will, in normal circumstances, be conditional upon the achievement of an objective performance target set at the time of grant. Such performance target shall be measured over a performance period (determined by the Management Committee at the time of grant but which shall not be less than three years) (“Performance Period”). Exercise of: (a) the options granted before or on the date of Admission; and (b) the options granted to the Additional NewRiver Capital Directors will be subject to a performance target that either: the Company is subject to a takeover or a change of control; or at least £25,000,000 of additional capital is raised by the Company (i.e. in addition to the proceeds of the Placing), within 18 months of Admission. Such options will lapse after 18 months in the event that the performance target is not satisfied.

The option will become capable of exercise following a date (“Vesting Date”) specified at the time of grant which occurs after the expiry of the relevant Performance Period, subject to the satisfaction of the applicable performance target. The Vesting Date for an option may not occur before the third anniversary of the date of grant.

If events occur which cause the Management Committee reasonably to consider that a different or amended target would be a fairer measure of performance, the Management Committee may waive or amend the original performance target in such manner as it deems fit provided that any such amended target is not materially more difficult to achieve than the original performance target.

It should also be noted that a performance target, applying to an option, may be measured over a period that is shorter than the Performance Period in circumstances where an employee ceases to be a Group employee before the end of the relevant Performance Period or certain corporate events occur (such as a change of control of the Company) before the end of the relevant Performance Period. In

these circumstances such performance target may be modified in such manner as the Management Committee thinks fit so as to be applied over such shortened period.

Dividends

Until the options have been exercised and the ordinary Shares subject to such options have been transferred or issued, optionholders shall have no entitlement to any dividends or other distributions payable in respect of such Ordinary Shares by reference to a record date preceding the date of such transfer or issue.

Exercise of options

Normally, an option may only be exercised following the occurrence of the Vesting Date to the extent that the performance target has been satisfied and the option holder is still an employee within the Group.

No option is capable of exercise more than ten years after its date of grant and will lapse on the tenth anniversary of its date of grant.

Options may not be exercised during any period prohibited under the AIM Rules or the CISX Listing Rules (if relevant).

If an option holder ceases to be an employee of the Group before the Vesting Date by reason of injury, ill health, incapacity or disability of the option holder or his or her spouse or civil partner (evidenced to the reasonable satisfaction of the Management Committee), redundancy or retirement on or after reaching the age of 55 or upon the sale or transfer out of the Group of the company or undertaking employing him, his option shall be exercisable during the six month period following the Vesting Date of such option; if not so exercised, such option will lapse. In such circumstances, the Management Committee may, in its discretion, determine that such option may be exercised for a period of six months after the option holder ceases to be employed within the Group; if not so exercised, such option will lapse.

In the event of cessation of employment of the option holder by reason of his death, his personal representatives will be entitled to exercise the option within twelve months following the date of his death.

If an option holder ceases to be employed within the Group for any reason other than those described above, options may also become exercisable for a limited period at the discretion of the Management Committee.

The options granted on or before the date of Admission and to David Lockhart and Allan Lockhart (at any time) may be exercised during the twelve months following the date of cessation of employment if such option holder ceases to be an employee of the Group by reason of: (a) injury, ill health, incapacity or disability (evidenced to the reasonable satisfaction of the Management Committee); or (b) redundancy; or (c) retirement on or after reaching the age of 55; or (d) upon the sale or transfer out of the Group of the company or undertaking employing him; or (e) the disability, injury, incapacity or ill health of such option holder's spouse or civil partner (evidenced to the reasonable satisfaction of the Management Committee); or (f) any other circumstance stipulated by the Management Committee as at the date of grant of such options; or (g), at the time of or in anticipation of cessation of or after employment at the discretion of the Management Committee (including consideration by the Management Committee as to the amount of the proceeds of the Placing invested by the Company at such time), in any other circumstances; or (h) in respect only of the options granted on the date of Admission to David Lockhart and/or Allan Lockhart which are described in paragraph 2.15 of this Part 9, in the event that such option holder is given notice by his employer under his service agreement (other than where such notice is given in circumstances where the option holder's employer may summarily dismiss the option holder in accordance with his service agreement with such employer); or (i) in respect only of the options granted on the date of Admission to David Lockhart and/or Allan Lockhart which are described in paragraph 2.15 of this Part 9, in circumstances constituting constructive dismissal.

Exercise of options is also possible earlier than the Vesting Date in the event of a takeover (whether by way of a general offer, a scheme of arrangement or otherwise) or the voluntary winding up of the Company. In the case of a takeover of the Company by way of a general offer or the transfer out of the Group of the undertaking employing the option holder concerned, the Management Committee may allow the option to be exercised immediately before, but with effect from, the takeover or the transfer of the undertaking concerned.

In all of these circumstances allowing for early exercise of an option prior to the Vesting Date, the option may not be exercised unless (subject to any modification of the performance target in accordance with the rules of the Unapproved Plan) the performance target, if any, to which it is subject has been satisfied.

Other than in respect of options granted on or prior to the date of Admission or to David Lockhart or Allan Lockhart which shall always be capable of exercise in full in the event of cessation of their employment, where an option is exercised before the occurrence of the Vesting Date as a consequence of the option holder ceasing to remain an employee within the Group, the maximum number of Ordinary Shares over which any option is capable of exercise may, at the discretion of the Management Committee, be pro-rated down on a time apportioned basis by reference to the time that has elapsed from the relevant date of grant to the relevant event giving rise to the early exercise of the option.

When exercising its discretion in connection with options and cessation of employment as set out above, the Management Committee shall have regard to the aggregate funds which have been invested into real estate assets by the Company at the time such discretion is exercised.

Other option terms & issues of Ordinary Shares

The Unapproved Plan provides the facility for the exercise of an option to be satisfied by either the issue of Ordinary Shares, the transfer of Ordinary Shares held by an existing shareholder who has agreed to satisfy the exercise of the option or by the transfer of Ordinary Shares held in treasury.

Options are not capable of transfer or assignment.

Until options are exercised, option holders have no voting or other rights in relation to the Ordinary Shares subject to those options.

Ordinary Shares allotted pursuant to the exercise of an option will rank *pari passu* in all respects with the Ordinary Shares already in issue but shall not rank for any dividends or other distribution payable by reference to a record date preceding the date of such allotment. Ordinary Shares transferred on the exercise of an option shall be transferred without the benefit of any rights attaching to the Ordinary Shares by reference to a record date preceding the date of that exercise. For so long as the Company's Ordinary Shares are traded on AIM and listed on the CISX, the Company will use its best endeavours to procure that the Ordinary Shares issued following exercise of any options are admitted to trading on AIM and listed on the CISX as soon as practicable after allotment.

Benefits obtained under the Unapproved Plan are not pensionable.

Administration & amendment

The Unapproved Plan will be administered by the Management Committee. The Management Committee may amend the provisions of the Unapproved Plan.

The rules of the Unapproved Plan which relate to:

- the persons to whom Ordinary Shares are provided under the Unapproved Plan;
- the limits on the number of Ordinary Shares which may be issued under the Unapproved Plan;
- the maximum entitlement of any option holder;
- the basis for determining an option holders entitlement to Ordinary Shares or options; and

- the basis for determining the adjustment of an option following any increase or variation in the share capital of the Company,

cannot be amended to the advantage of any option holder or potential option holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the Unapproved Plan, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders or any Group company.

Termination

The Unapproved Plan may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further options can be granted. Termination shall not affect the outstanding rights of existing option holders.

4.4 ***The Paul Roy Options***

The Paul Roy Options will take the form of an option to acquire Ordinary Shares for an exercise price equal to the Placing Price. The Paul Roy Options will have no beneficial tax status.

Grant

The Paul Roy Options will be granted prior to or on the date of Admission. No consideration is payable for the grant of the Paul Roy Options.

Paul Roy will receive two option grants in respect of the number of Ordinary Shares set out in paragraph 2.16 above.

The exercise of the Paul Roy Options will not be conditional upon the achievement of a performance target.

Vesting

The Paul Roy Options will vest and become capable of exercise following a date specified as at the date of grant (“Vesting Date”). The table set out at paragraph 2.16 above sets out the Vesting Date for each of the Paul Roy Options.

Dividends

Until the Paul Roy Options have been exercised and the Ordinary Shares subject to such options have been transferred or issued to Paul Roy, he shall have no entitlement to any dividends or other distributions payable in respect of such Ordinary Shares by reference to a record date preceding the date of such transfer or issue.

Exercise

Normally, the Paul Roy Options may only be exercised in the twelve month period immediately following the occurrence of the Vesting Date provided that Paul Roy is still a director of the Company.

In any event, the Paul Roy Options will lapse on the tenth anniversary of the date of grant.

The Paul Roy Options may not be exercised during any period prohibited under the AIM Rules or the CISX Listing Rules (if relevant).

The Paul Roy Options may be exercised during the twelve months following the relevant Vesting Date in the event that Paul Roy ceases to be a director of the Company by reason of his death, or the injury, ill health, incapacity or disability of Paul Roy or his spouse or civil partner (evidenced to the reasonable satisfaction of the Management Committee), his retirement or, at the discretion of the Management Committee, in any other circumstances; in such circumstances the Management Committee will have discretion to permit exercise of the Paul Roy Options during the twelve month period following the date of such cessation.

Exercise of the Paul Roy Options is also possible earlier than the Vesting Date in the event of a takeover (whether by way of a general offer, a scheme of arrangement or otherwise) or the voluntary winding up of the Company. In the case of a takeover of the Company by way of a general offer the Management Committee may allow the Paul Roy Options to be exercised immediately before, but with effect from, the takeover.

