

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult a person authorised for the purposes of the Financial Services and Markets Act 2000, if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser, 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 and to be 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.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents should not be forwarded in the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or their respective territories or possessions or into any jurisdiction if to do so would constitute a violation of the relevant laws of such other jurisdiction.

Application will be made for the Enlarged Share Capital of NewRiver Retail Limited (the “Company”), following approval of the Resolutions, to be admitted to trading on AIM and to the Daily Official List of the Channel Islands Stock Exchange, LBG, and it is expected that dealings in the Enlarged Share Capital will commence on 3 August 2011.

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 United Kingdom 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 for Companies 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 2 to the AIM Rules for Nominated Advisers. Neither the London Stock Exchange nor the United Kingdom Listing Authority have examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List of the United Kingdom Listing Authority.

The Company is a Registered Closed-ended investment scheme registered pursuant to 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 “Commission”). The Commission, in granting registration, has not reviewed this document but has relied upon specific warranties provided by Morgan Sharpe Administration Limited, the Company’s designated manager. The Commission has not reviewed this document and neither it nor the States of Guernsey Policy Counsel take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.



NEWRIVER RETAIL LIMITED

(a closed-ended investment company incorporated in Guernsey and registered with number 50463)

PROPOSED ACQUISITION OF A PORTFOLIO OF FOUR FREEHOLD SHOPPING CENTRE ASSETS FROM ZURICH ASSURANCE LIMITED

**PLACING BY CENKOS SECURITIES PLC
OF 16,865,000 ORDINARY SHARES AT 252 PENCE PER ORDINARY SHARE**

**ADMISSION OF THE ENLARGED SHARE CAPITAL TO TRADING ON AIM
AND TO THE DAILY OFFICIAL LIST OF THE CISX**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

This document comprises an admission document and has been drawn up in accordance with the AIM Rules for Companies and it does not comprise a prospectus for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 or section 85 of FSMA but has been drawn up in accordance with the requirements of Directive 2003/71/EC (the “Prospectus Directive”) in so far as required by the AIM Rules for Companies and the CISX Listing Rules. This document has not been delivered to the Registrar of Companies in England and Wales or the Registrar of Companies in Guernsey or any other authority in any jurisdiction for registration.

This document includes particulars given in compliance with the CISX Listing Rules for the purpose of giving information with regard to the Company. The Directors, whose names appear on page 17 of this document, and the Company, accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (having taken all reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Your attention is drawn to the letter from the Chairman of NewRiver Retail Limited which is set out on pages 17 to 25 of this document and which contains, amongst other matters, your Board's recommendations to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below. The proposals described in this document are conditional upon the Resolutions being passed.

A notice convening an Extraordinary General Meeting ("EGM") of the Company to be held at 11.00 a.m. on 2 August 2011 at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS is set out at the end of this document. A Form of Proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, please complete, sign and return the accompanying Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Company's Registrar (at 34 Beckenham Road, Beckenham BR3 4TU) no later than 11.00 a.m. on 31 July 2011, being 48 hours before the time appointed for the holding of the meeting. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST), you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar (under CREST participant RA10) by no later than 11.00 a.m. on 31 July 2011. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Completion and posting of the Form of Proxy or completing and transmitting a CREST Proxy Instruction will not prevent you from attending and voting in person at the EGM if you wish to do so.

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 26 TO 37 (INCLUSIVE) OF THIS DOCUMENT.

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

The distribution of this document and the sale of the Ordinary Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, Cenkos Securities or Kinmont to permit a public offering of the Ordinary Shares or to permit the possession or distribution of this document (or any other offering or publicity materials) in any jurisdiction where action for that purpose may be 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 applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions could result in a violation of the laws of such jurisdictions. In particular, neither this document nor any copy of it may be distributed, published, reproduced or otherwise made available in whole or in part (directly or indirectly) in or into the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or any other country outside the United Kingdom where such distribution may lead to a breach of any law or regulatory requirement. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered or sold directly or indirectly in or into the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to or for the account or benefit of any national, resident or citizen of the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland. The Ordinary Shares offered by this document have not been and will not be registered under the Securities Act or under the applicable securities laws of any state of the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland and they may not be offered or sold except pursuant to an available exemption from, or in a transaction not subject to the registration requirements of the Securities Act and applicable US state securities laws.

Cenkos Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser and broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Cenkos Securities will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities or for advising any other person on the arrangements described in this document.

Kinmont, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to the Company in connection with the matters described in this document. Persons receiving this document should note that Kinmont will not be responsible to anyone other than the Company for providing the protections afforded to customers of Kinmont or for advising any other person on the arrangements described in this document.

Cenkos Channel Islands Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as the Company's CISX Listing Sponsor in connection with the matters described in this document. Persons receiving this document should note that Cenkos Channel Islands Limited will not be responsible to anyone other than

the Company for providing the protections afforded to customers of Cenkos Channel Islands Limited or for advising any other person on the arrangements described in this document.

No representation or warranty, express or implied, is made by Cenkos Securities, Kinmont or Cenkos Channel Islands Limited 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 Cenkos Securities, Kinmont nor Cenkos Channel Islands Limited 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 Cenkos Securities or Kinmont or any person affiliated with Cenkos Securities 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, Cenkos Securities or Kinmont.

If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser. It should be remembered that the price of securities and the income from them can go up as well as down.

A registered collective investments scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law (1987), as amended. Ordinary Shares shall not be placed directly with the public in Guernsey.

In relation to the United Kingdom, this document is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); (b) high net worth companies, unincorporated associations and other bodies falling within Article 49(2)(a) to (d) of the Order; and (c) other persons to whom it may otherwise lawfully be communicated (all such persons together with qualified investors (as defined in the Prospectus Directive (directive 2003/71/EC) (the "Prospective Directive")) being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this document or any of its contents. Any investment, or investment activity to which this document relates is available only in the United Kingdom to relevant persons and will be engaged in only with relevant persons. By receiving this document and not returning it, you are deemed to warrant to the Company, Cenkos Securities and Kinmont that you fall within the categories of person described above.

This document is only addressed to, and the Placing is only directed at, persons in member states of the European Economic Area ("EEA") who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("**Qualified Investors**"). This document must not be acted on or relied upon in any member state of the EEA, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available, in any member state of the EEA, only to Qualified Investors, and will be engaged in only with such persons. This document has been prepared on the basis that all offers of Ordinary Shares will be made pursuant to any exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of Ordinary Shares. Accordingly, any person making or intending to make any offer within the EEA of Ordinary Shares which are not the subject of the Placing contemplated in this document should only do so in circumstances in which no obligation arises for the Company, Cenkos Securities or Kinmont to produce a prospectus for such Placing. None of the Company, Cenkos Securities or Kinmont has authorised, nor do they authorise, the making of any offer of Ordinary Shares through any financial intermediary, other than offers made by Cenkos Securities or Kinmont which constitute the final placement of Ordinary Shares contemplated in this document.

Copies of this document are available free of charge from Admission for a period of 1 month at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS during usual business hours on any weekday (public holidays excepted).

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 NewRiver 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.

Industry, market and other data

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the NewRiver Group's business and the track record of the Executive Directors 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 Executive Directors, on data from external sources and on the Company's and the Executive Directors' 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, Cenkos Securities, Cenkos Channel Islands Limited 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 Executive Directors' 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>Non-Executive Chairman</i>) David Lockhart (<i>Chief Executive</i>) Mark Davies (<i>Finance Director</i>) Allan Lockhart (<i>Property Director</i>) Nick Sewell (<i>Executive Director</i>) Peter Tom CBE (<i>Non-Executive Director</i>) Susie Farnon (<i>Non-Executive Director</i>) Andrew Walker (<i>Non-Executive Director</i>) all of the registered office
Registered Office	Isabelle Chambers Route Isabelle St. Peter Port Guernsey Channel Islands GY1 3TX
Business Address	NewRiver Retail (UK) Ltd 28 Brook Street London W1K 5DH
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Financial Adviser	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	Mourant Ozannes P.O. Box 186 1 Le Marchant Street St. Peter Port Guernsey Channel Islands GY1 4HP
Legal Advisers to the Nominated Adviser and Broker	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA

Auditors and Reporting Accountants	Deloitte LLP Regency Court Glategny Esplanade St. Peter Port Guernsey Channel Islands GY1 3HW
Tax Advisors	BDO LLP 55 Baker Street London W1U 7EU
PR Consultants	Pelham Bell Pottinger Corporate & Financial 6th Floor, Holborn Gate 330 High Holborn London WC1V 7QD
Administrator and Company Secretary	Morgan Sharpe Administration Limited P.O. Box 327 Isabelle Chambers Route Isabelle St. Peter Port Guernsey Channel Islands GY1 3TX
Registrar and CREST Services Provider	Capita Registrars (Guernsey) Limited Mont Crevett House Bulwer Avenue St. Sampson Guernsey Channel Islands GY2 4LH
Principal Bankers	Santander Corporate Banking 2 Triton Square Regents Place London NW1 3AN HSBC Bank PLC 70 Pall Mall St. James London SW1Y 5EY Clydesdale Bank PLC 1 Canada Square London E14 5AA

DEFINITIONS

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:

“2010/2011 Half Year”	the period from 1 April 2010 to 30 September 2010
“2010/2011 Interim Accounts”	the Company’s half year report and interim accounts containing unaudited consolidated financial information for the 2010/2011 Half Year
“2010 Annual Accounts”	the Company’s annual report and accounts containing audited consolidated financial information for the 2010 Financial Year
“2010 Financial Year”	the Company’s financial period ending 31 March 2010
“2010 Placing”	the placing of the 2010 Placing Shares pursuant to the 2010 Placing Agreement
“2010 Placing Agreement”	the placing agreement between the Company and Cenkos Securities dated 13 April 2010 pursuant to which Cenkos Securities procured subscribers for the 2010 Placing Shares at 250 pence per Ordinary Share
“2010 Placing Price”	250 pence
“2010 Placing Shares”	the 4,212,200 Ordinary Shares placed pursuant to the 2010 Placing Agreement
“2011 Annual Accounts”	the Company’s annual report and accounts containing audited consolidated financial information for the 2011 Financial Year
“2011 Financial Year”	the Company’s financial year ended 31 March 2011
“A Convertible Unsecured Loan Stock”	the £17.0 million nominal value A 5.85 per cent. convertible unsecured loan stock 2015, issued to Forum by NewRiver Retail CUL
“Acquisition”	the proposed acquisition of the Four Retail Properties by the NewRiver Acquisition Vehicles
“Admission”	the admission and readmission (as applicable) of the Ordinary Shares to trading on AIM becoming effective pursuant to Rule 6 of the AIM Rules for Companies and to listing on the Daily Official List of the CISX becoming effective in accordance with the CISX Listing Rules
“Administration Agreement”	the agreement dated 5 June 2009 between the Company and the Administrator
“Administrator”	Morgan Sharpe Administration Limited
“Admission Document”	the Company’s Admission Document, dated 26 August 2009, relating to the First 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 operated by the London Stock Exchange
“AIM Rules for Companies”	the rules for AIM companies published by the London Stock Exchange as amended from time to time
“AIM Rules for Nominated Advisers”	the rules applicable to nominated advisers of AIM listed companies as published by the London Stock Exchange as amended from time to time
“Articles”	the articles of incorporation of the Company, a summary of which is set out in paragraph 3 of Part 10 of this document
“B Convertible Unsecured Loan Stock”	the £8.0 million nominal value B 5.85 per cent. convertible unsecured loan stock 2015, issued to Spearpoint by NewRiver Retail CUL
“Bank”	Clydesdale Bank PLC
“Board” or “Directors”	the directors of the Company for the time being and (where the context requires) comprises those persons as at the date of this document, whose names appear on page 17 of this document
“business day”	any day where banks in London and Guernsey are open for business (excluding Saturdays and Sundays and public holidays)
“Cenkos Securities”	Cenkos Securities plc, the Company’s nominated adviser for the purposes of the AIM Rules
“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 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
“Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council
“Company”, “NewRiver” or “NewRiver Retail”	NewRiver Retail Limited, a closed-ended investment company, incorporated in Guernsey with registration number 50463
“Company Secretary”	Morgan Sharpe Administration Limited
“Completion”	completion of the Acquisition pursuant to the Property Acquisition Agreements
“Convertible Securities”	securities convertible into or exchangeable into Ordinary Shares
“Convertible Unsecured Loan Stock”	the £25.0 million nominal value 5.85 per cent. convertible unsecured loan stock 2015 issued, from time to time, by NewRiver Retail CUL, comprising the A Convertible Unsecured Loan Stock and the B Convertible Unsecured Loan Stock
“Convertible Unsecured Loan Stock Instruments”	the instruments pursuant to which the Convertible Unsecured Loan Stock was issued

“CREST”	the relevant system (as defined in the Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the Operator (as defined in the Regulations)
“CREST Guernsey Requirements”	Rule 8 and such other rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the document entitled “CREST Reference Manual” issued by Euroclear
“CREST Service Provider”	Capita Registrars (Guernsey) Limited, pursuant to the Registrar Agreement with the Company dated 26 August 2009
“CSOP”	the NewRiver Retail Limited Company Share Option Plan 2009
“CTA 2009”	Corporation Tax Act 2009, as amended
“CTA 2010”	Corporation Tax Act 2010, as amended
“DPS”	dividends per share
“EBT”	the NewRiver Retail Limited Employee Benefit Trust
“EGM” or “Extraordinary General Meeting”	the Company’s extraordinary general meeting (or any adjournment thereof) convened for 11.00 a.m. on 2 August 2011 at which the Resolutions will be put to the Shareholders
“Enlarged Share Capital”	the share capital of the Company immediately following Completion and completion of the Placing
“EPRA NAV”	the balance sheet net assets excluding the mark to market on effective cashflow hedges and related debt adjustments, deferred taxation on revaluations and diluting for the effect of those shares potentially issuable under employee share schemes
“EPS”	earnings per share
“Euroclear”	Euroclear UK & Ireland Limited, the operator of the CREST system
“Executive Directors”	as at the date of this document, David Lockhart, Allan Lockhart, Nick Sewell and Mark Davies
“Existing Ordinary Shares”	existing Ordinary Shares in issue at the date of this document
“Facility Agreement”	the loan agreement to be entered into between the NewRiver Group and the Bank in respect of a term loan facility in an aggregate principal amount of up to £40,815,000, incorporating the key terms which are set out in paragraph 6.23 of Part 10
“First Admission”	the admission of the Ordinary Shares to trading on AIM and listing on the daily official list of the CISX becoming effective pursuant to paragraph 6 of the AIM Rules for Companies and in accordance with the CISX Listing Rules, which occurred on 1 September 2009
“First Placing”	the placing of the Ordinary Shares at First Admission
“Form of Proxy”	the enclosed form of proxy for use by Shareholders in connection with the EGM
“Forum”	Forum European Realty Income III, L.P.
“Four Retail Properties”	a portfolio comprising the following assets: Merlin’s Walk (Carmarthen), The Piazza Shopping Centre (Paisley), The Hildreds