Where the Paul Roy Options are exercised before the occurrence of the relevant Vesting Date as a consequence of Paul Roy ceasing to be a director of the Company, the maximum number of Ordinary Shares over which the Paul Roy Options are capable of exercise may, at the discretion of the Management Committee, be pro-rated down on a time apportioned basis by reference to the time that has elapsed from the relevant date of grant to the relevant event giving rise to the early exercise of the Paul Roy Options.

When exercising its discretion in connection with options and cessation of engagement as a director as set out above, the Management Committee shall have regard to the aggregate funds which have been invested into real estate assets by the Company at the time such discretion is exercised.

Other Paul Roy Options terms

The Paul Roy Options are not capable of transfer or assignment.

Until the Paul Roy Options are exercised, Paul Roy has no voting or other rights in relation to the Ordinary Shares subject to the Paul Roy Options.

Ordinary Shares allotted pursuant to the exercise of the Paul Roy Options will rank *pari passu* in all respects with the Ordinary Shares already in issue. Ordinary Shares transferred on the exercise of the Paul Roy Options shall be transferred without the benefit of any rights attaching to the Ordinary Shares by reference to a record date preceding the date of that exercise. For so long as the Company's Ordinary Shares are traded on AIM or listed on the CISX, the Company will use its best endeavours to procure that the Ordinary Shares issued following exercise of the Paul Roy Options are admitted to trading on AIM and listed on the CISX (if relevant) as soon as practicable after allotment.

Benefits obtained under the Paul Roy Options are not pensionable.

Adjustment of the Paul Roy Options

The number of Ordinary Shares under the Paul Roy Options may be adjusted by the Management Committee in the event of any capitalisation issue or rights issue (other than an issue of Ordinary Shares pursuant to a scrip dividend issued by the Company to receive shares in lieu of a dividend) or rights offer or any other variation in the share capital of the Company including (without limitation) any consolidation, subdivision or reduction of capital.

4.5 *The NewRiver Retail Limited Employee Benefit Trust ("EBT")*

The EBT will be constituted by a trust deed to be entered into between the Company and Lloyds TSB Offshore Trust Company Limited ("Trustee"). The Company will have the power to appoint and remove the Trustee.

The EBT will be a discretionary settlement set up for the benefit of directors, employees and former employees (and their immediate dependants) of the Company and its subsidiaries. The settlement will be created by the vesting of trust property in the Trustee.

The Trustee may either purchase existing Ordinary Shares in the Company in the market or subscribe for new Ordinary Shares in the Company.

The maximum number of Ordinary Shares which may be held by the trustee of the EBT at any time may not exceed 10 per cent. of the Company's issued share capital at that time. It is intended that the trustee of the EBT will not, at any time, hold more Ordinary Shares than are required in order to satisfy awards/options granted under the Share Incentive Plans from time to time.

5. DIRECTORS' AND OTHER INTERESTS

5.1 The table below sets out the voting rights held by the Directors and members of the NRC Management Team, directly or indirectly, in the share capital of the Company as at 24 August 2009 (being the latest practicable date prior to publication of this document) and immediately following Admission:

	<i>24 August 2009 (last practicable date prior to publication of this document)</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>% of issued (undiluted) share capital</i>	<i>Number of Ordinary Shares</i>	<i>% of issued (undiluted) share capital</i>
Directors				
Paul Roy ⁽¹⁾	0	0	300,000	3.0
Susie Farnon ⁽²⁾	0	0	20,000	0.2
David Lockhart ⁽³⁾	0	0	1,460,000	14.6
Peter Tom CBE ⁽⁴⁾	0	0	20,000	0.2
Serena Tremlett ⁽⁵⁾	0	0	4,000	0.0
NRC Management Team				
Allan Lockhart ⁽⁶⁾	0	0	140,000	1.4
Others ⁽⁷⁾	0	0	100,000	1.0

- (1) Paul Roy intends to invest £750,000 in the Placing, which allocation is expected to be met in full. Paul Roy's investment of £750,000 will be made through his SIPP.
- (2) Susie Farnon intends to invest £50,000 in the Placing, which allocation is expected to be met in full. Susie Farnon's investment of £50,000 will be made through her private investment vehicle, Little Lucy Limited.
- (3) David Lockhart intends to invest £3,650,000 in the Placing, which allocation is expected to be met in full. David Lockhart's investment of £3,650,000 in the Company will be made through a company in which David Lockhart is the ultimate majority beneficial owner, which will be investing £3,300,000, with the remaining £350,000 to be invested through his SIPP, "Killik & Co. Trustees Limited re D. Lockhart".
- (4) Peter Tom CBE intends to invest £50,000 in the Placing, which allocation is expected to be met in full.
- (5) Serena Tremlett intends to invest £10,000 in the Placing, which allocation is expected to be met in full.
- (6) Allan Lockhart intends to invest £350,000 in the Placing, which allocation is expected to be met in full.
- (7) Others members of the NRC Management Team intend to invest £250,000 in the Placing, which allocation is expected to be met in full.

5.2 Save as disclosed in paragraph 5.1 above, none of the Directors nor any members of the NRC Management Team, directly or indirectly, hold any voting rights in the share capital of the Company.

5.3 Save as set out in this Part 9, following Admission, none of the Directors nor any members of the Management Team will have any interest in more than one per cent. of the share capital of the Company.

5.4 Save for the subscriber share which will be transferred in the Placing, the Directors are not aware of any person who is interested, directly or indirectly, in three per cent. or more of the issued shares of the Company as at 24 August 2009 (being the latest practicable date prior to publication of this document). The Company is aware of the following persons who are expected, following Admission, to be interested, directly or indirectly, in three per cent. or more of the issued shares of the Company:

	<i>24 August 2009 (last practicable date prior to publication of this document)</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>% of issued (undiluted) share capital</i>	<i>Number of Ordinary Shares</i>	<i>% of issued (undiluted) share capital</i>
Cenkos Channel Islands Nominee Company Limited	0	0	2,000,000	20.0
David Lockhart ⁽¹⁾	0	0	1,460,000	14.6
Clearance Capital LLP	0	0	1,000,000	10.0
Cheviot Capital Nominees Limited	0	0	900,000	9.0
Schroder Investment Management Limited	0	0	800,000	8.0
Artemis Investment Management Limited	0	0	475,000	4.8
CBRE Global Real Estate Securities, LLC	0	0	416,400	4.2
Baring Asset Management Limited	0	0	400,000	4.0
Thesis Asset Management plc	0	0	370,000	3.7
UBS Wealth Management (UK) Ltd	0	0	370,000	3.7
UBS Global Asset Management (UK) Ltd	0	0	370,000	3.7
Paul Roy	0	0	300,000	3.0

(1) David Lockhart will hold 1,320,000 Ordinary Shares through a company ultimately majority beneficially owned by him, with the remaining 140,000 Ordinary Shares held through his SIPP, "Killick & Co. Trustees Limited re D. Lockhart".

- 5.5 Save as disclosed in paragraph 5.4 above, the Company is not aware of any person who will, immediately following Admission, be interested, directly or indirectly, in three per cent. or more of the issued shares of the Company or could directly or indirectly, jointly or severally, exercise control over the Company.
- 5.6 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company. The Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 5.7 No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which were effected by the Company since incorporation or which have been effected by the Company since incorporation and which remain in any respect outstanding or unperformed.
- 5.8 The persons, including the Directors, referred to in paragraphs 5.1 and 5.4 above, do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other shareholder of the Company.
- 5.9 In addition to their directorships of the Company, the Directors currently hold, and have during the five years preceding the date of this document held, the following directorships and are or were partners in the following partnerships:

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
David Lockhart	NewRiver Capital Limited Tillmouth & Tweed Salmon Fishings LLP	Stockland Holdings Limited Stockland Properties (UK) Limited Stockland Developments (UK) Limited Stockland Property Holdings Limited Stockland Investments Limited Geranium Properties Limited Stockland Investments (London) Limited Stockland Properties (London) Limited Stockland Land Limited Cream (GP) Limited Stockland Developments (Fountain) Limited Stockland Properties (Fountain) Limited Stockland Ventures (London) Limited Stockland Ventures (Hammersmith) Limited Stockland (Harlow Quarter) Limited Stockland Developments Limited Stockland (Billingham) Limited Nevsky Property Advisors Limited Stockland Ventures Limited Tabletop Estates Limited Stockland Ventures (Scotland) Limited Stockland Asset Management Limited Stockland General Partner (Nelson) Limited Oban Bay Properties Limited Stockland Ventures (Brook) Limited Stockland General Partner (Brook) Limited Stockland LP (Nevsky) Limited Stockland (UK) Limited Stockland Services (UK) Limited Createrpearl Limited Draftstripe Limited Weaveline Limited Weavemount Limited Halladale Haworth Carlisle Limited Halladale Haworth Newton Abbot Limited