	Shopping Centre (Skegness) and The Horsefair (Wisbech), which are proposed to be acquired pursuant to the Property Acquisition Agreements, as more particularly described in paragraph 4 of the Chairman’s letter in Part 1 of this document
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time
“Fully Diluted Share Capital”	the number of Ordinary Shares in issue as at 28 February 2011 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, being 25,410,030 Ordinary Shares
“gross asset value”	the aggregate value of the assets of the Group determined in accordance with the accounting principles adopted by the Group from time to time
“Halladale”	Halladale Group PLC, further information about which is set out in paragraph 6 of Part 4
“HMRC”	Her Majesty’s Revenue & Customs
“ITEPA”	the Income Tax (Earnings and Pensions) Act 2003
“Kinmont”	Kinmont Limited
“Law”	the Companies (Guernsey) Law, 2008, as amended from time to time
“London Stock Exchange”	London Stock Exchange PLC
“MSREI”	Morgan Stanley Real Estate Investing Fund VII
“MSREI Conversion Option”	the conversion option set out in the MSREI Joint Venture Agreement in respect of NewRiver Retail Investments in respect of MSREI’s right to convert a share of its interest in NewRiver Retail Investments into Ordinary Shares in the Company, as more particularly described in paragraph 6.12 of Part 10 of this document
“MSREI Joint Venture Agreement”	the limited partnership agreement dated 28 February 2010 between NewRiver, NewRiver Retail Investments (GP) Limited, UKRI and NewRiver Retail (Portfolio No.1) Limited, as more particularly described in paragraph 6.12 of Part 10
“MSREI Joint Venture Exclusivity Period”	the period from 5 March 2010 to 5 March 2012 (or, if earlier, (i) the date on which UKRI has invested £60 million in aggregate into NewRiver Retail Investments or (ii) termination of the NewRiver Retail Investments AMA)
“Net Asset Value” or “NAV”	the value of the assets of the NewRiver Group less its liabilities, calculated in accordance with the accounting principles adopted by the NewRiver Group from time to time

“NewRiver Acquisition Vehicles”	NewRiver Retail (Carmarthen) Limited, NewRiver Retail (Skegness) Limited, NewRiver Retail (Wisbech) Limited and NewRiver Retail (Paisley) Limited, each being wholly owned subsidiaries of the Company
“NewRiver Group” or “Group”	the Company and its subsidiaries and subsidiary undertakings from time to time
“NewRiver Retail CUL”	NewRiver Retail CUL No.1 Limited
“NewRiver Retail Investments”	the NewRiver Retail Investments LP, a limited partnership registered in Guernsey with number 1270
“NewRiver Retail Investments AMA”	the asset management agreement in relation to NewRiver Retail Investments dated 28 February 2010 between, amongst others, NewRiver, NewRiver Retail Investments (GP) Limited, acting in its capacity as general partner of NewRiver Retail Investments and NewRiver Retail (GP1) Limited, acting in its capacity as general partner of NewRiver Retail (Portfolio No 1) LP, the owner of the NewRiver Retail Investments Initial Portfolio, as more particularly described in paragraph 6.14 of Part 10 of this document
“NewRiver Retail Investments Initial Portfolio”	a portfolio of nine retail assets (eight in England and one in Scotland) acquired by NewRiver Retail Investments from the UBS Triton Property Fund, as more particularly described in paragraph 2.2.4 of Part 10 of this document
“NewRiver Retail UK”	NewRiver Retail (UK) Limited (formerly known as NewRiver Capital Limited), a wholly owned subsidiary of the Company and a limited liability company incorporated in England with registered number 6809820
“Official List”	the Official List of the UK Listing Authority
“Options”	options, warrants or other rights to purchase Ordinary Shares (other than options or warrants granted to employees or officers of the NewRiver Group) or Convertible Securities
“Ordinary Shares”	the ordinary shares of no par value in the capital of the Company
“Paul Roy Options”	the options over Ordinary Shares granted to Paul Roy on the date of First Admission
“PBT”	profit before taxation
“Placing”	the conditional placing of the Placing Shares by Cenkos Securities, at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 26 June 2011 between the Company, Cenkos Securities and Cenkos Channel Islands Limited relating to the Placing, summary details of which are set out in paragraph 6,18 of Part 10 of this document
“Placing Price”	252 pence
“Placing Shares”	the 16,865,000 new Ordinary Shares to be issued and allotted by the Company pursuant to the Placing
“Proposals”	the Acquisition, the Placing and Admission

“Prohibited Territories”	USA, Australia, Canada, Japan, South Africa or the Republic of Ireland and their respective territories and possessions
“Property Acquisition Agreements”	the agreements pursuant to which the NewRiver Acquisition Vehicles are to acquire the Four Retail Properties, as more particularly described in paragraph 5 of the Chairman’s letter in Part 1 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 NewRiver 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
“Prospectus Directive”	the Directive of the European Parliament and of the Council of 4 November 2003 governing any prospectus which is to be published when securities are offered to the public or admitted to trading on a Recognised Investment Exchange’s market for listed securities (No 2003/171/EC)
“PSP”	the NewRiver Retail Limited Performance Share Plan 2009
“Registrar”	Capita Registrars (Guernsey) Limited
“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 10 of this document
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Remuneration Committee”	the remuneration committee of the Board
“Resolutions”	the resolutions to be put to Shareholders at the Extraordinary General Meeting set out in the notice of the meeting contained at the end 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”	holders of Ordinary Shares from time to time
“Share Incentive Plans”	the PSP, CSOP, EBT, the Unapproved Plan and the Paul Roy Options
“Spearpoint”	Spearpoint Limited
“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 6.7 of Part 10 of this document
“Stockholder”	holder of Convertible Unsecured Loan Stock
“subsidiary”	as construed in accordance with section 1159 of the Companies Act 2006 and section 531 of the Law
“subsidiary undertakings”	as construed in accordance with section 1261 of the Companies Act 2006
“Total Shareholder Return” or “TSR”	the return on investment a shareholder receives over a specified timeframe, 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
“UK Listing Authority”	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“UK-REIT”	a UK Real Estate Investment Trust under Part 12 of the Corporation Taxes Act 2010
“UK-REIT Group”	the Company and relevant other members of the NewRiver Group
“UK-REIT regime”	the UK-REIT regime introduced by the Finance Act 2006 and rewritten in Part 12 of the Corporation Taxes Act 2010
“UKRI”	UK Retail Investment LP Ltd, a company owned and controlled by funds advised by MSREI and a limited partner in NewRiver Retail Investments
“Unapproved Plan”	the NewRiver Retail Limited Unapproved Share Option Plan 2009
“uncertificated” or “in uncertificated form”	shares recorded in the Company’s register of Shareholders as being held in uncertificated form, title to which may be transferred by means of an instruction issued in accordance with the rules of CREST
“United States”, “US” or “USA”	the United States of America, its territories and possessions, any state in the United States of America, the District of Columbia and all other areas subject to its jurisdiction
“US Person”	a US person as defined in Regulation S of the Securities Act
“Valuation Report”	the valuation report of the Valuer relating to the Four Retail Properties reproduced in Part 7
“Valuer”	Strutt & Parker LLP of 13 Hill Street, London W1J 5LQ
“Warrant Instrument”	the warrant instrument of the Company dated 26 August 2009, a summary of which is set out in Part 9
“Warrants”	the warrants granted by the Company to shareholders subscribing for Ordinary Shares at First Admission, pursuant to the Warrant Instrument

“Warrant Shares”	the 783,100 Ordinary Shares (subject to adjustment in accordance with paragraph 2.3 of Part 9) to be issued on exercise of the Warrants
“Zurich”	Zurich Assurance Limited
“£” or “pound” or “sterling”	the lawful currency of the United Kingdom

ADMISSION STATISTICS

Number of Ordinary Shares currently in issue	14,838,508
Placing Price per Placing Share	252 pence
Number of Placing Shares	16,865,000
Number of Ordinary Shares in issue immediately following Admission*	31,703,508
Estimated proceeds of the Placing receivable by the Company before expenses	£42,500,000
Estimated proceeds of the Placing receivable by the Company after expenses	£40,400,000
Percentage of the Enlarged Share Capital being placed pursuant to the Placing	53.2
AIM/CISX Symbol	NRR
ISIN Code	GG00B4Z05859

* assuming no exercise of the Warrants

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2011</i>
Publication of this document	7 July
Latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments by Shareholders for the Extraordinary General Meeting	11.00 a.m. on 31 July
Time and date of Extraordinary General Meeting	11.00 a.m. on 2 August
Expected date of Admission of the Enlarged Share Capital	3 August
Admission effective and dealings recommence in the Ordinary Shares on AIM and listing on CISX	8.00 a.m. on 3 August
Delivery into CREST of the Placing Shares to be held in uncertificated form	3 August
Completion of the Acquisition	8 August
Despatch of definitive share certificates (where applicable) in respect of the Placing Shares to be held in certificated form	by 17 August

Notes:

- (1) A reference to a time in this document is to London time unless otherwise stated.
- (2) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company, in which event details of the new times and/or dates will be notified to investors.

PART 1

LETTER FROM THE CHAIRMAN



NEWRIVER RETAIL LIMITED

(Incorporated in Guernsey as a closed-ended investment company with registered number 50463)

Directors

Paul Roy (*Non-Executive Chairman*)

David Lockhart (*Chief Executive*)

Mark Davies (*Finance Director*)

Allan Lockhart (*Property Director*)

Nick Sewell (*Executive Director*)

Peter Tom CBE (*Non-Executive Director*)

Susie Farnon (*Non-Executive Director*)

Andrew Walker (*Non-Executive Director*)

Isabelle Chambers

Route Isabelle

St. Peter Port

Guernsey

Channel Islands

GY1 3TX

7 July 2011

To the Ordinary Shareholders and, for information only, to holders of Options, Warrants and Convertible Unsecured Loan Stock

Dear Shareholder,

Proposed acquisition of a portfolio of four freehold shopping centre assets from Zurich Assurance Limited, Placing of 16,865,000 Ordinary Shares at 252 pence per Ordinary Share, Admission of the Enlarged Share Capital to trading on AIM and CISX and Notice of Extraordinary General Meeting

1. Introduction

The Board announced on 27 June 2011 that the NewRiver Group had entered into the Property Acquisition Agreements with Zurich Assurance Limited for the purposes of acquiring a portfolio of four freehold shopping centre assets from Zurich for a total consideration of approximately £68 million in cash. The principal terms of the Acquisition are set out in paragraph 5 of this Part 1 below.

The Board also announced on 27 June 2011 that the Company is proposing to raise approximately £40 million (net of expenses) by the issue of 16,865,000 Placing Shares at a Placing Price of 252 pence per Ordinary Share. The Acquisition will be funded partly from the net proceeds of the Placing and partly by a bank facility. Further details about the bank facility, its status and conditionality are set out in paragraph 5 of this Part 1 below.

Due to the size of the transaction, the Acquisition constitutes a reverse takeover pursuant to Rule 14 of the AIM Rules for Companies and a substantial transaction pursuant to the CISX Listing Rules and as such will require the approval of Shareholders which will be sought at an Extraordinary General Meeting convened for 11.00 a.m. on 2 August 2011, notice of which is set out at the end of this document.

The Acquisition remains conditional, *inter alia*, upon approval of the Resolutions by the Shareholders at the Extraordinary General Meeting and Admission occurring. An application has been made to the London Stock Exchange and the CISX for the Enlarged Share Capital to be admitted to trading on AIM and to the Official List of the CISX and, subject to these conditions having been met, trading in the Enlarged Share Capital is expected to commence at 8.00 a.m. on 3 August 2011.

The purpose of this document is (i) to set out the principal terms of, and seek Shareholder approval for, the Acquisition, the Placing and Admission, (ii) to explain why the Directors believe that the Acquisition is in the best interests of the Company and Shareholders as a whole, and (iii) to recommend that you vote in favour of the Resolutions at the Extraordinary General Meeting.

The Company has received irrevocable undertakings to vote in favour of the Resolutions at the Extraordinary General Meeting in respect of the Ordinary Shares held by the Directors (whether directly or indirectly), which amount in aggregate to 2,271,000 Ordinary Shares representing 15.3 per cent. of the existing issued ordinary share capital of the Company as at 6 July 2011, being the latest practicable date prior to the publication of this document.

2. Background to and reasons for the Proposals

The Directors believe that the acquisition of the Four Retail Properties represents an attractive opportunity for the Company to acquire assets in accordance with its investment policy. The Acquisition will further diversify the Company's income streams and asset base and will provide a range of attractive asset management opportunities and risk controlled development opportunities for the Company to increase the capital value of the assets. The Four Retail Properties are being purchased at a net initial yield of 8.0 per cent. and the Directors believe they will be EPS and DPS enhancing for current Shareholders from the first full financial year post Acquisition.

The implementation of the Proposals will further increase the size of NewRiver, as envisaged in the Admission Document, allowing the Company to take advantage of the operational leverage which currently exists within the business. The Placing will also further increase the shareholder base which should provide greater liquidity in the Ordinary Shares.

Further information regarding the Four Retail Properties is set out in paragraph 4 below. The Placing is being proposed in order to raise the Acquisition funding which, together with the bank funding, is required to complete the Acquisition and to continue to grow the Company's business. The key terms of the bank debt are described in paragraph 6.23 of Part 10 of this document. Further details about the bank facility, its status and conditionality are set out in paragraph 5 of this Part 1 below. The Acquisition can only proceed if the Placing and Facility Agreement are completed in all respects.

3. Background information on NewRiver

3.1 *NewRiver Retail Limited*

NewRiver is a specialist UK-REIT focussed on the UK retail sector and aims to become the leading value-creating property investment platform in the sector.

The Company was admitted to AIM and listed on the CISX in September 2009 and raised £25 million of seed capital before expenses through a placing of Ordinary Shares. In May 2010 the Company raised an additional £10.5 million before expenses through a placing of Ordinary Shares and in November 2010 the NewRiver Group raised a further £25 million of capital through the issue by NewRiver Retail CUL, a subsidiary of the Company, of Convertible Unsecured Loan Stock.

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. NewRiver has a number of property owning subsidiaries which are wholly-owned and incorporated in the UK and Guernsey and an interest in a joint venture with Morgan Stanley (called NewRiver Retail Investments). Currently NewRiver has a 50 per cent. interest in NewRiver Retail Investments but this may vary from time to time and further information relating to this joint venture is provided in paragraph 2.2.4 of Part 4 of this document.

3.2 *Conversion to UK-REIT*

At the same time as approving the issue of the Convertible Unsecured Loan Stock in November 2010, Shareholders approved the conversion of NewRiver into a UK-REIT. The Board continues to believe

that UK-REITs are a preferred structure for UK and international quoted real estate investors in UK real estate and should provide the Company with access to a broader range of investors due to the fact that the NewRiver Group will, for as long as it remains a UK-REIT, be largely exempt from future corporation tax on both rental profits and chargeable gains on disposals of investment properties. Further information about the UK-REIT Regime and the consequences for Shareholders is set out in paragraph 3 of Part 8 of this document.

3.3 *NewRiver's Investment Policy*

NewRiver focuses on retail sector investments in the United Kingdom 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.

Further information regarding NewRiver's investment policy is set out in Part 3.

3.4 *Investments*

The NewRiver Group has completed a number of acquisitions since First Admission and has also formed a co-investment joint venture with MSREI (the real estate investment division of Morgan Stanley) targeted at acquiring UK retail property assets. The joint venture, NewRiver Retail Investments, is a Guernsey-registered Limited Partnership, and has scope for an acquisition capacity in excess of £250 million (including leverage).

The NewRiver Group currently manages assets valued at approximately £166 million, of which approximately £106 million is held on the Company's own balance sheet. Approximately £46 million is held through NewRiver Retail Investments and approximately £14 million is managed on behalf of third parties in return for management fees.

Further details regarding the NewRiver Group's acquisitions since First Admission and NewRiver Retail Investments are set out in paragraph 2 of Part 4 of this document.

3.5 *Investment Opportunities*

In addition to the Four Retail Properties, the NewRiver Group has a substantial pipeline of risk-controlled development opportunities from which it expects to deliver significant value. It has a total of seven projects at various stages of development from concept to planning consent which it expects to develop solely for its own account or through NewRiver Retail Investments. These projects are expected to comprise a total of 480,000 square feet and the NewRiver Group is targeting a development surplus in excess of £30 million. These development opportunities have arisen in addition to the core income returns and asset management opportunities which have been identified on each acquisition. The NewRiver Group's ability to achieve development gains is subject to, among other things, the grant of planning approvals, obtaining pre-lets from tenants and its ability to obtain funding for these development projects.

The Company is currently in negotiations to acquire a shopping centre in Dorset for approximately £12.0 million at a net initial yield of 9.4%. The acquisition is an excellent fit with the core NewRiver strategy of targeting food and value-led shopping centres, with low occupational costs. The asset comprises 120,000 square feet and the key tenants are Poundland, Peacocks, 99p Store and Sports Direct.

The Company is also currently in negotiations to acquire two high street assets for £3.0 million. The key tenant is Poundland and one of the assets adjoins an existing shopping centre in the NewRiver Group's portfolio.

4. **Information on the Four Retail Properties**

NewRiver is proposing to acquire four freehold shopping centre assets located in Carmarthen, Paisley, Skegness and Wisbech. The properties have, in aggregate, 122 tenancies providing good income

diversification with low occupational costs resulting in sustainable rents. Approximately 60 per cent. of income from the properties is let to food and value retailers with a total annual footfall across the sites of approximately 19 million. The sites have a low vacancy rate at an average of 3.3 per cent. and 94 per cent. of the rental income is let to multiple retailers.

The Valuer has valued the Four Retail Properties as at 24 June 2011 at an aggregate of £68,025,000. The valuation is reproduced in Part 7 of this document.

4.1 *Merlin's Walk, Carmarthen*

Merlin's Walk opened in 1998 and comprises 103,300 square feet of sales and ancillary accommodation in 24 retail units. The centre is arranged in an open street format with ground floor retail and first floor ancillary accommodation. It is located next to the Carmarthen bus station and adjacent to a 350 space car park and a large Wilkinson store. The anchor tenants for the centre are TK Maxx, Poundland, Argos and Store21.

4.2 *The Piazza Shopping Centre, Paisley*

The Piazza Shopping Centre, Paisley was developed in 1968 with an extension in 1975. The centre, which is situated in a prime location, underwent a major refurbishment in the 1990s. It provides a covered single level shopping centre extending to 252,000 sq ft of retail and offices in 40 units together with a 366 space multi-storey car park.

The centre is well located next to the train station and the town's principal bus station. The centre dominates the Paisley retail offer and is anchored by The Co-operative, New Look, Peacocks and Poundland.

4.3 *The Hildreds Shopping Centre, Skegness*

The Hildreds Shopping Centre in Skegness is a fully covered 55,000 square feet centre that opened in 1988. The centre comprises 30 stores including Evans, Burtons, H.Samuel, WH Smith, Claire's Accessories and Wilkinson. The centre, which is the town's only managed centre, is anchored by The Co-operative and Home Bargains and contains 320 car parking spaces. Skegness benefits from a significant tourist industry.

4.4 *The Horsefair, Wisbech*

The Horsefair Shopping Centre has 26 retail units comprising 92,000 square feet of sales and ancillary accommodation. The centre was opened in 1989 and built in a single storey open street format, with car parking for nearly 400 cars and the bus station immediately adjacent. The centre is Wisbech's only managed centre and is anchored by the Co-operative with key tenants including Boots, Poundland, Superdrug, New Look and Argos.

5. **Principal Terms of the Acquisition**

On 10 June 2011, the NewRiver Acquisition Vehicles, all being wholly owned subsidiaries of NewRiver, entered into the Property Acquisition Agreements with Zurich to acquire the Four Retail Properties, subject to the conditions set out below.

The purchase price for the Four Retail Properties is £68,025,000 in aggregate. This reflects the valuation of the Four Retail properties set out in the Valuation Report in Part 7. The Acquisition will be funded in part by a bank facility with the balance being provided from the net proceeds of the Placing details of which are set out in paragraph 8 of this Part 1. The Company has received full credit committee approval from the Bank and the key commercial terms of the Facility Agreement are set out in paragraph 6.23 of Part 10. The key terms of the Facility Agreement have been negotiated and agreed with the Bank, and the legal documentation now has to be agreed and signed. The Directors are confident that the Facility Agreement will be concluded after the date of this document and prior to the Extraordinary General Meeting. If the Facility Agreement is not agreed and signed, the Placing and Acquisition will not complete.

A deposit of £75,000 in respect of each Four Retail Property has been paid to Zurich by the NewRiver Acquisition Vehicles. This amounts to an aggregate deposit of £300,000 across the Four Retail Properties,

which is not refundable, and will be retained by Zurich should the relevant contracts be terminated by NewRiver's failure to satisfy the conditions.

Completion of the acquisition of the Four Retail Properties is conditional upon the following conditions having been satisfied or waived by the relevant NewRiver Acquisition Vehicle by 5 August 2011:

- the Placing Agreement remaining in full force and effect, having become unconditional (which is conditional on, *inter alia*, the entry by the Company and the Bank into the Facility Agreement);
- the passing of the Resolutions; and
- Admission occurring and the subscription monies for the Placing Shares having been received.

Assuming that the Resolutions are passed at the EGM, and Admission occurs as envisaged in this document, it is anticipated that the acquisition of the Four Retail Properties will complete shortly thereafter.

During the period between 10 June 2011 when the Property Acquisition Agreements were entered into, and their completion, Zurich have agreed to certain obligations in respect of their conduct in managing the Four Retail Properties. The Property Acquisition Agreements contain customary arrangements in respect of apportionment of rents, reconciliation of service charge balances and collection of rental arrears. Certain capital allowances will be transferred to the NewRiver Acquisition Vehicles which will acquire Merlin's Walk, The Piazza Shopping Centre and The Horsefair.

The acquisition of the Four Retail Properties is consistent with NewRiver's investment strategy of targeting food and value retailers occupying large space rental units and providing attractive annual cash-on-equity returns with stable income profiles, low occupational costs and opportunities to add value through asset management and risk controlled development.

6. Current Trading and Prospects

The Company's audited results for the 12 months ended 31 March 2011 were announced on 1 June 2011. The Company generated profit before tax of £4.9 million driven by increased recurring profits and upward valuations. The Company had cash of £10.7 million and net assets of £38.8 million as at 31 March 2011, resulting in a basic net asset value per share and an EPRA NAV value per share of 273 pence.

Since 31 March 2011, the Company has continued to trade in line with expectations of the Board.

7. Management Experience and Track Record

The Executive Directors have extensive real estate asset management expertise. David Lockhart has been involved in the UK commercial real estate market for over 30 years. During his career, David has built up successful property management and development businesses, most notably, Halladale. Furthermore, Allan Lockhart, Nicholas Sewell and Mark Davies have between them over 50 years of experience in the UK commercial real estate industry in various roles, most of which is in UK retail property.

Further information about the experience and track record of the Executive Directors is set out in paragraph 6 of Part 4 of this document.

8. The Placing

Details of the Placing

For the reasons set out in this letter, the Directors are proposing to raise additional capital for the Company by way of a placing of 16,865,000 new Ordinary Shares to institutional and other investors to raise approximately £40 million (net of expenses).

The Placing is not a rights issue or open offer and the Placing Shares will not be offered generally to Shareholders on a pre-emptive basis. The Placing is conditional on, *inter alia*, the Resolutions being passed. In structuring the Placing, the Directors have had regard, amongst other things, to current market conditions, the total net proceeds desired to be raised and the current composition of the Company share register, as well as the extra cost and delay that would be involved in a rights issue or open offer. After considering these

factors, the Directors have concluded that the Placing, which is being made to a wider range of investors than the Company's existing Shareholders, on a non-pre-emptive basis, represents the most appropriate option available to the Company for raising the additional capital required in the timeframe required in order to complete the Acquisition. The Directors are seeking the approval of Shareholders, amongst other things, for the dis-application of the pre-emption rights contained in the Articles at the Extraordinary General Meeting.

The Placing is to be effected by Cenkos Securities on the terms of the Placing Agreement. The Company has entered into the Placing Agreement with Cenkos Securities pursuant to which Cenkos Securities has agreed to use its reasonable endeavours to procure institutional and other investor subscribers for the Placing Shares (including certain existing Shareholders).

The Placing is conditional, *inter alia*, on:

- the passing of the Resolutions at the Extraordinary General Meeting;
- the Property Acquisition Agreements not having lapsed or been terminated and having become unconditional in all respects save in respect of Admission and payment of the consideration thereunder;
- the Facility Agreement being entered into by the parties thereto, and each condition to drawdown (save for any condition relating to (i) the Placing Agreement and Property Acquisition Agreements becoming unconditional and (ii) receipt by the Company of the proceeds of the Placing) having been satisfied; and
- Admission taking place by no later than 8.00 a.m. on 4 August 2011 (or such later time and date, as the Company and Cenkos Securities may agree but in any event not later than 8.00 a.m. on 11 August 2011).

The Placing Agreement contains certain customary warranties in favour of Cenkos Securities given by the Company with respect to its business and certain matters connected with the Placing and the Acquisition. In addition, the Company has given customary indemnities to Cenkos Securities in connection with the Placing and its performance of services in relation to the Placing. Cenkos Securities has the right to terminate the Placing Agreement in specified circumstances.

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 Cenkos Securities expressly reserve the right to determine, at any time prior to Admission, not to proceed with the Placing.

The Placing Shares are not being made available to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so.

The Placing Shares will, following Admission, rank in full for all dividends and *pari passu* in all other respects with the Existing Ordinary Shares and will have the right to receive all dividends and distributions declared in respect of the issued Ordinary Share capital of the Company after Admission. The Placing Shares will not carry an entitlement to the final dividend for the year ended 31 March 2011 of 4.5 pence per Ordinary Share to be paid on 20 July 2011 to Shareholders on the register as at 10 June 2011.

Mark Davies, a Director of the Company, has committed to subscribe for 4,000 Placing Shares at the Placing Price, pursuant to the Placing. Following the Placing, he will have an interest in 10,000 Ordinary Shares respectively, representing approximately 0.03 per cent. of the then issued share capital of the Company.

Shareholders should be aware of the possibility that Admission might occur but that the Acquisition might not be completed and are referred to the risk factor headed "Acquisition is conditional on funding" in the section headed "Risk factors relating to the Acquisition" contained in Part 2 for further details.

Further details of the Placing and the Placing Agreement are set out in paragraph 6.18 of Part 10.

Use of Placing proceeds

The net proceeds of the Placing will be used to fund the Acquisition and the continuing growth of the Company's business.

Effects of the Placing

Dilution

Following the issue of the Placing Shares, existing Shareholders who do not participate in the Placing will suffer a dilution of approximately 53.2 per cent. to their interests in the Company because of the Placing. The Resolutions must be passed at the Extraordinary General Meeting in order for the Placing to proceed.

Warrants, Convertible Unsecured Loan Stock and Options

There are currently Warrants outstanding to subscribe for 783,100 Ordinary Shares. The subscription price for these Warrants, following the payment of the final dividend for the year ended 31 March 2011 of 4.5 pence per Ordinary Share (which is to be paid on 20 July 2011), will be 237 pence per Ordinary Share.