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Susie Farnon	Baubigny Garage Limited C&E Launderettes Limited Cash & Carry Limited Cenkos Channel Islands Limited Cenkos Channel Islands Investment Management Limited Guernsey Sports Commission LBG CRW Best Trust (Executor) Hawthorn Limited Interceptor Holdings Limited Little Lucy Limited Rapid Realisations Fund Limited Timbertops Limited	KPMG LLP
Shelagh Mason	ARSY Holdings Limited Atlas Estates Limited G.Res 1 Limited Mason & Co. MedicX Fund Limited PFB Data Centre Limited Standard Life Investments Property Holdings Limited Standard Life Investments Property Income Trust Limited Third Point Independent Voting Company Ltd Timely Designs (CI) Limited Timely Designs Limited	PFB Regional Office Fund Limited (in liquidation) PFB Strategic Land Opportunity Fund Limited Ptarmigan Property Limited Ptarmigan Property II Limited Sage Bhartiya Infrastructure Fund IC Ltd Wood Works Limited
Paul Roy	British Horseracing Authority Limited Horse Race Betting Levy Board Cenkos Securities plc NewSmith Capital Services Limited NewSmith Financial Solutions Limited NewSmith Capital (Scotland) GP Limited NewSmith Capital GP Limited NewSmith Nominees Limited NewSmith Trustee Limited Tillmouth & Tweed Salmon Fishings LLP	Cenkos Channel Islands Limited Cenkos Nominee UK Limited Merrill Lynch International Merrill Lynch, Pierce, Fenner & Smith Limited Rock Capital Group plc Smith Bros Limited SNC Securities Limited Supreme Huntress Limited Woodham Merchant Limited

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Peter Tom CBE	AGA Foodservice Group plc Global Botanical Research Limited Leaf Clean Energy Company Leicester Football Club plc Leicester Rugby Club Limited Leicester Tigers Limited Midlands Conference Centre Limited Nature's Defence (UK) Limited Nature's Defence Investments Limited Rapid Realisations Fund Limited Rise Rocks Ltd The Bardon Mill House Company Tigers Events Limited True Wellbeing Marwyn Materials Ltd	Aggregate Industries Holdings Limited Aggregate Industries Limited Aggregate Industries Pension Trustee Limited Aggregate Industries SLAS Limited Aggregate Industries South West Limited AI Overseas Investments Limited Camas Holdings Limited Camas Limited Camas UK Limited Lodelane Investments Paragon Materials Limited
Serena Tremlett	Alpha Pyrenees Belgium SA Alpha Pyrenees Luxembourg SARL Alpha Pyrenees Trust Limited Alpha Pyrenees Trust Finance Company Alpha German Property Income Trust Limited Alpha German Property Income Trust SPV 1 Limited Alpha German Property Income Trust SPV 2 Limited Alpha German Property Income Trust SPV 3 Limited Alpha German Property Income Trust SPV 4 Limited Alpha German Property Income Trust SPV 5 Limited Alpha German Property Income Trust SPV 6 Limited Alpha German Property Income Trust SPV 7 Limited Alpha German Property Income Trust SPV 8 Limited Alpha German Property Income Trust SPV 9 Limited Alpha German Property Income Trust SPV 10 Limited Alpha German Property Income Trust SPV 11 Limited Alpha German Property Income Trust SPV 12 Limited Alpha German Property Income Trust SPV 13 Limited Alpha German Property Income Trust SPV 14 Limited Alpha German Property Income Trust SPV 15 Limited	Armside Chemist Limited Asia No. 1 Property Fund Limited Assura Diagnostics Limited Assura Estates Limited (MPF Estates Limited) Assura Finance Limited Assura Group Limited (formerly The Medical Property Investment Fund Limited) Assura Health and Wellness Centres Limited Assura Intelligence Limited (formerly Stream Partners Limited) Assura LIFT Holdings Limited (formerly BHE Holdings Ltd) Assura Management Services Limited Assura Medical Limited Assura Medical Limited Solutions Assura Mobility Limited Assura PharmInvest Limited Assura Pharmacy Limited Assura Properties Limited Assura Properties UK Limited Assura Property Management Limited Assura Retail York Limited Assura (Scotland) Limited AUB CLOF (Jersey) No. 1 Company Limited AUB CLOF (Jersey) No. 2 Company Limited AUB MOPUS (Jersey) Company (Institutional) Limited AUB MOPUS (Jersey) Company (Retail Stock) Limited AUB MOPUS (Jersey) Company (Retail Debt) Limited BHE (Heartlands) Limited

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Serena Tremlett (continued)	Alpha German Property Income Trust SPV 16 Limited Alpha German Property Income Trust SPV 17 Limited Alpha German Property Income Trust SPV 18 Limited Alpha Pyrenees Alcalá S.L. Alpha Pyrenees Ecija S.L. Alpha Pyrenees Spain S.L. Alpha Tiger Property Trust Limited Alpha Tiger Cyprus Holdings Limited Alpha Tiger Investments No. 1 Limited Alpha Tiger Investments No. 2 Limited Alpha Tiger Investments No. 3 Limited Alpha Tiger Investments No. 4 Limited Alpha Tiger Investments No. 5 Limited Alpha Tiger Property Development Company (Chennai) Private Limited Alpha Tiger Property Development Company (Pune) Private Limited Morgan Sharpe Administration Limited (formerly Berrington Fund Management Ltd and Assura Administration Limited) Morgan Sharpe Nominees Limited (formerly Assura Nominees Limited) Assura Pharmacy Holdings Limited (formerly MPF Pharmacies Ltd) Assura Property Limited (formerly MPIF Holdings Limited) Bio City Global Limited Endeavour Guernsey Limited Endeavour Guildford Limited Endeavour Ware Limited Goldfinger Limited Moneypenny Limited Park Square Capital Credit Opportunities Managing General Partner Limited Park Square Capital Credit Opportunities Founder General Partner GP Limited Park Square Capital Founder Partner GP Limited Park Square Capital Managing Partner Limited Park Square Capital Partners II	BHE (Wand) Limited Clearup Limited Cystoscope Hire Limited DV3 Mid City Limited Healthcare Pharmacies Limited Platinum (Guernsey) PCC Limited P&L Worsley Limited Urosonics Limited

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Serena Tremlett (continued)	General Partner Limited Park Square Capital Partners II Founder Partner GP Limited PSCP Holdings (Guernsey), Limited PP Investors Limited Starwest (Tottenham Court) Limited Westar (Blackpool) Limited (formerly WTC Limited) Westbury Schools Limited (formerly Westbury Retail Ltd) Westbury Fitness Limited WPL Estates Limited WPL Investments Limited Westbury Properties Limited Ingenious Media Active Capital Limited	

As at the date of this document and save as set out below, none of the Directors has:

- (a) any unspent convictions in relation to indictable offences;
 - (b) been bankrupt or entered into any individual voluntary arrangement;
 - (c) been a director of any company at the time of or within 12 months preceding the date of its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
 - (d) been a partner in any partnership at the time of or within 12 months preceding the date of its compulsory liquidation, administration or partnership voluntary arrangement or the receivership of any assets of such partnership, nor have any of their assets been the subject of receivership;
 - (e) has had his assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership; or
 - (f) been subject to any public criticism by any statutory or regulatory authority (including any recognised professional bodies) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 5.10 David Lockhart was formerly a director of Sheraton Caltrust PLC (a wholly owned subsidiary of Sheraton Securities International PLC), which was put into administrative receivership in March/April 1991 as a result of financial difficulties of the parent company. David Lockhart left the Sheraton group on 31 October 1990 and resigned his directorships of Sheraton Caltrust PLC and all subsidiary company boards on which he served at that time.
- 5.11 Shelagh Mason was formerly a director of PFB Regional Office Fund Limited which was put into liquidation on 14 July 2009, from which date Shelagh Mason ceased to be a director.
- 5.12 There are no outstanding loans granted by the Company to any of the Directors nor has any guarantee been provided by the Company for their benefit.
- 5.13 The aggregate of the fees to be paid to the Directors by the Company for the 12 month period from incorporation to 4 June 2010 is not expected to exceed £170,000 and the maximum aggregate amount of remuneration payable to the Directors permitted under the Articles is £600,000 per annum.

- 5.14 There are no existing or proposed service contracts between any of the Directors and the Company.
- 5.15 Serena Tremlett is Managing Director of Morgan Sharpe Administration Limited, a third party fund administrator and the Administrator to the Company. Details of the Administration Agreement are set out at paragraph 6.2 of this Part 9.
- 5.16 Paul Roy is a director of Cenkos Securities plc, which is the ultimate holding company of Cenkos Channel Islands Limited, the Sponsor of the Company's application for admission to the Daily Official List of the CISX. Details of the Sponsorship Agreement are set out in paragraph 6.9 of this Part 9. In addition, Cenkos Channel Islands Limited has been engaged by the Company (in return for a commission expressed as a specified percentage of the proceeds raised by the Company from any places procured by Cenkos Channel Islands Limited) to find potential investors in the Company in connection with the Placing. See paragraph 6.10 of this Part 9 for further information in relation to this arrangement.
- 5.17 Susie Farnon is a non-executive director of Cenkos Channel Islands Limited, the Sponsor of the Company's application for admission to the Daily Official List of the CISX. Details of the Sponsorship Agreement are set out in paragraph 6.9 of this Part 9. In addition, Cenkos Channel Islands Limited has been engaged by the Company (in return for a commission expressed as a specified percentage of the proceeds raised by the Company from places procured by Cenkos Channel Islands Limited) to find potential investors in the Company in connection with the Placing. See paragraph 6.10 of this Part 9 for further information in relation to this arrangement.
- 5.18 The services of Paul Roy as a non-executive Director are provided under the terms of a letter of appointment dated 5 June 2009 between the Company and Paul Roy. Paul Roy's appointment is for an initial term of 2 years unless terminated earlier by either party with one year's written notice, such notice not to be given until 1 June 2010 and he is paid a fee of £100,000 per annum for his services. He is also entitled to nil cost share options. Pursuant to a side letter dated 26 August 2009, Paul Roy agreed that he would be paid a reduced fee of £50,000 gross per annum for his services, notwithstanding the foregoing, with effect from Admission until the date on which any additional equity fundraising or fundraisings by the Company is or are completed, subject to a minimum gross amount of £25 million being raised in any such fundraising or fundraisings. In the event that this has not occurred by the date which is 12 months from (and including) the date of Admission, then the Management Committee shall meet to review the fees payable to Paul Roy. In the event that any additional equity fundraising or fundraisings by the Company is or are completed on the basis set out above by the date which is 12 months from (and including) the date of Admission, Paul Roy's fee shall revert to £100,000 per annum. If not, then the amount and payment of his fee shall be as determined by the Management Committee.
- 5.19 The services of Susie Farnon as a non-executive Director are provided under the terms of a letter of appointment dated 15 June 2009 between the Company and Susie Farnon. Susie Farnon's appointment is for an initial term of 2 years unless terminated earlier by either party with one year's written notice, such notice not to be given until 1 June 2010 and she is paid a fee of £40,000 per annum for her services. Pursuant to a side letter dated 26 August 2009, Susie Farnon agreed that she would be paid a reduced fee of £25,000 gross per annum for her services, notwithstanding the foregoing, with effect from Admission until the date on which any additional equity fundraising or fundraisings by the Company is or are completed, subject to a minimum gross amount of £25 million being raised in any such fundraising or fundraisings. In the event that this has not occurred by the date which is 12 months from (and including) the date of Admission, then the Management Committee shall meet to review the fees payable to Susie Farnon. In the event that any additional equity fundraising or fundraisings by the Company is or are completed on the basis set out above by the date which is 12 months from (and including) the date of Admission, Susie Farnon's fee shall revert to £40,000 per annum. If not, then the amount and payment of her fee shall be as determined by the Management Committee.
- 5.20 The services of David Lockhart as a non-executive Director are provided under the terms of a letter of appointment dated 5 June 2009 between the Company and David Lockhart. David Lockhart's