NewRiver Retail CUL, a wholly owned subsidiary of the Company, has issued £25 million of Convertible Unsecured Loan Stock.

The Placing is expected to result in certain adjustments to the number of Ordinary Shares that may be issued pursuant to the Warrants and the subscription price payable for such Ordinary Shares. It is also expected to result in an adjustment to the number of Ordinary Shares that may be issued pursuant to the Convertible Unsecured Loan Stock. These adjustments are further described in paragraphs 13 and 16 of Part 4 of this document.

The terms of the CSOP, the Unapproved Plan and the Paul Roy Options provide that the Remuneration Committee may make certain adjustment to the options as a result of the issue of further Ordinary Shares pursuant to the Placing, as set out in paragraph 4 of Part 10. The Directors do not anticipate that any such adjustment will be made.

9. Admission, Settlement and Dealings

As the Acquisition constitutes a reverse takeover under Rule 14 of the AIM Rules for Companies and a substantial transaction pursuant to Rule 7.7.9 of the CISX Listing Rules, an application, conditional on the passing of the Resolutions, will be made to the London Stock Exchange and the CISX for the whole of the issued share capital of the Group to be admitted to trading on AIM and to listing on the Official List of the CISX. It is expected that Admission will become effective and that dealings will commence on 3 August 2011.

The Ordinary Shares are eligible for CREST settlement. Accordingly, settlement of transactions in the Ordinary Shares of the Company following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

Following Admission, share certificates representing the Placing Shares to be issued pursuant to the Placing are expected to be dispatched by post to subscribers who wish to receive Placing Shares in certificated form, by no later than 17 August 2011. No temporary documents of title will be issued in connection with the Placing Shares. Pending the dispatch of the definitive share certificates, instruments of transfer will be certified against the register of members of the Company. In respect of subscribers who wish to receive Placing Shares in uncertificated form, Placing Shares will be credited to their CREST stock accounts on 3 August 2011. The Company reserves the right to issue any Placing Shares in certificated form should it consider this to be necessary or desirable.

10. Extraordinary General Meeting and Action to be Taken

Set out at the end of this document is a notice convening the Extraordinary General Meeting to be held at 11.00 a.m. on 2 August 2011, to consider and, if thought fit, pass the Resolutions.

Pursuant to Resolution 1, which is being proposed as an ordinary resolution, Shareholders' approval is being sought for the Acquisition, which is classified as a reverse takeover pursuant to Rule 14 of the AIM Rules for Companies and a substantial transaction pursuant to Rule 7.7.9 of the CISX Listing Rules and as such will require the approval of Shareholders.

Pursuant to Resolution 2, which will be proposed as a special resolution, Shareholders' approval is being sought for the dis-application of the pre-emption rights set out in the Articles in relation to the allotment and issue of the Placing Shares and, in accordance with Rule 7.3.17 of the CISX Listing Rules, the allotment and issue of the shares on a non pre-emptive basis notwithstanding that the Placing Shares are being issued at a discount to net asset value per Ordinary Share. As stated above, the Directors have concluded that a non pre-emptive placing is the most appropriate structure to raise the capital required in the present circumstances. Resolution 2 is therefore being proposed so as to facilitate this.

Shareholders should note that the Resolutions are in addition to Article 6.4 of the Articles which provides that the Directors shall have at their 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 approval of the Shareholders.

The Resolutions are also in addition to:

- a special resolution passed on 19 November 2010 relating to the dis-application of the pre-emption rights set out in the Articles in relation to any Ordinary Shares required to be issued to any holder from time to time of the Convertible Unsecured Loan Stock pursuant to any exercise by any Stockholder of its right to convert the same into Ordinary Shares;
- a special resolution passed on 4 May 2010 relating to the dis-application of the pre-emption rights set out in the Articles in relation to any Ordinary Shares required to be issued to MSREI, or any of its affiliates, as a result of its exercise of the MSREI Conversion Option at any time or times in accordance with the terms of the MSREI Joint Venture Agreement; and
- a special resolution passed on 16 August 2009 relating to the dis-application of the pre-emption rights set out in the Articles in relation to any Ordinary Shares required to be issued to a holder of Warrants pursuant to the terms of the Warrant Instruments.

Shareholders should note that 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 and the Law. There is currently no general requirement under Guernsey law for shareholders to authorise the directors of companies to issue new shares and there is no restriction on the power of the Directors to exercise the powers of the Company to allot and issue new Ordinary Shares, save for the preemption rights set out in Article 6 of the Articles. Therefore, no resolution authorising the Directors to allot and issue the Placing Shares will be proposed at the Extraordinary General Meeting.

A Form of Proxy for use by Shareholders at the EGM is enclosed. Whether or not you propose to attend the EGM, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon and return it to the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU, as soon as possible and in any event so as to be received no later than 11.00 a.m. on 31 July 2011. The completion and return of the Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending the EGM and voting in person should you wish to do so.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Capita Registrars (ID RA10), by 11.00 a.m. on 31 July 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

11. Recommendation

For the reasons set out above, the Directors consider the Acquisition, the Placing and Admission and the passing of the Resolutions to be in the best interests of the Company and its Shareholders as a whole.

Accordingly, your Directors unanimously recommend that Shareholders vote in favour of the Resolutions. The Company has received irrevocable undertakings to vote in favour of the Resolutions in respect of the Ordinary Shares held by the Directors (whether directly or indirectly) which in total amount to 2,271,000 Ordinary Shares representing approximately 15.3 per cent. of the existing issued ordinary share capital of the Company as at 6 July 2011, being the latest practicable date prior to the publication of this document.

Yours faithfully

Paul Roy
Chairman

PART 2

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 NewRiver Group.

GENERAL RISK FACTORS

The Company is a relatively new company with little operating history

The Company was incorporated on 4 June 2009 and admitted to trading on AIM and the CISX on 1 September 2009. The Company only started trading post-First Admission and therefore has a limited 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 and the CISX, as an entity which has only relatively recently commenced operations, these have only had a short time to be tested in a live environment and there is no certainty that they will function in the future as they have done in the past or as designed in practice or at all.

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 NewRiver Group's results of operations, financial condition and business prospects.

Market value of Ordinary Shares

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 for Companies 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 be maintained

Although an application has been made for the Ordinary Shares to be admitted to AIM and to the Daily Official List of the CISX, there can be no assurance that an active trading market 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 is a Registered 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, the MSREI Conversion Option or options or the conversion of Convertible Unsecured Loan Stock will result in immediate dilution

The Company may issue additional shares in subsequent public offerings or private placements. 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 (i) the exercise of Warrants, (ii) the exercise of the MSREI Conversion Option or (iii) the conversion of the Convertible Unsecured Loan Stock, 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. In addition, the issue of additional shares by

the Company or the exercise of Warrants, the MSREI Conversion Option, the conversion of Convertible Unsecured Loan Stock 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, or the possibility of such sales, and the future exercise of Warrants or the conversion of Convertible Unsecured Loan Stock may affect the market price of the Ordinary Shares

There is no present intention or arrangement for the Directors of the Company, to sell their Ordinary Shares and/or Warrants. A substantial amount of Ordinary Shares being sold, including following the exercise of any Warrants, the MSREI Conversion or the conversion of Convertible Unsecured Loan Stock, 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 be able to fulfil their intention for the Company to pay out as a dividend at least 90 per cent. of qualifying income profits each year to meet UK-REIT regime requirements. 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 NewRiver 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 NewRiver Group. In addition, the volatility of the Ordinary Shares may be greater than the underlying Net Asset Value per Ordinary Share volatility. The Company may issue further Ordinary Shares at a discount to Net Asset Value if appropriate Shareholder approvals are obtained.

General economic and market conditions

The success of the NewRiver 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 NewRiver Group's investments. Illiquidity could impair the value and profitability of the NewRiver 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 ACQUISITION

Acquisition is conditional on funding

The Company has received credit committee approval from the Bank for a bank facility of up to £40.8 million. Key terms of the Facility Agreement have been negotiated and agreed with the Bank (and are set out in paragraph 6.23 of Part 10) but the legal documentation remains to be agreed and signed.

The Company intends to fund the Acquisition in part by this bank facility. The balance of the consideration for the Acquisition is to be provided from the net proceeds of the Placing. If the Facility Agreement is not concluded, the NewRiver Acquisition Vehicles will not have sufficient funds to be able to acquire the Four Retail Properties pursuant to the Property Acquisition Agreements and the Placing will lapse.

The Acquisition is expected to complete within 5 days of Admission. If for any reason after Admission the Bank (having contractually committed to do so) does not provide the debt funding anticipated pursuant to the Facility Agreement, whether as a consequence of the Bank defaulting on its obligations or as a result of the Company being in breach, the NewRiver Acquisition Vehicles will not have sufficient funds to be able to complete the Acquisition. In such circumstances the Company would try to find an alternative way of proceeding with the Acquisition with Zurich and should it fail to do so, the NewRiver Acquisition Vehicles will face certain legal consequences. Shareholders should also note that if Admission occurs but the Acquisition does not complete for any reason, the Placing Shares will have been issued and admitted to trading on AIM and the CISX. If this were to occur, the Directors believe the NewRiver Group would be able to quickly invest the Placing Proceeds in other suitable opportunities in accordance with NewRiver's investment policy.

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 NewRiver Group 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 NewRiver 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 NewRiver 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 NewRiver Group and the NewRiver 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 NewRiver Group's inability to recover certain operating costs such as local taxes and service charges on vacant space;
- the NewRiver 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, which could result in delays in receipt of rental and other

contractual payments, the inability to collect such payments at all or the termination of a tenant's lease;

- 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;
- the NewRiver 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; and/or
- a material decline in rental values which could affect the NewRiver Group's cash flows, income and capital values.

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 all 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 implemented by the Board 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 Executive Directors is not a guarantee of the future performance of the Company

The past performance of the real estate assets managed or operated by the Executive Directors (and, in particular, the performance of Halladale) should not be construed as an indication of the future performance of any investments made by the Company. There may be differences between the real estate assets previously managed by the Executive Directors and those of the NewRiver 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 Company has sourced borrowing facilities on a number of the acquisitions made to date and 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 NewRiver Group's property portfolio falls, including as a result of defaults by tenants pursuant to their leases with the NewRiver 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 NewRiver Group breaching financial covenants given to any lender, the Company or that member of the NewRiver 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 NewRiver 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 future 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 the Executive Directors

The Company's ability to provide returns to shareholders and achieve its investment objective is substantively dependent upon the performance of the Executive Directors 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 the Executive Directors and the information and opportunities presented to the Company by them during the normal course of their activities. The non-executive directors will monitor the performance of the Executive Directors, but their performance cannot be guaranteed. Failure by the Executive Directors to identify, secure and manage investments effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Non-control over joint ventures

The Company has entered into a joint venture agreement with MSREI and furthermore, under the Company's investment policy, the Company may have further interests in joint ventures or other entities (including options over property) over which it does not exercise total 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 use its available funds 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 has made to date and will make in the future 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 NewRiver Group's results of operations and financial condition.

Due diligence to be undertaken by the NewRiver Group on potential investments

Before the Company makes a property or property-related investment, the NewRiver Group arranges 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, the NewRiver Group 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, the Company 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 NewRiver Group may be subject to liability following the disposal of investments

The NewRiver 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 NewRiver 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 NewRiver 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 NewRiver Group's core activity, the NewRiver 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 NewRiver 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 NewRiver 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 NewRiver 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 NewRiver 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 NewRiver Group may incur costs attaching to the property, such as local taxes and nonrecoverable 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 NewRiver Group will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyors' costs in re-letting, maintenance costs, insurance costs, rates and marketing costs.

Rental 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.

Certain of the properties owned by the NewRiver 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 NewRiver 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 NewRiver 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 NewRiver 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 NewRiver 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 NewRiver 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 NewRiver Group cannot be certain that it will have adequate sources of funding available to it for such purposes in the future.

Uninsured losses

The NewRiver 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, NewRiver Retail will attempt to ensure that all of the NewRiver 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 NewRiver 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 NewRiver Group's assets will be reduced by any such uninsured loss. In addition, the NewRiver 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 NewRiver 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 NewRiver 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 NewRiver 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 NewRiver 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 NewRiver 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. The Valuation Report in Part 7 is made on the basis of certain assumptions set out in paragraph 4 of the Valuation Report which may not prove to be accurate.

Competition

The NewRiver Group may face significant competition from other property investors and other competitors may have greater financial resources than the NewRiver 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 NewRiver 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 NewRiver 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 NewRiver 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 8 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 NewRiver 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).

UK-REIT status

The UK-REIT Group converted to UK-REIT status in the United Kingdom with effect from 22 November 2010. Very broadly, the UK-REIT Group is exempt from UK tax on income and gains derived from its qualifying UK investment property rental business. However, in order to qualify for this regime and benefit from the tax exemption, the UK-REIT Group has to meet certain conditions on an ongoing basis. These include various tests relating to the structure and ownership of the Company, the nature of the UK-REIT Group's business, the percentage of profits derived from, and assets involved in, the UK-REIT Group's property rental business, interest cover, and the level of distributions to Shareholders. In the event that the UK-REIT Group fails to meet the requirements necessary to maintain UK-REIT status, the UK-REIT Group may lose the benefit of the UK-REIT regime and the corresponding tax benefits, which could have a material adverse effect on the Company's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. If as a result the UK-REIT Group is required to leave the UK-REIT regime within ten years of joining, HMRC has wide powers to direct how it is to be taxed (before and after it leaves the UK-REIT regime) and to determine the date on which the UK-REIT Group is treated as leaving the UK-REIT regime.

Prospective investors should note that there is no guarantee that the UK-REIT Group will continue to maintain UK-REIT status. Alternatively, the UK-REIT Group may voluntarily opt out of the UK-REIT regime.

The constraints surrounding UK-REIT status could limit the Company's flexibility in implementing its strategy, which could also have a material adverse effect on its business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. For example, the Company is required to distribute a minimum of 90 per cent. of the UK-REIT Group's tax-exempt income profits from the UK-REIT Group's property rental business to its shareholders, and this requirement (combined with the impact of the timing of recognition of income and expenses) could impact on the UK-REIT Group's resources available to fund acquisitions and other capital projects. The UK-REIT Group must also meet tests in relation to the percentage of profits derived from, and assets involved in, the property rental business, which may also restrict flexibility.

Further, any change (including a change in interpretation) in the legislative provisions relating to UK-REITs or in tax legislation more generally, either in the United Kingdom or in other countries in which the Company operates, could have a material adverse effect on the Company's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. Changes to tax legislation could include the imposition of new taxes or increases in tax rates in the United Kingdom or elsewhere. All of these matters could have a material adverse effect on the Company's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. In particular, an increase in the rates of stamp duty land tax could have a material impact on the price at which UK land can be sold, and therefore on asset values.

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 8, 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 NewRiver Group.

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 3

THE INVESTMENT OPPORTUNITY

1. Introduction

The Company is a specialist UK-REIT focussed on the UK retail sector and its aim is to become the leading value-creating property investment platform in the sector. The company commenced trading on 1 September 2009.

The Executive Directors have a strong long-term track record, established across a range of real estate ventures. Further details on the Executive Directors and their experience and track record are set out in paragraph 6 of Part 4 of this document.

The Company continues to pursue opportunities which the Directors believe exist in the UK commercial real estate market. The Company intends to utilise the proceeds of the Placing to complete the Acquisition and continue to acquire further assets, either directly or through its joint venture with MSREI, which fit with the Company's investment policy (as described in detail at paragraph 3 below) and where appropriate, enter into joint venture or co-investment discussions with other parties.

2. 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. 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 experience of the Executive Directors (being in aggregate over 80 years) and their extensive network of industry contacts, including individuals, institutions, banks, agents and occupiers will allow the Company to continue to source attractive deals, including off-market deals, in its target markets. In addition, the Directors expect that real estate from forced and distressed sellers will continue to provide an attractive source of acquisitions.

Key to this is the effective execution of NewRiver's business plan. This is and will continue to be delivered through a combination of well-researched acquisition opportunities and the opportunistic, entrepreneurial skill of the Company's management team.

NewRiver seeks to acquire properties that generate a high initial yield as well as providing identifiable value creating asset management opportunities. During the 2011 Financial Year, NewRiver made four acquisitions totalling £89.0 million at an average initial yield of 8.5 per cent. These acquisitions fully accord with the Company's stated investment strategy and offer high annual income returns and excellent prospects for capital growth through asset management and risk controlled development.

The Directors are of the view that income returns over the next cycle will be the major driver of total returns. Analysis of IPD data reveals that since 1986 through to 2010, approximately 78 per cent. of total returns were derived from income. Given the outlook of modest economic growth the importance of sustainable and recurring income will be even more important. NewRiver's portfolio has been carefully selected to deliver market outperformance.

NewRiver is fully committed to actively managing the Company's assets in order to deliver attractive total returns. Since First Admission, NewRiver has undertaken 53 leasing events including lease renewals, new lettings and extinguishing break clauses. 98 per cent. have been concluded at, or better than, NewRiver's forecast business plans.

NewRiver is also currently engaged in a significant risk-controlled development and refurbishment programme that, including joint-owned and managed shopping centres, extends to approximately 500,000 square feet across eight separate centres throughout the UK. The Directors believe that these projects will generate significant value over the medium term.

The Executive Directors adopt an active, value-creating, entrepreneurial approach. In constructing and executing business plans for individual sites and properties, the Executive Directors assess, *inter alia*, 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).

3. Investment Policy

Investment Objectives

In the context of the Directors' experience and analysis of the opportunities currently available in UK real estate, NewRiver will continue to focus on retail sector investments in the United Kingdom 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 of assets with sustainable rental levels and recycling of assets.

NewRiver will adopt a flexible and opportunistic investment strategy but with a particular focus on the key retailing sub sectors that are out-performing the wider retail market namely food, value fashion, health & beauty and the multi and single price discount retailers. The key investment criteria that the Company seeks is as follows:

- Targeted minimum geared returns of 15 per cent. or more per annum
- Acquisition net initial yields of 7 per cent. to 10 per cent.
- Annual cash on equity returns of 12 per cent. to 15 per cent.
- Sustainable rental levels (3 per cent. to 10 per cent. of tenants' turnover)
- Identifiable asset management and development opportunities
- Realisable exit strategies

Additional upside is expected to be achieved by, where appropriate, the undertaking of risk controlled development and refurbishment opportunities.

The Directors will target the acquisition of asset lot sizes of approximately £5 million to £100 million to produce a diversified portfolio for the Company in accordance with its investment policy. The upper limit of asset lot size has been increased from £50 million to £100 million to reflect the growth of the Company since First Admission. 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 outside of the core investment strategy. Where NewRiver identifies opportunities of a larger scale, it may choose to pursue these opportunities by investing through co-investment structures or with joint venture partners. Since First Admission, the Company has formed a joint venture with MSREI. For further details on NewRiver Retail Investments see paragraph 2.2 of Part 4 of this document.

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 with annual cash on equity returns of 12 per cent. to 15 per cent. There can, however, be no guarantee that the Company will achieve these target returns.

NewRiver is committed to recycling capital opportunistically. It is not the intention of the Company to hold well-let ex growth assets that will not benefit from its active asset management initiatives. The factors that will influence the Directors when considering the disposal of an asset include:

- the Company's business plan for the asset has been implemented;

- continuing to hold the asset would not meet the Company's minimum total geared returns of 15 per cent. per annum;
- the risk profile of the asset has increased to a level the Directors consider unacceptable; and
- a premium price has been secured to justify a sale prior to the business plan exit date.

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

Attractions of the Retail Sector

As a specialist UK-REIT, NewRiver focuses entirely on the UK retail property sector which is the largest sector in the UK commercial property market and continues to deliver resilient long term performance. Retailers are fast moving, adaptive businesses that evolve and change format consistently which plays to the skill set of NewRiver's experienced asset management team.

The retail sector in the UK has a high profile and there has been a tendency in the media to focus on the negative aspects of the sector such as retail administrations, rise of internet sales, high street vacancy rates, and the squeeze on disposable incomes. Whilst there will be challenges for the sector over the coming years, the Directors believe that there are numerous growth opportunities for the following reasons:

- According to Verdict Research the value of retail sales in 2010 grew by 1.6 per cent. and they forecast modest annual sales value growth from 2011 through to 2015.
- Approximately 45 per cent. of all UK retail sales are generated by the large food retailers including the discount food retailers who have consistently been growing their space throughout the recession and into 2011.
- Current vacant rates are at their long term average and well below the office and industrial sectors.
- There is a chronic shortage of new high productive retail space given the limited development activity undertaken over the last three years.
- Major retailers are seeking to expand to either increase their sales space or reposition their portfolios into more high productive retail space. Indeed the major food retailers are on record that they have space requirements totalling 15 million to 19 million square feet over the next five years. Non food retailers such as Debenhams, John Lewis Partnership, Hennes, River Island, Peacocks, Bon Marché, New Look, Primark, Poundland, Home Bargains, Poundworld, Wilkinson, Greggs, Grainger Games, Store 21, WH Smith, Sports Direct, Poundstretcher and Phones 4 U are all acquiring space.

Notwithstanding these positive attributes, NewRiver is currently focusing its investment acquisitions on assets where the predominant retail tenant profile is less reliant on discretionary spend. With the exception of central London and to some extent the South East, the Directors believe that there will be a squeeze on discretionary spend in the regions. Research from Verdict Research shows that discretionary spend retailers focused on the housing market or those selling large ticket items such as electrical and white goods have significantly underperformed retailers that are less reliant on discretionary spend such as food retailers, health and beauty retailers, value clothing retailers and the single and multiple priced discount retailers. Verdict Research forecasts that this trend will continue for the next four to five years and NewRiver is well positioned to capitalise on this.

NewRiver'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 past. The Directors believe that the sector knowledge, expertise and active and entrepreneurial asset management skills

of the Executive Directors will place the Company in a strong position to continue to exploit the opportunities in the UK retail sector.

Against this background, NewRiver will continue to 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 value and food sector within retail, where sales growth continues to be positive, retailers are keen to acquire space across a range of store formats, good tenant covenants are available and tenants are historically keen to agree long lease terms; and
- towns which are demographically balanced, with lower occupational costs as a percentage of turnover and where there is limited competition from both out-of-town retailing and competing town centres, resulting in a high retention of spend and a broader range of retailers, thus leading to rental growth.

NewRiver'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 food retailers, including Waitrose, Tesco, Sainsbury, Morrison's, the Co-Op and Asda, are continuing to expand their operations through the acquisition of new stores.

These retailers 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.

NewRiver will continue to 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 Executive Directors' extensive sector experience, NewRiver will seek to create opportunities to attract a major food retailer as an anchor tenant. Food retailers offer strong financial covenants, seek long term leases, generate high footfall and are likely to provide continuous rental growth for the landlord.

To support this strategy, bespoke research was commissioned to identify such towns. This research comprises an initial list of approximately 500 target towns which is regularly updated, with the data collected forming part of the asset management and risk controlled development strategy.

Other Opportunities

NewRiver 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.

NewRiver also aims to position itself to undertake transactions that are purely opportunistic. The Executive Directors' 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.

PART 4

FURTHER INFORMATION ON THE NEWRIVER GROUP

1. Corporate structure of the Group

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 a number of property owning subsidiaries which are wholly owned and incorporated in Guernsey and the UK and a 50 per cent. interest in a joint venture with MSREI, NewRiver Retail Investments, which is structured as a Guernsey limited partnership.

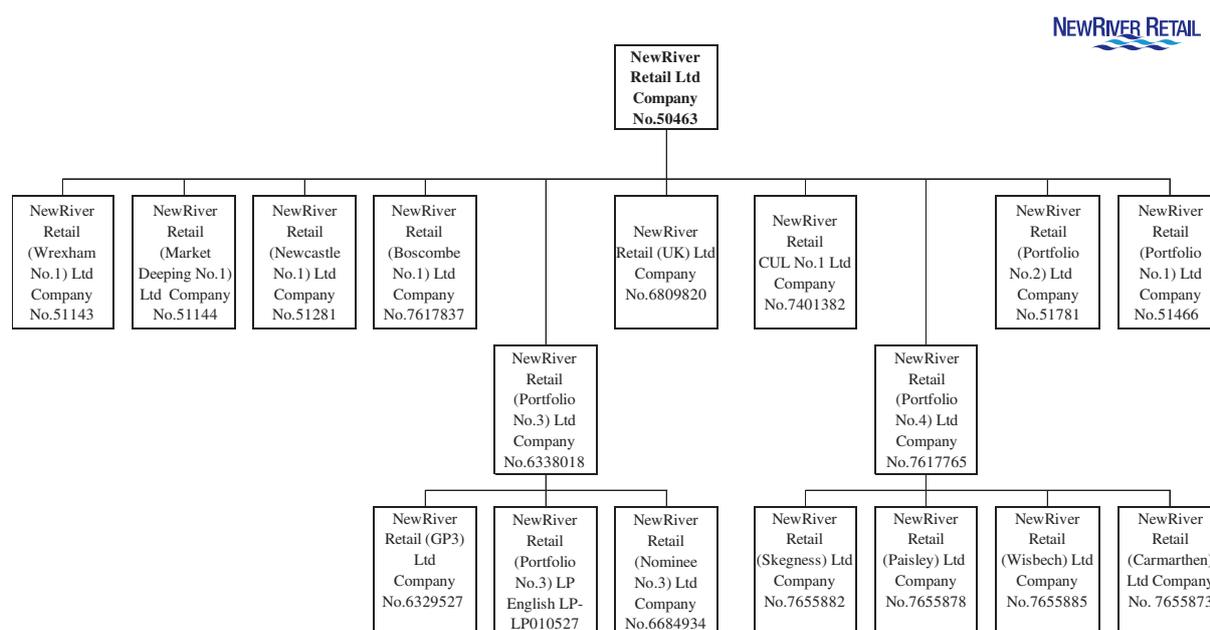
The Company converted to a UK-REIT as this is the preferred structure for UK and international real estate investors and helps provide the Company with access to a broader range of investors due to the fact that the companies within the Group will be largely exempt from future corporation tax on both rental profits and chargeable gains on disposals of investment properties. This removal of tax at the company level enables investors to be taxed broadly as though they held the property directly.

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.

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. It should be noted that whilst a disposal of property assets by a UK-REIT is generally tax exempt, a disposal of shares will be treated as a taxable disposal.

A diagram of the Group including the NewRiver Acquisition Vehicles is set out below. All subsidiaries are held 100 per cent. directly or indirectly by NewRiver.



2. Development of the NewRiver Group

The key developments which have occurred in relation to the NewRiver Group since First Admission are set out below.

2.1 *Acquisitions and Disposals*

Since incorporation the Company has completed approximately £150 million of acquisitions at an average net initial yield of 8.5 per cent.

On 1 December 2009, the Company completed its first investment when it acquired the freehold interests of 28-31 Hope Street and 3-5 Priory Street, Wrexham, a multi-let high street property. The investment comprises a total of 33,975 square feet divided into five individual retail units, currently let to national multiple retailers: Peacocks, Vision Express, Bathstore, Laura Ashley and Walmsleys. The asset was acquired for a purchase price of £5.3 million and had a net initial yield of 9.7 per cent.

On 20 January 2010, the Company announced that it had acquired the freehold interests of The Deeping Centre, a district shopping centre located in the town of Market Deeping, near Peterborough for £5.56 million which represented a net initial yield of 7.0 per cent. The Deeping Centre is anchored by a 27,000 square feet Co-operative food store and a petrol filling station, together with 11 further retail units. The Deeping Centre also provides the main car parking facilities for the town with 275 dedicated spaces. At the time of the acquisition, the Co-operative signed new 20 year leases for both the food store and the petrol filling station, representing 76 per cent. of the total rental income. Additionally, NewRiver purchased an adjoining strategic vacant site at one of the entrances to The Deeping Centre for £275,000.