appointment continues for as long as he remains a director of NewRiver Capital under the terms of the service agreement dated 15 June 2009 and he is paid a fee of £50,000 per annum for his services. Pursuant to a side letter dated 26 August 2009, David Lockhart agreed that he would be paid a reduced fee of £25,000 gross per annum for his services, notwithstanding the foregoing, with effect from Admission until the date on which any additional equity fundraising or fundraisings by the Company is or are completed, subject to a minimum gross amount of £25 million being raised in any such fundraising or fundraisings. In the event that this has not occurred by the date which is 12 months from (and including) the date of Admission, then the Management Committee shall meet to review the fees payable to David Lockhart. In the event that any additional equity fundraising or fundraisings by the Company is or are completed on the basis set out above by the date which is 12 months from (and including) the date of Admission, David Lockhart's fee shall revert to £50,000 per annum. If not, then the amount and payment of his fee shall be as determined by the Management Committee.

- 5.21 The services of Shelagh Mason as a non-executive Director are provided under the terms of a letter of appointment dated 5 June 2009 between the Company and Shelagh Mason. Shelagh Mason's appointment is for an initial term of 2 years unless terminated earlier by either party with one year's written notice, such notice not to be given until 1 June 2010 and she is paid a fee of £30,000 per annum for her services. Pursuant to a side letter dated 26 August 2009, Shelagh Mason agreed that she would be paid a reduced fee of £20,000 gross per annum for her services, notwithstanding the foregoing, with effect from Admission until the date on which any additional equity fundraising or fundraisings by the Company is or are completed, subject to a minimum gross amount of £25 million being raised in any such fundraising or fundraisings. In the event that this has not occurred by the date which is 12 months from (and including) the date of Admission, then the Management Committee shall meet to review the fees payable to Shelagh Mason. In the event that any additional equity fundraising or fundraisings by the Company is or are completed on the basis set out above by the date which is 12 months from (and including) the date of Admission, Shelagh Mason's fee shall revert to £30,000 per annum. If not, then the amount and payment of her fee shall be as determined by the Management Committee.
- 5.22 The services of Peter Tom CBE as a non-executive Director are provided under the terms of a consultancy agreement dated 13 August 2009 between the Company, Peter Tom and his service company. Peter Tom's appointment is for an initial term of 2 years unless terminated earlier by either party with one year's written notice, such notice not to be given until 1 June 2010 and he is paid a fee of £50,000 per annum for his services. Peter Tom has been appointed as NewRiver Retail's Senior Independent Director. Pursuant to a side letter dated 26 August 2009, Peter Tom agreed that he would be paid a reduced fee of £30,000 gross per annum for his services, notwithstanding the foregoing, with effect from Admission until the date on which any additional equity fundraising or fundraisings by the Company is or are completed, subject to a minimum gross amount of £25 million being raised in any such fundraising or fundraisings. In the event that this has not occurred by the date which is 12 months from (and including) the date of Admission, then the Management Committee shall meet to review the fees payable to Peter Tom. In the event that any additional equity fundraising or fundraisings by the Company is or are completed on the basis set out above by the date which is 12 months from (and including) the date of Admission, Peter Tom's fee shall revert to £50,000 per annum. If not, then the amount and payment of his fee shall be as determined by the Management Committee.
- 5.23 The services of Serena Tremlett as a non-executive Director are provided under the terms of a letter of appointment dated 5 June 2009 between the Company and Serena Tremlett. Serena Tremlett's appointment is for an initial term of 2 years unless terminated earlier by either party with one year's written notice, such notice not to be given until 1 June 2010 and she is paid a fee of £30,000 per annum for her services. Pursuant to a side letter dated 26 August 2009, Serena Tremlett agreed that she would be paid a reduced fee of £20,000 gross per annum for her services, notwithstanding the foregoing, with effect from Admission until the date on which any additional equity fundraising or fundraisings by the Company is or are completed, subject to a minimum gross amount of £25 million being raised in any such fundraising or fundraisings. In the event that this has not occurred by the date which is 12 months from (and including) the date of Admission, then the Management Committee shall meet to review the fees payable to Serena Tremlett. In the event that any additional equity

fundraising or fundraisings by the Company is or are completed on the basis set out above by the date which is 12 months from (and including) the date of Admission, Serena Tremlett's fee shall revert to £30,000 per annum. If not, then the amount and payment of her fee shall be as determined by the Management Committee.

- 5.24 A Director's appointment can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated, amongst other things if: he becomes bankrupt or makes an arrangement or compromise with his creditors; or he becomes resident for tax purposes in the United Kingdom and, as a result thereof, a majority of the Directors are resident for tax purposes in the United Kingdom; or he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or he is removed from office by an ordinary resolution.
- 5.25 No Director (nor any member of a Director's family) has had a related financial product (as defined in the AIM Rules) referenced to their Ordinary Shares.
- 5.26 The service agreement between David Lockhart and NewRiver Capital dated 15 June 2009 provides for an initial term of three years with a notice period of 12 months not to expire before the fourth anniversary of the commencement of employment applying thereafter. The annual base salary (including all benefits such as pension contributions, motor car, health insurance etc) is set at £300,000 for year 1, £350,000 in year 2 and £400,000 in year three and (as a minimum) thereafter (not including fees as a non-executive Director of New River Retail). He will also participate in the Company's share and cash based long term incentive plans. David Lockhart is permitted pursuant to the terms of his service agreement to hold up to two non-executive directorships in non-competing companies and other non-executive directorships will require approval of the Management Committee, not to be unreasonably withheld. In addition he may continue other outside interests, including unrestricted personal or family investments other than UK property investments. Up to five UK property investments of a transaction value not exceeding £5 million in each case are permitted per annum without prior consent; exceeding these amounts will require consent as above. The payment in lieu of notice ("PILON") clause in the contract provides for base salary and also bonus (average of the past three years or, if fewer than three years' service, the equivalent of 150 per cent. of base salary). David Lockhart may terminate the agreement at any time (before or after the initial term) in the event of his or his spouse's injury, incapacity, ill health or disability as evidenced to the reasonable satisfaction of the Management Committee. He is, in this event, entitled to a 12 months' base salary PILON and 12 months' bonus PILON. In the event that the Company serves notice to terminate after the initial three year term but requires David Lockhart to work all or any of the notice period, David Lockhart may elect to receive a PILON. There is no garden leave option. The restrictive covenants prohibit the solicitation of specific project contracts current at the time of termination and the solicitation of senior members of staff. The restrictive covenants run concurrently with the notice period for a period of 12 months. There are no restrictions on competition or solicitation of clients, however, there are restrictions on the solicitation of contracts existing at the time of cessation of David Lockhart's employment. The agreement provides for liquidated damages (equivalent to the PILON calculation under the Agreement) in the event that the Company terminates the contract in breach of notice provisions or before the end of the initial term. The service agreement does not contain any specific provisions relating to change of control. Pursuant to a side letter dated 26 August 2009, David Lockhart agreed his employment would commence with effect from Admission and that he would be paid an annual base salary (including all benefits such as pension contributions, motor car, health insurance etc) of £150,000 per annum, notwithstanding the foregoing, with effect from Admission until the date on which any additional equity fundraising or fundraisings by the Company, which raises or raise a minimum gross amount of £25 million in aggregate, is or are completed. In the event that this has not occurred by the date which is 12 months from (and including) the date of Admission, then the Management Committee shall meet to review the salary payable to David Lockhart. In the event that any additional equity fundraising or fundraisings by the Company is or are completed on the basis set out above on or before the date which is 12 months from (and including) the date of Admission, then, with effect from the date of such fundraising(s) being completed, David Lockhart's annual base salary shall be £300,000 per annum for the remainder of the first year following the date of Admission (if any) (pro rated in respect of such remaining period), £350,000 in the second year following the date of Admission and £400,000

in the third year following the date of Admission and (as a minimum) thereafter (not including fees as a non-executive Director of NewRiver Retail). If such fundraising(s) has or have not occurred by such date, then the amount and payment of his salary shall be as determined by the Management Committee.