On 7 June 2010, NewRiver exchanged contracts to acquire a portfolio of six long leasehold UK retail assets for a total consideration of £19.1 million from REDEVCO which represented a net initial yield of 7.8 per cent. The portfolio comprised six large space retail units totalling 308,400 square feet and the individual retail properties are let to three national multiple retailers: the largest by rental income being Wilkinson. The Company did not complete the acquisition of a property in Glasgow, and therefore the final consideration for this portfolio was £16.6 million.

On 11 June 2010, NewRiver exchanged contracts to acquire the leasehold interests of 49/53 Northumberland Street in Newcastle Upon Tyne. The property was acquired from the Receivers to Stylo Barratt Properties for a total consideration of £4.2 million which represented a net initial yield of 9.6 per cent. The property provides approximately 20,000 square feet of retailing space subdivided into 2 units. The largest tenant by net rental income is Bank Fashions, part of the JD Sports Group.

On 26 October 2010, NewRiver agreed to acquire a portfolio of five assets from Standard Life Investments Limited. The purchase price for the Standard Life portfolio was £14.0 million which represented a net initial yield of 9.0 per cent. The properties comprising the Standard Life portfolio are in the following locations: Doncaster, Grimsby, Hereford, Warrington and Worthing. The Standard Life portfolio has an approximate net lettable area of 139,000 square feet and the key tenants are Superdrug, Next and TK Maxx. The Company has not yet completed the acquisition of the Warrington property.

On 1 December 2010, the Company completed the acquisition of five UK shopping centres from the CPI Retail Active Management (CReAM) fund at an aggregate cost of approximately £53.0 million, which represented in aggregate a net initial yield of 8.4 per cent. With a total approximate lettable area of 518,000 square feet, the five shopping centres are located across the UK in: Bramley in Leeds, Burgess Hill in West Sussex, Erdington in Birmingham, Fareham in Hampshire and Wallsend in the Newcastle upon Tyne area. The majority of tenants are in the food, value and mass market retail market which together represent 67 per cent. of the portfolio's rental income. Key tenants are Tesco, Iceland, Lidl, Argos, New Look, Poundstretcher and Boots.

2.2 *NewRiver Retail Investments*

2.2.1 *Structure of NewRiver Retail Investments*

On 1 March 2010, the Company announced it had formed a new co-investment joint venture with MSREI targeted at acquiring UK retail property assets. The joint venture, NewRiver Retail Investments, is a Guernsey-registered Limited Partnership, and has scope for an acquisition capacity in excess of £250 million (including leverage). NewRiver Retail Investments is currently held equally by NewRiver and MSREI. Separate special purpose vehicles will be created to acquire properties for the joint venture on a transaction-by-transaction basis.

2.2.2 *MSREI Joint Venture Agreement*

MSREI has committed to invest an initial £60 million in the joint venture (including its investment in respect of the portfolio of assets referred to below, the NewRiver Retail Investments Initial Portfolio) during the two year period commencing on 5 March 2010. Whilst NewRiver and MSREI invested in equal proportions in the NewRiver Retail Investments Initial Portfolio, any further acquisitions may be funded by NewRiver and MSREI in such proportions as they may agree and NewRiver has the flexibility to invest a minimum of ten per cent. and a maximum of 50 per cent. of the equity funding for any such acquisition.

Pursuant to the MSREI Joint Venture Agreement, profits will be paid to the limited partners by NewRiver Retail Investments in the proportions in which they have contributed funding for particular projects. In addition, NewRiver may also receive a promote payment from NewRiver Retail Investments (in addition to its pro rata share of profits) depending on the level of returns generated across the entire asset base of NewRiver Retail Investments.

During an exclusivity period of two years from 5 March 2010 (or, if earlier, the date on which MSREI has invested £60 million in aggregate in the joint venture), the joint venture will have first right of refusal on any retail assets with a value of £25 million or greater which are identified as potential acquisition opportunities by the NewRiver Group, which has been appointed as the joint venture's asset manager. In the event that NewRiver Retail Investments does not proceed with any such acquisition, NewRiver will be free to acquire such assets either on its own account or through another joint venture or co-investment structure.

In addition, MSREI has the right to convert some or all of its interest in NewRiver Retail Investments into Ordinary Shares in the Company. This conversion option is exercisable in the period between 12 and 60 months after 5 March 2010. The conversion price per Ordinary Share will be based on the higher of the net asset value of the Company at the time or the 2010 Placing Price per Ordinary Share or, if exercised more than once, the most recent price of the last secondary issue. The maximum number of Ordinary Shares which can be issued under the MSREI Conversion Option is 10 per cent. of the share capital in issue at the time of the conversion. However, different limitations on the maximum number of Ordinary Shares which can be issued under the MSREI Conversion Option apply depending on whether it is exercised once or several times. The first time that MSREI exercises the option, it must elect whether it will exercise the option once only or on several occasions (up to a maximum of four). Further information in relation to the MSREI Conversion Option can be found at paragraph 6.12 of Part 10 of this document.

2.2.3 *Asset Management*

NewRiver Retail UK has been appointed as the asset manager for NewRiver Retail Investments pursuant to the NewRiver Retail Investments AMA. In line with NewRiver Retail's existing investment strategy, NewRiver Retail Investments will target UK retail property assets utilising the NewRiver Group's proven skills in active and entrepreneurial asset management and risk-controlled development and refurbishment to produce attractive returns.

In return for the provision of the NewRiver Group's asset management services to NewRiver Retail Investments, the NewRiver Group will be paid a quarterly asset management fee at market rates.

Apart from the benefits to the NewRiver Retail Group of this asset management fee and the potential promote payment referred to at paragraph 2.2.2 above, amongst other things, the joint venture also allows the Company to access larger deals and so operate throughout the retail real estate sector.

2.2.4 *Acquisition of the NewRiver Retail Investments Initial Portfolio*

On 5 March 2010, NewRiver Retail Investments acquired a portfolio of eight retail assets situated across the UK from the UBS Triton Property Fund. On 18 May 2010, the acquisition of the ninth and final asset of the UBS Triton Property Fund was completed following the satisfaction of certain conditions under the contract. The purchase price for all nine assets was £49 million and, in aggregate, the net initial yield of the portfolio was 9.0 per cent. The properties (other than Princess House, Shrewsbury and Unit 3, 50-60 Union Street, Glasgow referred to below) comprising the portfolio, their net lettable area and the key tenants at each are set out below:

<i>Location</i>	<i>Net Lettable Area (sq ft)</i>	<i>Key Retail Tenant</i>
Andover – High Street	30,400	Poundland/Superdrug
Canterbury – High Street	3,250	A. Jones
London – East Ham	30,000	J. Sainsbury
Glasgow – Union Street	5,594	Ladbrokes
Huddersfield – Packhorse S/C	103,250	Peters/Phones4U/Greggs/Card Factory
Norwich – Guildhall	43,250	Tesco
Widnes – Albert Square S/C	84,500	Iceland/WH Smith/Argos
Wrexham – Regent Street	39,500	Waterstones/Bon Marché

On 14 March 2011, NewRiver Retail Investments completed the disposal of Princess House, Shrewsbury to Rockspring PIM for a total consideration of £9.6 million, reflecting an initial net yield of 7.2 per cent. Additionally, NewRiver Retail Investments completed the sale of the heritable interest of Unit 3, 50-60 Union Street in Glasgow to the Nobel Group for a consideration of £1.3 million. The internal rate of return for these disposals was 70 per cent. and 320 per cent. respectively.

Further details on NewRiver Retail Investments, the MSREI Joint Venture Agreement and the NewRiver Retail Investments AMA as well as the acquisitions referred to above are provided in paragraph 6.12 to 6.14 of of Part 10 of this document.

2.3 *Further fundraising*

In May 2010, the Company raised an additional £10.5 million (before expenses) by the placing of 4,212,200 Ordinary Shares for the purposes of: (i) seeking to acquire assets which fit with the Company's investment policy; and (ii) progressing and developing the Company's joint venture with MSREI (NewRiver Retail Investments) and (iii) where appropriate, entering into joint venture or co-investment opportunities with other parties.

In November 2010 the NewRiver Group raised a further £25 million through the issue by NewRiver Retail CUL, a subsidiary of the Company, of Convertible Unsecured Loan Stock. Holders of Convertible Unsecured Loan Stock may convert any of their Convertible Unsecured Loan Stock into Ordinary Shares in the Company at the rate of 1 Ordinary Share for every £2.80 nominal value of Convertible Unsecured Loan Stock up to their expected repayment date of 31 December 2015.

Further details of the Convertible Unsecured Loan Stock are given in paragraph 6.15 of Part 10 of this document.

2.4 *Conversion to UK-REIT*

In November 2010, Shareholders approved the conversion of the Company into a UK-REIT. The Board believes this conversion to be beneficial for the NewRiver Group as this is the preferred structure for UK and international real estate investors and should provide the Company with access to a broader range of investors due to the fact that the companies within the NewRiver Group will, for as long as it remains a UK-REIT be largely exempt from future corporation tax on both rental profits and chargeable gains on disposals of investment properties.

3. **Directors of the Company**

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 will meet at least four times a year.

The Directors of the Company are:

Paul Roy, age 64 (*Non-Executive Chairman*)

Paul Roy co-founded NewSmith Capital Partners, an independent investment management firm, in 2003. Prior to this, he was Co-President of the Global Markets and Investment Banking division at Merrill Lynch, an Executive Vice President of Merrill Lynch & Co., Inc. Paul is Chairman of the British Horseracing Authority and is a member of the Horserace Betting Levy Board. Paul chairs the Remuneration Committee.

David Lockhart, age 67 (*Chief Executive*)

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. In 1991, David founded Halladale, a business which he ran as CEO. Halladale floated on AIM in 2001 and was sold 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 of circa £1.5 billion. In 2009 he founded NewRiver Retail Limited.

Mark Davies, age 36 (*Finance Director*)

Mark Davies has over 10 years experience in the UK real estate market. He started his property finance career with Grant Thornton before joining Pannell Kerr Foster (PKF) as a Partner and Head of Real Estate. Prior to joining NewRiver as Finance Director in October 2009 Mark was Chief Financial Officer of Exemplar Properties and Finance Director of Omega Land, a £500 million property joint venture with Morgan Stanley. Mark has experience in many areas of property finance including debt restructuring, hedging, UK-REITs, convertible loans and originating senior debt on investment and development property.

Allan Lockhart, age 46 (*Property Director*)

Allan has over 20 years' experience in the UK real estate market specialising in the retail sector. He started his career with Strutt & Parker in 1988 advising major property companies and institutions on retail investment and development. In January 2002, Allan was appointed as retail director to Halladale and was responsible for coordinating the acquisition and implementation of the asset management strategies of over 20 shopping centres as well as acquiring and completing several profitable retail developments.

Nick Sewell, age 39 (*Executive Director*)

Nick is a qualified chartered surveyor with over 14 years of retail commercial property experience. Specialising in high street, shopping centre and foodstore investments Nick has provided investment valuation and strategic advice around the acquisition and sale of property assets. Nick spent five years at Dalgleish, the specialist property consultancy and following its acquisition by CB Richard Ellis in 2005 he spent four years as a Director in Retail Capital Markets.

Peter Tom CBE, age 70 (*Non-Executive Director*)

Peter Tom has spent his career in the aggregates industry having originally joined Bardon Hill Quarries Limited in 1956. Peter is currently chairman of building materials group, Breedon Aggregates and was chief executive of Aggregate Industries, responsible for negotiating its sale to Holcim for £1.8 billion in 2005. Peter has been chairman of Leicester Football Club (Leicester Tigers) for 17 years and made 130 appearances for the club between 1963 and 1968. Peter was awarded a CBE for services to Business and Sport in 2006 and has an Honorary Degree from De Montfort University. Peter is also Chairman of Leaf Clean Energy and is a non-executive director of several other companies.

Susie Farnon, age 51 (*Non-Executive Director*)

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 a Non Executive Director of Cenkos Channel Islands Limited and other regulated and listed funds. Susie chairs the Audit Committee and sits on the Remuneration Committee.

Andrew Walker, age 48 (*Non-Executive Director*)

Andrew is Managing Director and head of Forum Partners' European team. As a co-founder of Forum Partners, he has enjoyed a 24-year career in real estate securities analysis and investment. Previously, he was a Vice President with Security Capital Group, a senior officer of SC European Realty, a \$1.5 billion European real estate partnership and a director of London and Henley S.A. Andrew was a leading property analyst in the UK and Continental Europe, working for Paribas Capital Markets and prior to that, S.G. Warburg Securities (Japan) Ltd. He is a member of the Royal Institution of Chartered Surveyors. Andrew sits on the Audit and Remuneration Committees.

5. Incentivisation and investment of the Directors

NewRiver has established incentive plans for the directors and employees of the NewRiver 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 10.

At First Admission, an initial investment of approximately £5 million in the Ordinary Shares was made by David Lockhart, Allan Lockhart and certain other Directors. David Lockhart, Paul Roy, Peter Tom and Mark Davies also invested, in aggregate, £515,000 in Ordinary Shares as part of the 2010 Placing.

Mark Davies has committed to subscribe for 4,000 Placing Shares at the Placing Price pursuant to the Placing.

6. Management experience and track record

The Executive Directors have extensive real estate asset management expertise. David Lockhart has been involved in the UK commercial real estate market for over 30 years and, during that time, has built up successful property management and development businesses, most notably, Halladale. Furthermore, Allan Lockhart, Nick Sewell and Mark Davies have between them over 50 years of experience in the UK commercial real estate industry.

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 £8.4 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.

Nick Sewell has more than 14 years of retail commercial property experience. Prior to joining NewRiver he was Director in Retail Capital Markets at CB Richard Ellis, the global commercial property and real estate services group. During this period Nick specialised in high street, shopping centre and foodstore investments.

Mark Davies has over 10 years of experience in the real estate industry. Prior to joining NewRiver, Mark was Head of Real Estate at Pannell Kerr Foster before becoming Group Chief Financial & Operating Officer of Exemplar Properties & Omega Land which was a £500 million joint venture with Morgan Stanley.

About Halladale

During the period from Halladale's admission to AIM in 2001 up to its sale to the Stockland Corporation in April 2007, Halladale delivered a Total Shareholder Return of 430 per cent. During that same period, Halladale provided investors with consistent growth in PBT, DPS and EPS and delivered an internal rate of return of approximately 31 per cent. per annum.

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.

7. 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 pays the Administrator a fixed, annualised fee of £72,000, 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 10 of this document.

The Company has engaged the Registrar to provide it with registration services, which 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 £4,250 (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 10 of this document.

The Company engaged the Sponsor to act as its sponsor for the purposes of the CISX Listing Rules. For the provision of these services, the Sponsor receives an annual fee of £5,000, payable on each anniversary of the date of the First Admission.

Further details of the Sponsorship Agreement are set out in paragraph 6.7 of Part 10 of this document.

8. 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 NewRiver Group.

9. Borrowings

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 NewRiver 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.

10. 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 out at least 90 per cent. of qualifying income profits each year to meet UK-REIT regime requirements. 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 Part 8 of this document.

11. 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. The Company published its 2010/2011 Interim Accounts on 6 December 2010 and its 2011 Annual Accounts on 22 June 2011. Shareholders will be sent updates on the NewRiver Group's activities as and when appropriate and in accordance with the AIM Rules for Companies and the CISX Listing Rules.

12. Buy-back of Ordinary Shares

At the Company's 2010 annual general meeting, Shareholders passed a resolutions providing the Directors with 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 its annual general meeting to be held on 18 July 2011 and thereafter at subsequent annual general meetings. The making and timing of any buy-backs will be at the absolute discretion of the Board.

13. Warrants

Warrants to subscribe for Ordinary Shares, representing in aggregate 3 per cent. of the Fully Diluted Share Capital were issued to Shareholders who subscribed for Ordinary Shares in the placing at First Admission.

A summary of the terms of the Warrants is set out in Part 9 of this document. As referred to in Part 9, the subscription price and/or number of Ordinary Shares relating to such Warrants is 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 NewRiver Group's business) and other dilutive events.

In particular, pursuant to the terms of the Warrant Instrument, where the Company issues any shares for a consideration per share less than the fair market value of the Ordinary Shares then the subscription price for the Warrants is reduced concurrently with such issue or sale. In addition, the number of Ordinary Shares for which the subscription rights are exercisable under the Warrants is subject to a consequential adjustment.

There are currently Warrants outstanding to subscribe for 783,100 Ordinary Shares. The subscription price for these Warrants, following the payment of the final dividend for the year ended 31 March 2011 of 4.5 pence per Ordinary Share (which is to be paid on 20 July 2011) will be 237 pence per Ordinary Share.

As the Placing Price is 252 pence per Placing Share, which represents a discount of approximately 4.36 per cent. to the closing mid-market price of 263.5 pence per Ordinary Share on 24 June 2011 being the last day of trading of the Ordinary Shares before publication of this document and prior to their temporary suspension from trading on AIM and the CISX in connection with the Acquisition on 27 June 2011, there is expected to be a consequential downward adjustment to the subscription price payable by Warrant holders on exercise of their Warrants and a consequential adjustment to the number of their Warrant Shares.

14. Share Incentive Plans

Details of the Share Incentive Plans are contained in paragraph 4 of Part 10 of this document

Pursuant to the rules of the CSOP, the Unapproved Plan and the Paul Roy Options, the number of Ordinary Shares under option (and in the case of options granted pursuant to the CSOP and the Unapproved Plan, the exercise price) may be adjusted by the Remuneration 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, in the case of the CSOP, require the prior approval of HMRC. Therefore, the Remuneration Committee is entitled to consider making an adjustment to the exercise price of options granted under the CSOP, the Unapproved Plan and/or the number of Ordinary Shares under the Paul Roy Option or options granted under the CSOP or the Unapproved Plan following completion of the Placing. However, the Directors do not anticipate that any such adjustment will be made.

15. MSREI Conversion Option

Pursuant to the MSREI Joint Venture Agreement, MSREI has the right to convert some of its share of the joint venture into Ordinary Shares. Further details of the MSREI Conversion Option are given in paragraph 6.12 of Part 10 of this document.

16. Convertible Unsecured Loan Stock

NewRiver Retail CUL has issued £25 million of Convertible Unsecured Loan Stock pursuant to the Convertible Unsecured Loan Stock Instrument. Holders of Convertible Unsecured Loan Stock may convert any of their Convertible Unsecured Loan Stock into Ordinary Shares in the Company at the rate of 1 Ordinary Share for every £2.80 nominal value of Convertible Unsecured Loan Stock (subject to adjustment in certain circumstances) up to their expected repayment date of 31 December 2015.

In particular, pursuant to the terms of the Convertible Unsecured Loan Stock Instruments, where the Company issues any shares for a consideration per share less than the average closing mid-market price of the Ordinary Shares based on the average closing mid-market price of the Ordinary Shares for the preceding 30 business days prior to such issue or sale, then the conversion price and, therefore, conversion rate, for the Convertible Unsecured Loan Stock is reduced concurrently with such issue or sale unless, in the case of the

A Convertible Unsecured Loan Stock only, Forum has utilised any pre-emption rights which may be available to it (described further in paragraph 6.16 of Part 10).

As the Placing Price is 252 pence per Placing Share, which represents a discount of approximately 4.36 per cent. to the closing mid-market price of 263.5 pence per Ordinary Share on 24 June 2011 being the last day of trading of the Ordinary Shares before publication of this document and prior to their temporary suspension from trading on AIM and the CISX in connection with the Acquisition on 27 June 2011, there is expected to be a consequential downward adjustment to the conversion price for the Convertible Unsecured Loan Stock.

Further details of the Convertible Unsecured Loan Stock are given in paragraphs 6.15, 6.16 and 6.17 of Part 10 of this document.

17. Corporate Governance

As a Guernsey registered and AIM quoted company, the Company is not required to comply with the Corporate Governance 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 Corporate Governance 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 Corporate Governance 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.

The Board is composed of eight Directors. Susie Farnon and Peter Tom CBE are deemed by the Directors to be independent. The remaining Directors are not considered to be independent. David Lockhart, Allan Lockhart, Mark Davies and Nick Sewell are not considered to be independent as they are the Executive Directors. Paul Roy as the Chairman is not considered to be independent for the purposes of the Corporate Governance Code following his appointment. Andrew Walker is not considered to be independent as he is a representative of Forum. Accordingly the Company complies with the provisions of the Corporate Governance 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 Corporate Governance Code in the Company's annual financial report.

Senior Independent Director

The Corporate Governance 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.

Board Committees

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

The Audit Committee comprises Andrew Walker, Susie Farnon and Peter Tom and is chaired by Susie Farnon. The Audit Committee meets at least twice a year and, *inter alia*, reviews 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 is 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 considers the nature, scope and results of the auditors' work and reviews, and develops and implements policy on the supply of any non-audit services that are to be provided by the external auditors. It receives and review reports from the Company's external auditors relating to the Company's annual report and accounts. The Audit Committee focuses primarily on compliance with legal requirements, accounting standards and the AIM Rules for Companies and the CISX Listing 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 Paul Roy and comprises all of the Directors. The committee meets not less than once a year and has 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 Remuneration Committee is chaired by Paul Roy and comprises Paul Roy, Susie Farnon, Peter Tom and Andrew Walker. The committee meets not less than once a year and has responsibility for considering the remuneration of the other Board members. The committee reviews 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 Remuneration Committee will also review the remuneration and incentivisation of the members of the Executive Directors and assess it by reference to that of persons holding similar positions in comparable organisations and make recommendations in respect thereof.

Each of the Directors has signed a letter of appointment or, in the case of Peter Tom, entered into a consultancy agreement 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.

18. The City Code

The City Code applies to the Company. See paragraph 8 of Part 10 for further information in respect of the application of the City Code to the Company.

19. The Disclosure and Transparency Rules

The Articles require that, 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 three per cent. and each one 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.

20. 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.

Part 7 of this document contains the Valuation Report on the Four Retail Properties produced by the Valuer.

21. Accounting policies

The audited accounts of the NewRiver Group are prepared under International Financial Reporting Standards (“IFRS”). Under IFRS, the NewRiver 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.

22. EPRA NAV

The EPRA NAV per Ordinary Share of the Company as at 31 March 2011, being the date to which 2011 Annual Accounts were prepared, was 273 pence.

The EPRA NAV per Ordinary Share is published semi-annually, based on the most recent valuation of the property portfolio and calculated under IFRS. The EPRA NAV per Ordinary Share is 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 EPRA NAV per Ordinary Share also is also provided to the CISX as soon as practicable following calculation and at the same time it is provided to AIM.

23. Taxation

Information regarding, *inter alia*, United Kingdom taxation for potential Shareholders is set out in Part 8 of this document.

24. Risk Factors

The attention of potential investors is drawn to the “Risk Factors” set out in Part 2 of this document.

25. Further information

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

PART 5

HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

Audited financial information on the Company for the financial years from incorporation on 4 June 2009 to 31 March 2010 and the year ended 31 March 2011

The 2010 Annual Accounts and the 2011 Annual Accounts, including the audited accounts (and their respective audit reports), are incorporated into this document by reference.

These reports are available free of charge from:

- (a) the registered office of the Company at Isabelle Chambers, Route Isabelle, St. Peter Port, Guernsey, Channel Islands GY1 3TX; and
- (b) the offices of Eversheds LLP at One Wood Street, London EC2V 7WS,

in each case during normal business hours on any day (Saturdays, Sundays and public holidays excluded) from the date of this document until the date of the Extraordinary General Meeting.

The 2010 Annual Accounts and the 2011 Annual Accounts can also be accessed through the Company's website at www.nrr.co.uk.

The auditor of the Company's statutory financial statements for the 2010 Financial Year and the 2011 Financial Year was Deloitte LLP.

PART 6

UNAUDITED PRO FORMA NET ASSET STATEMENT FOR THE GROUP

Proforma net asset statement of the Group and accountants' report

Basis of preparation

The unaudited pro forma financial information set out below has been prepared to illustrate the impact of the Placing and the acquisition of the Four Retail Properties under the Property Acquisition Agreements on the net assets of the NewRiver Group at 31 March 2011. The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore, does not represent the NewRiver Group's actual financial position.

The pro forma financial information is based on the net assets of the NewRiver Group at 31 March 2011 and has been prepared on the basis that the issue of new shares took place on that date. It does not take any account of any trading in the period after 31 March 2011.

	<i>Adjustments</i>			
<i>Group Net Assets at 31 March 2011⁽¹⁾</i>	<i>Proceeds of the Offer, net of expenses⁽²⁾</i>	<i>Completion of the Acquisition⁽³⁾⁽⁴⁾</i>	<i>Pro Forma Net Assets at 31 March 2011</i>	
<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
Non current assets				
Investment properties	105,800	–	71,797	177,597
Investment in joint ventures	11,926	–	–	11,926
Property, Plant and equipment	7	–	–	7
Total non current assets	117,733	–	71,797	189,530
Current assets				
Trade and other debtors	1,413	–	–	1,413
Cash and cash equivalents	10,651	40,400	(31,472)	19,579
Total current assets	12,064	40,400	(31,472)	20,992
Total assets	129,797	40,400	40,325	210,522
Current liabilities				
Trade and other payables	4,980	–	–	4,980
Derivative financial instruments	116	–	–	116
Total current liabilities	5,096	–	–	5,096
Non current liabilities				
Trade and other payables	1,201	–	–	1,201
Borrowings	60,252	–	40,325	100,577
Debt instrument	24,474	–	–	24,474
Total non current liabilities	85,927	–	40,325	126,252
Net assets	38,774	40,400	–	79,174

Notes:

- (1) The financial information on the NewRiver Group at 31 March 2011 has been extracted without adjustments from the financial information on the NewRiver Group included in the statutory financial statements of the NewRiver Group for the year ended 31 March 2011.
- (2) The net proceeds of the Placing are calculated on the basis that NewRiver issues 16,865,000 Placing Shares with no par value at a Placing Price of 252 pence per Placing Share and that transaction expenses are £2.100 million.

- (3) On 10 June 2011 the NewRiver Group entered into the Property Acquisition Agreements to acquire four properties from Zurich Assurance Limited for a total cash consideration of £68.025 million. The properties to be acquired were valued at £68.025 million by the Valuer as described in paragraph 4 of Part 1 and Part 7 of this document.
- (4) NewRiver expects to incur costs of £1.051 million in connection with the Acquisition in addition to Stamp Duty Land Tax of £2.721 million. The Acquisition is to be partly funded by a new debt facility provided by the Bank of 60 per cent of the property consideration (£40.815 million) on a five year term and partly by cash. Borrowings are shown net of capitalised bank arrangement fees of £0.490 million. The Acquisition (and therefore the drawdown of the debt facility) are subject to completion of the Placing.

PART 7
VALUATION REPORT

Head Office

Strutt & Parker LLP
13 Hill Street London W1J 5LQ
Telephone +44 (0)20 7629 7282
Facsimile +44 (0)20 7629 0387
enquiries@struttandparker.com
www.struttandparker.com



NewRiver Retail Limited
28 Brook Street
London
W1K 5DH

Direct dial: +44 (0) 20 7318 5028
Fax: +44 (0) 20 7629 0387
Email: michael.rowlands@struttandparker.com

Cenkos Securities plc
6.7.8 Tokenhouse Yard
London
EC2R 7AS

7th July 2011

Dear Sirs

**Portfolio Acquisition of Four Shopping Centres (the 'properties') known as:
Merlin's Walk, Carmarthen
The Piazza, Paisley
The Hildred's, Skegness
The Horsefair, Wisbech**

In accordance with our engagement letter with NewRiver Retail Limited we have pleasure in reporting to you as follows:-

1.0 INSTRUCTIONS

- 1.1 This valuation report has been prepared for the purpose of providing the Directors of NewRiver Retail Limited with the Market Value as at 7th July 2011 (as defined below) of the properties detailed above that they have agreed to purchase, for inclusion in the admission document to be issued to shareholders.
- 1.2 Our opinions of value are based on the Market Value, as defined in the Royal Institution of Chartered Surveyors' ('RICS') Valuation Standards ('Red Book') 7th Edition (as amended), together with any special assumptions that will be clearly stated in and/or attached to our report.
- 1.3 These valuations are subject to the reservations contained in this report and/or our Schedule of Assumptions and Principles provided to you previously, to which your attention is specifically drawn. For the purposes of inclusion in the admission document this schedule of assumptions and principles is not attached to this report however our valuation still remains subject to these

reservations. In the event that one or more of these assumptions is found to be incorrect, no reliance should be placed upon our valuations until they have been reviewed by us in light of that additional information.