- 5.27 The service agreement between Allan Lockhart and NewRiver Capital dated 15 June 2009 provides for an initial term of three years with a notice period of 12 months not to expire before the fourth anniversary of the commencement of employment applying thereafter. The annual base salary (including all benefits such as pension contributions, motor car, health insurance etc) is set at £250,000 for year 1, £290,000 in year 2 and £325,000 in year three and (as a minimum) thereafter. Allan Lockhart also participates in the Company's share and cash based long term incentive plans. The PILON clause in the contract provides for base salary and also bonus (average of the past three years or, if fewer than three years' service, the equivalent of 150 per cent. of base salary). In the event that the Company serves notice to terminate after the initial three year term but requires Allan Lockhart to work all or any of the notice period, Allan Lockhart may elect to receive a PILON. There is no garden leave option. The restrictive covenants prohibit the solicitation of specific project contracts current at the time of termination and the solicitation of senior members of staff. The restrictive covenants run concurrently with the notice period for a period of 12 months. There are no restrictions on competition or solicitation of clients, however, there are restrictions on the solicitation of contracts existing at the time of cessation of Allan Lockhart's employment. The agreement provides for liquidated damages (equivalent to the PILON calculation under the Agreement) in the event that the Company terminates the contract in breach of notice provisions or before the end of the initial three year term. The service agreement does not contain any specific provisions relating to change of control. Pursuant to a side letter dated 26 August 2009, Allan Lockhart agreed that his employment would commence with effect from Admission and that he would be paid an annual base salary (including all benefits such as pension contributions, motor car, health insurance etc) of £125,000 per annum, notwithstanding the foregoing, with effect from Admission until the date on which any additional equity fundraising or fundraisings, which raises or raise a minimum gross amount of £25 million in aggregate, by the Company is or are completed. In the event that any additional equity fundraising or fundraisings by the Company is or are completed on the basis set out above on or before the date which is 12 months from (and including) the date of Admission, then, with effect from the date of such fundraising(s) being completed, Allan Lockhart's annual base salary shall be £250,000 per annum for the remainder of the first year following the date of Admission (if any) (pro rated in respect of such remaining period), £290,000 for the second year following the date of Admission and £325,000 for the third year following the date of Admission and (as a minimum) thereafter. If such fundraising(s) has or have not occurred by such date, then the amount and payment of his salary shall be as determined by the Management Committee.

6. MATERIAL CONTRACTS

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation and which are, or may be, material:

- 6.1 The Company and NewRiver Capital entered into the Property Management and Advisory Agreement on 26 August 2009. The Property Management and Advisory Agreement is conditional on Admission. Under the terms of the Property Management and Advisory Agreement NewRiver Capital has agreed to provide certain property advisory and management services to the Company and any Property Vehicle owned by the Company, subject to the overall supervision of the boards. The services to be provided by NewRiver Capital under the Property Management and Advisory Agreement include, without limitation, advising the Company on the origination, identification and acquisition of new investments that fall within the investment objective, policy and strategy set out in this document; advising on the capital structure of the Group generally as well as financing requirements in relation to such investment opportunities; carrying out due diligence in respect of investment opportunities; subject to the supervision of the Board, negotiating the purchase, joint venture or other terms in relation to property assets with the relevant counterparties; and advising on the management and refurbishment of the Company's and its Property Vehicles' property investments and their realisation, once acquired.

Pursuant to the Property Management and Advisory Agreement, NewRiver Capital is entitled to receive a quarterly management fee from all wholly-owned Property Vehicles and the Company totalling an amount per annum equal to 5 per cent. of the Company's Net Asset Value plus any fee agreed with any Property Vehicle which is not wholly-owned by the Company. The Company and NewRiver Capital have agreed that this management fee will be subject to review in the event that the Company completes a further fundraising or fundraisings. The management fee will be payable in sterling quarterly in advance. NewRiver Capital is entitled to a termination fee equal to one year's management fee on termination after the initial five year period of the agreement. NewRiver Capital is also entitled to fees in lieu of notice on termination by the Company without cause during the initial five year period. No other fees (including any performance fees) are payable to NewRiver Capital under the Property Management and Advisory Agreement. All fees are exclusive of VAT.

The Property Management and Advisory Agreement may be terminated by either the Company or NewRiver Capital giving the other party not less than 12 months' written notice to expire no earlier than the fifth anniversary of the date of Admission. In the event that no notice of termination is served, the Property Management and Advisory Agreement shall continue unless otherwise terminated on 12 months' written notice by either party. The Property Management and Advisory Agreement may also be terminated by either party giving the other written notice in the event of an insolvency-type event occurring in respect of the other party or by either party giving the other written notice in the event of a material or persistent unremedied breach of its terms by the other party. The Company may also terminate the Property Management and Advisory Agreement with immediate effect in the event that NewRiver Capital knowingly commits an illegal act which has a material adverse effect to the Company's reputation or which causes NewRiver Capital to be subject to any regulatory or disciplinary action or any fine or other penalty. The mutual termination rights also apply between NewRiver Capital and a relevant Property Vehicle, except that such termination will only terminate the Property Management and Advisory Agreement with that Property Vehicle. A change of control of either the Company or NewRiver Capital shall not constitute an event entitling the other party to terminate the Property Management and Advisory Agreement.

NewRiver Capital will not be liable for any loss to the Company or to any relevant property owning vehicle except to the extent that such loss is due to the gross negligence, wilful default or fraud or material breach of the obligations of NewRiver Capital under the Property Management and Advisory Agreement or of any person to whom NewRiver Capital may have delegated any of its obligations and/or functions under the Property Management and Advisory Agreement or any employee of such person.

The Company and each Property Vehicle have agreed to indemnify NewRiver Capital against all claims by third parties (including employees and agents) which may be made against NewRiver Capital in connection with its services under the Property Management and Advisory Agreement, except to the extent that the claim is due to any material breach of contract, the gross negligence, wilful default or fraud of NewRiver Capital or its employees or any person to whom NewRiver Capital may have delegated any of its obligations and/or functions under the Property Management and Advisory Agreement or any employee of any such person.

The Property Management and Advisory Agreement also contains provisions pursuant to which the Company grants NewRiver Capital a non-exclusive right during the term of the Property Management and Advisory Agreement and for three months thereafter to use the "NewRiver" name.

The Property Management and Advisory Agreement is governed by English law.

- 6.2 The Administration Agreement dated 5 June 2009 between the Company and the Administrator, whereby the Administrator is appointed to act as administrator and secretary and perform certain safe-keeping in respect of the Company's non-property investments.

For these services the Administrator shall receive a fixed initial annualised fee of £78,000, subject to annual review and invoiced monthly in advance, together with a bookkeeping or accountancy fee charged on time basis (if required) plus reasonable third party expenses incurred by the Administrator upon the provision of evidence of payment. The Administration Agreement is terminable by either

party on not less than 90 days' notice, save in certain limited circumstances, in which case the Administration Agreement may be terminated forthwith.

The Administration Agreement is governed by Guernsey law.

- 6.3 The Company is party to the Registrar Agreement with Capita Registrars (Guernsey) Limited (the "Registrar") dated 26 August 2009, pursuant to which the Registrar will provide registration services to the Company which will entail, among other things, the Registrar having responsibility for the maintenance of the share registers, maintenance of dividend payment instructions and arranging the issue, allotment, transfer and/or purchase of shares in accordance with the Articles (including the receipt and processing of applications for Ordinary Shares).

Under the Registrar Agreement, the Registrar is entitled to receive a basic fee based on the number of Shareholder accounts, subject to an annual minimum charge of £6,500 (payable quarterly in arrear). In addition to the basic fee, the Registrar is entitled to receive additional fees for specific actions as well as reasonable out-of-pocket expenses properly incurred on behalf of the Company in the performance of its duties. The fees will be subject to a minimum annual increase at the rate of the Retail Price Index.

In addition, an abort fee of £750 plus VAT and disbursements is payable in the event that Admission does not occur.

The Registrar Agreement commences on Admission and will continue unless three months' notice to terminate is given by either the Registrar or the Company, in the case of the Registrar, such notice to expire no earlier than the first anniversary of Admission. The Registrar Agreement may be terminated immediately by the Company if the Registrar ceases to be the holder of any licence, consent, permit or registration enabling it to act as a registrar of the Company under any law applicable to it. The Registrar Agreement may be terminated immediately by either party on the occurrence of certain insolvency-related events or if the other party is materially in breach of the Registrar Agreement and fails (in the case of a breach capable of remedy) to remedy such breach within a specified time period.

The Company has indemnified the Registrar and its agents, officers and employees against all and any liabilities which may be suffered or incurred by the Registrar or its agents, officers and employees in connection with the performance of its duties under the Registrar Agreement save to the extent that such liabilities may be due to the fraud, negligence or wilful default of, or material breach of the Registrar Agreement by, the Registrar or its agents, officers or employees.

The Registrar Agreement is governed by Guernsey law.

- 6.4 The Company has entered into the Placing Agreement dated 26 August 2009 among the Company, NewRiver Capital, the Directors and Merrill Lynch International, pursuant to which, subject to certain conditions, Merrill Lynch International has agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

The Placing Agreement contains, among other things, the following provisions:

- (a) The Company has appointed Merrill Lynch International as sole bookrunner to the Placing.
- (b) The Placing and investors' participation in it will be conditional on the Placing Agreement becoming unconditional in all respects, and not having been terminated in accordance with its terms. The conditions contained in the Placing Agreement include Admission occurring not later than 8.00 a.m. on 1 September 2009 or such later date as the Company and Merrill Lynch International may agree, not being later than close of business on 30 September 2009. Certain conditions are not capable of waiver.
- (c) If the Placing Agreement does not become unconditional or is terminated in accordance with its terms prior to Admission, the Placing will not proceed and each investor's rights and obligations will cease and no claims will be capable of being made by any investor in respect of the Placing and any payments made by the investor will be returned as soon as possible thereafter without

interest. Without prejudice to the foregoing, the Company and Merrill Lynch International expressly reserve the right to determine, at any time prior to Admission, not to proceed with the Placing.

- (d) The Company, NewRiver Capital and the Directors have given certain customary representations, warranties and undertakings to Merrill Lynch International including, among others, warranties in relation to the information contained in this document and other documents prepared by the Company in connection with the Placing and warranties in relation to the business of the Company and NewRiver Capital, and their compliance with applicable laws and regulations. In addition, the Company and NewRiver Capital have agreed to indemnify Merrill Lynch International against certain liabilities, including in respect of the accuracy of information contained in this document, losses arising from a breach of the Placing Agreement and certain other losses suffered or incurred in connection with the Placing.
- (e) The liability of the Company and NewRiver Capital under the agreement is unlimited as to time and amount. The liability of the Directors under the agreement is subject to certain limitations as to time and quantum.
- (f) The Company has undertaken to pay or cause to be paid, (together with any applicable VAT) certain costs, charges, fees and expenses relating to the Placing. In addition, the Company has, in certain circumstances and subject to certain exemptions, agreed to pay to and reimburse Merrill Lynch International in respect of all costs and expenses incurred by Merrill Lynch International in connection with the Placing. Merrill Lynch International is not entitled to any other fees (including commission or discretionary fees) pursuant to the Placing Agreement.
- (g) In addition, the Company has agreed with Merrill Lynch International not to issue or agree to issue any Ordinary Shares (or options over Ordinary Shares) for a period of 180 days from Admission without Merrill Lynch International's prior written consent (such consent not to be unreasonably withheld or delayed).
- (h) The Placing Agreement is governed by English law.

6.5 A Nomad Agreement dated 26 August 2009 between the Company and Merrill Lynch International pursuant to which Merrill Lynch International has agreed to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for an annual fee. The Nomad Agreement contains certain indemnities and other undertakings given by the Company to Merrill Lynch International and is terminable by either party on not less than three months' written notice.

6.6 Lock-in agreements, all dated 26 August 2009, between the Company, Merrill Lynch International and, respectively, certain Directors and certain members of the NRC Management Team (being persons (the "lock-in parties") who will have an interest in Ordinary Shares following Admission) pursuant to which such persons have undertaken to the Company and Merrill Lynch International not to dispose or agree to dispose of any Ordinary Shares or Warrants held by them at any time prior to the first anniversary of Admission.

The undertaking by the lock-in parties not to dispose of Ordinary Shares or Warrants will not apply to:

- (a) an acceptance by the holders of the Company's Ordinary Shares or Warrants of a general offer for the share capital of the Company made in accordance with the City Code, the giving of an irrevocable undertaking in respect of such an offer or otherwise where such offer relates to the entire issued share capital of the Company other than any such capital held by the offeror or persons acting in concert with him for the purposes of the City Code in relation to such offer and such offer is open to all holders of Ordinary Shares and Warrants to which the offer relates;
- (b) any disposal to or by the personal representative of the lock-in party if he or she should die provided that in each case the transferee agrees to enter into a lock-in deed in respect of such Ordinary Shares and Warrants in substantially the same terms as the lock-in party;

- (c) any disposal pursuant to an intervening court order; and
- (d) any disposal pursuant to any scheme of reconstruction in relation to the Company.

In addition, for a further 12 month period following the expiry of the initial 12 month period after Admission, the lock-in parties are subject to customary orderly market provisions in relation to disposals of their Ordinary Shares and Warrants, provided that such orderly market provisions shall not apply in the circumstances set out at (a) to (d) above.

- 6.7 NewRiver Capital has entered into an Asset Management Agreement with Sackville TCI Property (GP) Limited (“Sackville”), a member of the Scottish Widows group of companies, dated 28 April 2008 relating to the Bury Street Shopping Precinct in Abingdon Oxfordshire (the “Abingdon Management Contract”). The purpose of the Abingdon Management Contract is to maximise the internal rate of return from the property in line with Sackville’s business plan.

Pursuant to the Abingdon Management Contract, NewRiver Capital agrees to assist Sackville in maximising the internal rate of return of the property by carrying out various functions including but not limited to identifying and pursuing suitable development opportunities, overseeing the duties of other professionals appointed by Sackville and providing regular reports to Sackville on matters such as projected cashflow and tenancy schedule.

The Abingdon Management Contract runs from 1 October 2008 to 30 September 2010 (the “Initial Period”). After the expiry of the Initial Period, the Abingdon Management Contract shall continue until either party terminates the Abingdon Management Contract by serving not less than one months written notice on the other. Sackville may also terminate the Abingdon Management Contract at any time during the Initial Period by giving not less than three months written notice.

Sackville may terminate the agreement at any time if NewRiver Capital is dissolved, there is a change of management or a change in personnel, the property to which this agreement relates is disposed of or NewRiver Capital fails to perform its obligations under the Abingdon Management Contract.

The Abingdon Management Contract obliges NewRiver Capital to appoint Allan Lockhart to direct and control NewRiver Capital’s overall performance under the Abingdon Management Contract. Both Allan Lockhart and David Lockhart are named as key persons in connection with the Abingdon Management Contract. If Allan Lockhart ceases to be involved in the performance of NewRiver Capital’s obligations under the Abingdon Management Contract to a level which is unacceptable to Sackville, then Sackville may trigger the change of personnel termination clause. NewRiver Capital may not terminate Allan or David Lockhart’s employment with NewRiver Capital without Sackville’s consent. Should either Allan or David Lockhart cease employment with NRC then Sackville shall have approval of their replacement.

If the Abingdon Management Contract is terminated in the second year of the Initial Period for reasons other than dissolution or failure to perform, then a termination fee of £6,000 is payable to NewRiver Capital for each complete quarter of the Initial Period remaining.

Sackville shall pay NewRiver Capital a quarterly fee equal to a specified percentage of rents received during the previous accounting period. In addition, performance fees expressed as a fixed sum are payable and these are dependent on certain transactions taking place.

NewRiver Capital shall maintain professional indemnity insurance of not less than £2 million for any occurrence or series of occurrences arising from any one event between the date of the Abingdon Management Contract for seven years after the end of the Abingdon Management Contract.

NewRiver Capital’s liability is capped as to time and amount.

- 6.8 A share transfer agreement in relation to the entire issued share capital of NewRiver Capital between Allan Lockhart, David Lockhart and NewRiver Retail dated 24 August 2009, as more particularly described in paragraph 2.8 of this Part 9.

- 6.9 The Company has entered into the Sponsorship Agreement with Cenkos Channel Islands Limited (the “Sponsor”) dated 5 June 2009, pursuant to which, the Company appoints the Sponsor as sponsor of the Company’s application for admission to listing on the Daily Official List of the CISX.

The Sponsor Agreement contains, among other things, the following provisions:

- (a) The Company has agreed to pay to the Sponsor a fee of £8,000 for the initial listing payable within 30 days of the date of the grant of listing by the CISX and, following the listing, an annual fee of £5,000, payable on each anniversary of the date of the listing.
 - (b) The Company has also agreed to reimburse the Sponsor in respect of all costs, charges and expenses properly and reasonably incurred by it in the performance of its duties under the Sponsorship Agreement.
 - (c) The Company has agreed to indemnify the Sponsor against certain liabilities or losses that it may incur (i) in respect of the inaccuracy of information contained in this document or the omission of any information herefrom and (ii) in performing its duties or providing the services under the Sponsorship Agreement. This indemnity does not extend to any claims or losses arising from the fraud, bad faith, negligence or wilful default of the Sponsor.
 - (d) The Sponsorship continues until terminated by either party (i) giving not less than 60 days’ notice in writing at any time; (ii) on notice in the event that the remuneration proposed by the Sponsor for any year is not acceptable to the Company; (iii) on notice in the event that the other party is in material breach of the Sponsorship Agreement and fails to remedy such breach within a specified time period; or (iv) the other party suffers an insolvency-type event.
 - (e) The Sponsorship Agreement is governed by Guernsey law.
- 6.10 Pursuant to a letter dated 11 June 2009 between the Company, Merrill Lynch International and Cenkos Channel Islands Limited (“Cenkos”), Cenkos agreed to use its reasonable endeavours to procure subscribers from its private client base for Placing Shares at the Placing Price as part of the Placing in consideration for the payment, by way of commission, of £300,000. Pursuant to the letter, Cenkos gave certain undertakings, representations and warranties to the Company and Merrill Lynch International in relation to its activities in connection with the Placing.
- 6.11 The Company has entered into the Warrant Instrument pursuant to which the Company, conditional upon Admission occurring by no later than 30 September 2009, grants Shareholders subscribing for Placing Shares in the Placing the right to subscribe for, in aggregate, 3 per cent. of the Fully Diluted Share Capital. The Warrants are exercisable at the subscription price per Ordinary Share of £2.50. The Warrants will expire on 1 September 2019, unless previously exercised or lapsed, and shall be of a single class for all purposes. The Warrants contain customary anti-dilution provisions (including in respect of dividends). The Warrants will be exercisable in whole or in part. The subscription price and number of shares for each Warrant will be subject to adjustment in respect of dilution events, including the payment by the Company of dividends, any amalgamation, reorganisation, reclassification, consolidation, merger or sale of all or substantially all of the Company’s assets and other dilutive events for which a failure to make any adjustments would not fully protect the purchase rights represented by the Warrants. The Warrants are freely transferable, subject to the transfer restrictions set out in the Warrant Instrument and on each Warrantholder’s certificate in respect of Warrants. Further details of the Warrants are set out in Part 8 of this document.

7. SUBSIDIARIES

On Admission, the Company will have the following subsidiary undertakings:

<i>Subsidiary undertaking</i>	<i>Country of incorporation</i>	<i>Registered office</i>	<i>Nature of business</i>	<i>Proportion of share capital and voting power to be held on Admission</i>
NewRiver Capital Limited	England and Wales	18 Hanover Square, London W1S 1HX	Provision of property investment and management advice to NewRiver Retail	100%

8. MANDATORY OFFERS AND SQUEEZE-OUT

Mandatory Offers

The City Code on Takeovers and Mergers (the “City Code”) will apply to the Company from Admission. Under the City Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding Ordinary Shares in the Company at a price not less than the highest price paid for the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary Shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person’s percentage of the voting rights.

Squeeze-out

Under the Law, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it would compulsorily acquire their Ordinary Shares within two months of the expiry of that four month period. Four weeks later, it would be entitled to execute a transfer of the outstanding Ordinary Shares to it and pay the consideration to the Company, which would hold it on trust for outstanding Shareholders. The consideration offered to the Shareholders whose Ordinary Shares are compulsorily acquired under the Law must, in general, be the same as the consideration that was available under the takeover offer.

There has been no public takeover offer by a third party for all or part of any of the Company’s equity share capital since incorporation of the Company for a period up to and including the date immediately prior to the date of this document.

9. FEES INCURRED BY NEWRIVER CAPITAL AND ONGOING OPERATING COSTS

9.1 The total costs and expenses relating to the Placing (including those fees and commissions referred to in paragraph 6 above) payable by the Company are estimated to be approximately £768,900, including any VAT payable. The net proceeds of the Placing will be approximately £24.23 million (assuming that the Placing is subscribed in full). Save as otherwise disclosed in this document, there are no persons (excluding professional advisers otherwise disclosed in this document and trade suppliers) that have (i) received, directly or indirectly, from the Company within the 12 months preceding the date of this document; or (ii) entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:

- fees totalling £10,000 or more;

- securities in the Company with a value of £10,000 or more; or
- any other benefit with a value of £10,000 or more at the date of Admission.

10. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, taking into account the resources available to the Group (including the net proceeds of the Placing), that the working capital available to the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

11. LEGAL AND ARBITRATION PROCEEDINGS

The Company is not, nor has at any time since its incorporation been, engaged in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against it which may have, or have since incorporation had, a significant effect on the Company's financial position or profitability.

12. RELATED PARTY TRANSACTIONS

From incorporation to the date of this document, no member of the Group has entered into any material transactions with related parties save for; (a) the Property Management and Advisory Agreement between the Company and NewRiver Capital; (b) the establishment fee payable by NewRiver Capital to David and Allan Lockhart referred to in paragraph 6.1 of this Part 9; (c) the service agreements between NewRiver Capital and David and Allan Lockhart; and (d) the share transfer agreement between David Lockhart and Allan Lockhart and the Company relating to the acquisition of the entire issued share capital of NewRiver Capital as referred to in paragraph 2.8 of this Part 9.

13. OVERSEAS INVESTORS

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Ordinary Shares (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised; (ii) in any jurisdiction in which the person making such offer, invitation or solicitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer, invitation or solicitation or invitation. The distribution of this document and any accompanying documents, and the offer and sale of the Ordinary Shares may be restricted by law. Persons into whose possession this document and any accompanying documents come must therefore inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, no document may be distributed, forwarded to or transmitted in, into or from the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to any US Person. Any person within the United States and any US Person who obtains a copy of this document must disregard it.

No public offering of the Ordinary Shares is being made in any jurisdiction. No action has been or will be taken by the Company, NewRiver Capital, Merrill Lynch International, Kinmont or their affiliates that would permit the offer or sale of the Ordinary Shares or possession or distribution of this document or any accompanying documents in any jurisdiction where action for that purpose is required.

The offer and sale of the Ordinary Shares and the Warrants have not been, nor will they be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not been, and will not be, registered under the Investment Company Act, and investors will not be entitled to the benefits of that Act. The Ordinary Shares and the Warrants may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Person. In connection with the Placing, the Ordinary Shares and the Warrants are being offered and sold only outside the United States to, and for the account or benefit of, non-US Persons in "offshore transactions" within the meaning of, and in reliance on the exemption from registration provided by, Regulation S under the Securities Act.

The Ordinary Shares and the Warrants have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Ordinary Shares or the Warrants or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Ordinary Shares and the Warrants have not been and will be not qualified or registered under the applicable securities laws of Australia, Canada, Japan, South Africa or the Republic of Ireland. Accordingly, the Ordinary Shares and the Warrants may not be offered or sold to within, or to any national, resident or citizen of Australia, Canada, Japan, South Africa or the Republic of Ireland.

The Articles contain provisions designed to restrict the holding of shares by persons where, in the opinion of the Directors, such a holding could cause or be likely to cause the Company some legal, regulatory, pecuniary, tax or material administrative disadvantage.

Prospective investors are referred to the notices for prospective investors at the beginning of this document.

14. MISCELLANEOUS

- 14.1 In making any investment decision in respect of the Placing, no information or representation should be relied on in relation to the Placing, the Company or the Ordinary Shares, other than as contained in this document. No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised. Neither the delivery of this document nor any subscription made under it shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Group since the date of this document or that the information in this document is correct as of any time subsequent to the date of this document.
- 14.2 Merrill Lynch International is registered in England and Wales under number 2312079 and its registered office is at the Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ. It has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which it appears.
- 14.3 Kinmont is registered in England and Wales under number 03456766 and its registered office is at 5 Clifford Street, London W1S 2LG. It has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 14.4 Deloitte LLP has given and not withdrawn its consent to the inclusion of its report in Section B of Part 4 of this document in the form and context in which it appears.
- 14.5 Sackville TCI Property (GP) Limited has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear and also to the disclosure of the material terms of the Abingdon Management Contract set out herein.
- 14.6 Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware, and is able to ascertain from the information published by that third party, no facts have been omitted which would render the information reproduced inaccurate or misleading.
- 14.7 The Company has not had any employees since its incorporation and does not own any premises which it occupies.
- 14.8 Save for its entry into those material contracts to which it is a party and the acquisition for nominal consideration of NewRiver Capital to become effective as of Admission, the Company has not commenced operations, carried on business, traded nor incurred any borrowings or indebtedness, nor granted any mortgages or charges over any property, nor provided any guarantees. No accounts have

been made up and no dividends have been declared by the Company since its incorporation. The Company's accounting period will terminate on 31 March of each year, with the next accounting period ending on 31 March 2010.

- 14.9 Save in respect of its entry into the material contracts summarised in paragraph 6 above and certain non-material contracts, since its incorporation, the Company has not carried on business nor traded nor incurred borrowings or indebtedness, and has not granted any mortgages or charges over any property and has not provided any guarantees.
- 14.10 Deloitte LLP has been appointed auditor of the Company. The annual report and accounts will be prepared according to International Financial Reporting Standards, as adopted by the European Union.
- 14.11 The Ordinary Shares being issued in connection with the Placing are being issued at 250 pence per Ordinary Share.
- 14.12 Other than in the case of David Lockhart, who is a Director and a member of the NRC Management Team; Serena Tremlett, who is Managing Director of Morgan Sharpe Administration Limited, the Administrator; Paul Roy, who is a director of Cenkos Securities plc, the parent company of Cenkos Channel Islands Limited, the Sponsor; and Susie Farnon, who is a director of Cenkos Channel Islands Limited, the Directors are not aware of any conflicts or potential conflicts of interest in relation to their duties to the Company arising from their private interests and/or other duties.
- 14.13 There has been no significant change in the financial or trading position of the Company since 4 June 2009, the date on which it was incorporated and the date to which the report on the financial information of the Company in Section B of Part 4 of this document has been prepared.
- 14.14 NewRiver Capital is or may be the promoter of the Company. Save as disclosed in this document, no amount or benefit has been paid, or given, to the promoter or any of its subsidiaries since the incorporation of the Company and none is intended to be paid or given.
- 14.15 The Company expects a typical investor in the Company will be an institutional investor or high net worth individual with a large portfolio of investments.
- 14.16 The ISIN number of the Placing Shares is GG00B4Z05859.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS during usual business hours on any weekday from the date of this document (Saturdays and public holidays excepted) for a period of 14 days or until Admission, whichever is the longer period:

- 15.1 the memorandum of incorporation of the Company and the Articles;
- 15.2 the material contracts referred to in paragraph 6 above;
- 15.3 the written consents referred to in paragraphs 14.2 to 14.4 above; and
- 15.4 this document and any supplemental admission documents and circulars.

16. AVAILABILITY OF THIS DOCUMENT

Copies of this document will be available free of charge to the public from the date of publication of this document for a period of 14 days or until Admission, whichever is the longer period, at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS during usual business hours on any weekday (Saturdays and public holidays excepted), and from the Company's registered office in Guernsey.

Dated: 26 August 2009

DEFINITIONS AND GLOSSARY

References in this document to statutes or government agencies are, unless specifically stated otherwise, to statutes or government agencies in the UK. The following definitions apply throughout this document, unless the context requires otherwise:

“Additional NewRiver Capital Directors”	the directors or employees of NewRiver Capital as referred to in paragraph 4 of Part 3 of this document other than David Lockhart and Allan Lockhart
“Administration Agreement”	the administration agreement dated 5 June 2009 between the Company and the Administrator, a summary of which is set out in paragraph 6.2 of Part 9 of this document
“Administrator”	Morgan Sharpe Administration Limited
“Admission”	AIM Admission and CISX Admission
“AIC”	the Association of Investment Companies (formerly the Association of Investment Trust Companies)
“AIC Code”	the AIC Code of Corporate Governance
“AIM”	AIM, a market of that name operated by the London Stock Exchange
“AIM Admission”	the admission of the Ordinary Shares (issued and to be issued) to trading on AIM pursuant to paragraph 6 of the AIM Rules
“AIM Rules” or “AIM Rules for Companies”	the AIM Rules for Companies, incorporating guidance notes, published by the London Stock Exchange governing, <i>inter alia</i> , admission to AIM and the continuing obligations of companies admitted to AIM, as amended from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers to AIM companies published by the London Stock Exchange (including any guidance notes or statements of practice) which govern, <i>inter alia</i> , the eligibility, approval and continuing obligations of Nominated Advisers (as defined in the AIM Rules for Companies), as amended from time to time
“Articles”	the articles of incorporation of the Company in force with effect from Admission, a summary of which is set out in paragraph 3 of Part 9 of this document
“Board” or “Directors”	the directors of the Company from time to time, the names of the directors at the date of this document being set out on page 8 of this document
“BofA Merrill Lynch”	Merrill Lynch International
“business day”	any day where banks in London and Guernsey are open for business (excluding Saturdays and Sundays and public holidays)
“certificated” or “in certificated form”	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST)
“CISX”	the Channel Islands Stock Exchange, LBG

“CISX Admission”	the admission of the Ordinary Shares (issued and to be issued) to listing on the Daily Official List of the CISX becoming effective in accordance with the CISX Listing Rules
“CISX Listing Rules”	the listing rules produced by the CISX for companies whose securities are listed on the CISX, as amended from time to time
“City Code”	the City Code on Takeovers and Mergers
“Combined Code”	the Principles of Good Governance and Code of Best Practice maintained by the Financial Reporting Council
“Company” or “NewRiver Retail”	NewRiver Retail Limited, a closed-ended investment company, incorporated in Guernsey with registration number 50463
“Convertible Securities”	securities convertible into or exchangeable for Ordinary Shares
“CPI”	the Consumer Prices Index as published by the Office for National Statistics or the nearest equivalent successor index
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) to facilitate the transfer of title to shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the Uncertificated Securities Regulations 2001)
“CREST Guernsey Requirements”	Rule 8 and such other rules and requirements of Euroclear UK & Ireland Limited as may be applicable to issuers as from time to time specified in the document entitled “CREST Reference Manual” issued by Euroclear UK & Ireland Limited
“CREST Service Provider”	Capita Registrars (Guernsey) Limited, pursuant to the Registrar Agreement with the Company dated 26 August 2009, a summary of which is set out in paragraph 6.3 of Part 9 of this document
“CSOP”	the NewRiver Retail Limited Company Share Option Plan 2009
“DPS”	dividends per share
“EBT”	the NewRiver Retail Limited Employee Benefit Trust, the initial trustee of which is Lloyds TSB Offshore Trust Company Limited
“EPS”	earnings per share
“Euroclear UK & Ireland Limited”	the operator of the CREST system
“FSA”	the UK Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Fully Diluted Share Capital”	at any time during the period from (and including) the date of Admission to (but excluding) the date which is 18 months from the date of Admission, the number of Ordinary Shares in issue at the relevant time if: (a) all the outstanding Warrants had been exercised in full; and (b) all Ordinary Shares capable of being issued by the Company pursuant to all outstanding Options, Convertible Securities or other rights to subscribe for shares or securities capable of being issued by way of Share Equivalents (excluding any Ordinary Shares issued pursuant to any employee share options, employee share purchase plans or any other form of equity based compensation granted to employees or officers of the Group) had

	been issued, provided that the aggregate value of the Fully Diluted Share Capital shall be capped at £125 million, regardless of the number of Ordinary Shares in issue at the relevant time
“GFSC”	the Guernsey Financial Services Commission
“Gross Asset Value”, “Gross Assets” or “GAV”	the aggregate value of the assets of the Group determined in accordance with the accounting principles adopted by the Group from time to time
“Group”	the Company and its subsidiaries from time to time
“Halladale”	Halladale Group plc, now part of the Stockland Corporation group of companies
“HMRC”	Her Majesty’s Revenue & Customs
“ICTA”	the Income and Corporation Taxes Act 1988
“IFRS”	International Financial Reporting Standards
“IRR”	internal rate of return
“ITEPA”	the Income Tax (Earnings and Pensions) Act 2003
“Kinmont”	Kinmont Limited
“Law”	the Companies (Guernsey) Laws, 2008
“London Stock Exchange”	London Stock Exchange plc
“Management Committee”	the management committee of the Board (or any other committee appointed by the Board to carry out a similar function)
“Net Asset Value” or “NAV”	the value of the assets of the Group less its liabilities, calculated in accordance with the accounting principles adopted by the Group from time to time
“Net Asset Value per Ordinary Share”	the Net Asset Value divided by the number of Ordinary Shares in issue or deemed to be in issue at the time of such valuation
“NewRiver Capital”	NewRiver Capital Limited, being, or which will at Admission be, a wholly-owned subsidiary of the Company
“NNNAV”	NAV as adjusted for the market value of long-term debt and derivatives and for contingent tax
“Nominated Adviser”	Merrill Lynch International
“NRC Management Team”	the management team of NewRiver Capital
“Options”	options, warrants or other rights to purchase Ordinary Shares (other than options or warrants granted to employees or officers of the Group) or Convertible Securities
“Ordinary Shares”	the ordinary shares of no par value in the share capital of the Company
“Paul Roy Options”	the option over Ordinary Shares to be granted to Paul Roy on the date of the Admission
“PBT”	profit before taxation

“Placing”	the conditional placing by Merrill Lynch International of the Placing Shares at the Placing Price, pursuant to the Placing Agreement, as described in this document
“Placing Agreement”	the placing agreement dated 26 August 2009 between the Company, NewRiver Capital, the Directors and Merrill Lynch International relating to the Placing, summary details of which are set out in paragraph 6.4 of Part 9 of this document
“Placing Price”	250p per Placing Share
“Placing Shares”	up to 10 million Ordinary Shares to be allotted, issued and sold pursuant to the Placing
“Property Management and Advisory Agreement”	the property management and advisory agreement dated 26 August 2009 between the Company and NewRiver Capital, a summary of which is set out in paragraph 6.1 of Part 9 of this document
“Property Vehicle”	any vehicle, being a body corporate, partnership, unit trust or any other legal entity which, at any time, becomes part of the Group or a vehicle in which the Company can exercise a majority of the voting rights of such vehicle either at board meetings or meetings of the members of such vehicle or any joint venture vehicle in which the Company holds an interest and which vehicle owns all or any part of or any interest in (a) a property or properties or (b) shares or other securities or interests in a body corporate, partnership unit trust or other legal entity which owns a property or properties and which has appointed NewRiver Capital to provide the property management and advisory services to it
“Prospectus Rules”	the prospectus rules of the UK Listing Authority made in accordance with section 73A of FSMA
“PSP”	the NewRiver Retail Limited Performance Share Plan 2009
“Registrar Agreement”	the registrar agreement dated 26 August 2009 between the Company and Capita Registrars (Guernsey) Limited, a summary of which is set out in paragraph 6.3 of Part 9 of this document
“Securities Act”	the US Securities Act of 1933, as amended
“Share Equivalents”	(without duplication) rights, warrants, options, Convertible Securities, convertible indebtedness, exchangeable securities or exchangeable indemnities, or any other rights exercisable for, convertible or exchangeable into, directly or indirectly, any Ordinary Shares whether at the relevant time, any time in the future or upon the occurrence of some future event
“Shareholders”	the holders of Ordinary Shares from time to time
“Share Incentive Plans”	the PSP, CSOP, EBT, the Unapproved Plan and the Paul Roy Options
“Sponsor”	Cenkos Channel Islands Limited
“Sponsorship Agreement”	the sponsorship agreement dated 5 June 2009 between the Company and Cenkos Channel Islands Limited, a summary of which is set out in paragraph 6.9 of Part 9 of this document
“subsidiary”	as construed in accordance with section 1261 Companies Act 2006

“Total Shareholder Return” or “TSR”	the return on investment a shareholder receives over a specified time frame, taking into consideration the share price appreciation or depreciation and dividends received. The TSR is calculated by adding the DPS to the capital gain or loss and dividing this by the share price and is expressed as a percentage change over time
“Town Zone A”	the rental value of the first 6 metres in depth of floorspace from the shop window of the relevant retail unit
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
“Unapproved Plan”	the NewRiver Retail Limited Unapproved Share Option Plan 2009
“uncertified” or “in uncertified form”	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Person”	a US person as defined in Regulation S of the US Securities Act of 1933, as amended
“Warrant Instrument”	the warrant instrument dated 26 August 2009 entered into by the Company constituting the Warrants, a summary of which is set out in Part 8 and paragraph 6.11 of Part 9 of this document
“Warrants”	the warrants granted by the Company to shareholders subscribing for Placing Shares in the Placing, further details of which are summarised in Part 8 of this document
“£” or “pound” or “sterling”	the lawful currency of the United Kingdom