- 1.4 The valuation of each of the properties was undertaken by Michael Rowlands MRICS and Nicholas Pinney MRICS who both have the requisite experience and knowledge for valuations of this nature.

2.0 EXECUTIVE SUMMARY

- 2.1 Our opinion of the Market Value of the properties at the date of valuation and on the assumptions contained in or attached to this report, is as follows:

Property	Value	Net Initial Yield	Equivalent Yield	Reversionary Yield
Merlin's Walk Carmarthen	£13,390,000	8.25%	8.7%	9%
The Piazza Paisley	£20,400,000	8.37%	9.7%	10.3%
The Hildred's Skegness	£18,900,000	7.5%	7.5%	7.6%
The Horsefair Wisbech	£15,340,000	8.15%	8.4%	8.6%
Total	£68,025,000	8%	8.6%	8.9%

- 2.2 All yields, expressed in this report are net of standard purchaser's costs at 4% stamp duty, agent's fees at 1%, lawyer's fees at 0.5%, and VAT at 20% on both agent's and lawyer's fees.
- 2.3 The views set out in this report are based upon market conditions as at the valuation date. We would stress that, as with any opinion of value, market conditions can change over time, which will have an impact on the reported figures.
- 2.4 No information has been provided to us that would change our view on market value since the valuation date.

3.0 DESCRIPTION

3.1 Merlin's Walk Shopping Centre, Carmarthen

3.1.1 Carmarthen is located in Carmarthenshire, south west Wales. It is situated approximately 54 miles (87 km) north west of Cardiff and some 30 miles (48 km) north west of Swansea.

3.1.2 We understand that the shopping centre was opened in 1998 and comprises approximately 9,587.28 sq m (103,200 sq ft) of retail sales and ancillary accommodation in 24 retail units. The scheme is built as an open street scape with ground floor retail and first floor ancillary accommodation. It is located next to the bus station and adjacent to the main town centre car park.

3.1.3 It is the value centre of town being anchored by TK Maxx and Argos as well as having Wilkinson to the rear acting as a further anchor. The new Catherine's Walk Shopping Centre is considered the prime scheme in the town being anchored by Debenhams, Next, New Look and Top Shop.

3.2 The Piazza, Paisley

3.2.1 Paisley is the largest town in the County of Renfrewshire in the west central lowlands of Scotland. The town forms a contiguous urban area with Greater Glasgow, with Glasgow City Centre being approximately 6.9 miles (11.1 km) to the east.

3.2.2 We understand that the Piazza Shopping Centre was developed in 1968 with an extension in 1975. We further understand that the centre was subsequently refurbished in the 1990's and provides a covered single level shopping centre, extending to approximately 12,541.5 sq m (135,000 sq ft) of retail and some 10,869.3 sq m (117,000 sq ft) of office accommodation.

3.2.3 It is situated in the heart of Paisley on Central Way and is next to Gilmoor Street train station. The shopping centre also includes a 366 space multi-storey car park and there are also a number of bus stops adjacent to the centre. The centre dominates Paisley and is anchored by a Co-op supermarket, New Look, Peacocks and Poundland.

3.3 The Hildred's Shopping Centre, Skegness

3.3.1 Skegness is a thriving seaside town in the East Lindsey district of Lincolnshire on the east coast of England. It is approximately 43 miles (69km) east of the city of Lincoln.

3.3.2 The Hildred's shopping centre in Skegness is a fully covered scheme which we understand was opened in 1988 and comprises approximately 30 retail units totalling approximately 5,121.76 sq m (55,132 sq ft). It is anchored by a Co-op food hall, Home Bargains, Wilkinson and W H Smith. There is also a surface level car park within the ownership comprising some 320 car spaces. This is the only shopping centre serving the town.

3.4 The Horsefair Shopping Centre, Wisbech

3.4.1 Wisbech is the third largest town in Cambridgeshire and is located approximately 15 miles (24km) southwest of Kings Lynn, 23 miles (37km) from Peterborough.

3.4.2 Horsefield Shopping Centre is the only shopping centre in town. We understand that it comprises 26 retail units, totalling approximately 8,566.49 sq m (92,212 sq ft) of retail sales and ancillary accommodation. We understand the centre was opened in 1988 and is built as a single-storey open scheme format with car parking for nearly 400 cars and the bus station/taxi rank is located close by. The centre dominates the town and is anchored by the Co-op supermarket, Argos with other key tenants including Boots, Poundland, Superdrug and New Look.

4.0 ASSUMPTIONS AND SOURCES OF INFORMATION

In undertaking our valuations we have made a number of assumptions and have relied on certain sources of information provided by NewRiver Retail Limited and third party companies. In the event that any of these assumptions prove to be incorrect, there may be a significant impact on the values we have reported to you.

4.1 Title

We understand that NewRiver Retail Limited are acquiring Freehold interests in Merlin's Walk Carmarthen, The Hildred's, Skegness and The Horsefair, Wisbech. The interest being acquired in The Piazza, Paisley is Feuhold (the Scottish equivalent of Freehold). We have not had access to the title deeds or leases and our valuations have been based on information which NewRiver Retail Limited has supplied to us such as to tenure, tenancies and statutory notices. We understand that NewRiver Retail Limited received all of this information from the vendors.

NewRiver Retail Limited's solicitors, Eversheds LLP, have advised them throughout the due diligence process on the acquisition of the properties. We have been advised by Eversheds that Cenkos Securities and their advisors have been supplied with the Report on Title in relation to each of the four properties, each dated 10th June 2011. Eversheds have issued Cenkos Securities with a letter of reliance and have confirmed that, subject to the matters disclosed in the Report on Title and to the qualifications, limitations and disclaimer contained therein, the seller to each of the subject properties has a good and marketable title to each of the subject properties. NewRiver Retail Limited has relied on their title reports and lease reports which have been provided under separate cover.

Each of our valuations of the properties is on the basis that:

1. The property possesses a good and marketable title, free from any unusually onerous restrictions, covenants, mortgages and charges or any other encumbrances that may affect market value;
2. The leases are on terms appropriate in the market in which they fall and contain no unusual or onerous provisions or covenants that would affect market value;
3. In respect of leases subject to impending or outstanding rent review or lease renewal, we assume all the requisite notices have been validly served within appropriate time limits; and
4. Vacant possession can be given of all accommodation which is un-let.

4.2 Tenancy Income

4.2.1 Our valuation for each property has been based on the following current net operating income for each shopping centre as follows:-

Carmarthen	-	£1,160,180 per annum
Skegness	-	£1,492,022 per annum
Wisbech	-	£1,313,609 per annum
Paisley	-	£1,792,334 per annum

We were initially provided with details of the tenancy income by the vendor's agents. We have relied on the lease reports and amended tenancy schedules provided by NewRiver Retail Limited's solicitors Eversheds throughout the due diligence process under separate cover. We have reconciled the gross tenancy income deducting, all non-recoverable service charge costs, non-recoverable business rates and insurance that is applicable to each of the shopping centres to arrive at the net operating income for each property as at the valuation date. The information relating to non-recoverable service charge, rates and insurance was provided to us by Messrs Workman and Partners who currently manage the portfolio and will continue to manage the properties post acquisition for NewRiver Retail Limited. We have therefore relied on their information in this regard.

4.2.2 The vendor has guaranteed income on certain units in all of the properties in relation to outstanding rent reviews, rent free periods and units under offer. This forms part of our assumptions in arriving at the net operating income.

4.2.3 In respect of the tenants' covenants, we have not received any formal report on the financial status of each of the tenants and have made the assumption that there are no material arrears of rent or service charges or breaches of covenant or current or anticipated tenant disputes where occupiers are unable to meet their commitment under their lease. We understand that NewRiver Retail Limited have relied upon the information provided by the managing agents, Messrs Workman and Partners, in this regard.

4.3 **Planning**

Your solicitors, Eversheds, have reported to you in detail on all aspects relating to planning for the subject properties under separate cover. We have not had sight of these.

In arriving at our valuation for each property we have assumed that all of the properties benefit from valid planning permission free from any onerous conditions for the uses to which they are currently put and are being occupied and used without any breach of planning or planning regulations and all conditions attached to any permissions have been complied with.

We have also assumed in our valuation that the properties are not affected by any proposals for road widening or compulsory purchase orders and that each of the shopping centres has adequate access rights for servicing the occupiers. We have also assumed that all of the properties currently comply with all statutory and local authority requirements including building, fire and health and safety regulations where appropriate.

4.4 **Structure**

NewRiver Retail Limited have instructed Messrs Hunter Evans to undertake structural surveys under separate cover. We have not had sight of these structural surveys and have therefore assumed for the purposes of these valuations that each of the properties is in a good repair and condition and there are no structural defects, outstanding repairs and other matters which would materially affect our valuation.

However, we have been made aware in relation to the Piazza Centre in Paisley, that repair works were identified by Messrs Hunter Evans to the car park and a deduction of some £375,000 has been made from the original purchase price to cover these works. We have assumed that this sum will sufficiently cover this cost and that there are no further repair costs that would affect the value of this and the other properties.

4.5 **Environmental Investigation**

Messrs Delta Simons were instructed by NewRiver Retail Limited to assess the environmental liability for each of the properties. We have not had sight of their detailed report, however we understand that each property was given a low environmental liability rating. We have therefore assumed this is the case in arriving at our valuation and have made no deductions for any remediation for contamination.

4.6 **Plant and Machinery**

We understand that NewRiver Retail Limited have instructed Messrs Hunter Evans to report on all matters relating to plant and machinery under separate cover. We have not been provided with any of these reports and have therefore assumed that the plant and machinery is in good repair and there are no non-recoverable items of repair that could affect the market value.

4.7 **Inspections and Areas**

We have inspected the properties on the following dates:

- The Piazza, Paisley: 19th May 2011
- The Hildred's, Skegness: 24th May 2011
- The Horsefair, Wisbech: 24th May 2011

We were instructed not to inspect Merlin Walk, Carmarthen due to time pressures during the negotiations. We have relied upon photography and site notes provided by NewRiver Retail Limited. The scheme is known to us from previous visits to the town.

We have not undertaken a measured survey in accordance with the Code of Measuring Practice 6th Edition prepared by the Royal Institution of Chartered Surveyors. We have relied upon all the net internal areas provided by the vendor in arriving at our valuation for each of the properties and have assumed that they have been measured in accordance with the current edition of the Code of Measuring Practice.

5.0 CONCLUSION

In our opinion, the purchase prices negotiated for each of the properties compares favourably to current market evidence.

The portfolio price totals £68,025,000 which reflects a net initial yield of 8.0%, a reversionary yield of 8.9% and an equivalent yield of 8.6%. Acquiring an 'off market' shopping centre portfolio is rare in the current market place and we believe the portfolio purchase price compares favourably with similar portfolio transactions that have occurred in the last twelve months. In our opinion there are also good prospects of increasing the running yields through future active management.

6.0 CONFIDENTIALITY

This valuation report may only be used for inclusion in the admission document to be issued by NewRiver Retail Limited in relation to their fund raising. Before this valuation report or any part of its contents are reproduced or referred to in any other document, circular or statement or disclosed orally to a third party, our written approval as to the form and context of such publication or disclosure must first be obtained.

For the avoidance of doubt, approval is required whether or not this firm is referred to by name and whether or not our valuation report is combined with others.

This report has been prepared solely for the use of NewRiver Retail Limited and no liability can be accepted to a third party for the whole or any part of its contents.

Yours faithfully

Michael Rowlands MRICS
Head of Retail

PART 8

TAXATION

This Part 8 is intended as a general guide only and constitutes a high-level summary of the Company's understanding of current UK law and HMRC's published guidance on the UK-REIT regime, each of which are subject to change, possibly with retrospective effect. It is not advice and should not be relied upon as such.

1. UNITED KINGDOM TAXATION – THE NEWRIVER GROUP

The Company and its UK tax resident subsidiaries

1.1 *Entry charge*

Each UK resident member of the NewRiver Group that carried on a property rental business in the UK or overseas and any non UK resident member of the NewRiver Group that carried on a property rental business in the UK was liable to pay an entry charge broadly equal to two per cent. of the aggregate market value of the properties involved in that business in order for the NewRiver Group to become a UK-REIT.

The NewRiver Group elected to pay the entry charge in instalments over a four year period.

There is no equivalent entry charge if a member of the NewRiver Group buys a property now the NewRiver Group is part of the UK-REIT regime. However, if the NewRiver Group were to acquire a company that is not a UK-REIT, currently, a similar entry charge will apply in respect of the property owned by the acquired company.

1.2 *Tax savings*

As a UK-REIT, the NewRiver Group does not pay UK direct tax on profits and gains from the Property Rental Business. In this Part, "Property Rental Business" means a business within the meaning of section 205 of the CTA 2009 or an overseas property business within the meaning of section 206 CTA, but, in each case, excluding certain specified types of business. While within the UK-REIT regime, the Property Rental Business will be treated as a separate business for corporation tax purposes from the Residual Business (the profits and gains arising from non-Property Rental Business) and a loss incurred by the Property Rental Business cannot be set off against profits of the Residual Business (and *vice versa*).

UK corporation tax is payable in respect of the Residual Business of UK resident members of the NewRiver Group and taxable items may include interest receivable, fee income, certain trading income, surpluses on disposals of properties sold within three years of development and capital gains on disposals of shares in subsidiaries. However, interest payable to third parties, administrative costs and tax losses brought forward may be deductible such that the profits of the Residual Business may be reduced.

1.3 *The "10 per cent. rule"*

The Company may become subject to an additional tax charge if it pays a dividend to, or in respect of, a person beneficially entitled, directly or indirectly, to 10 per cent. or more of the Company's dividends or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the Company. Shareholders should note that this restriction only applies to shareholders that are companies (as defined by section 1121 CTA 2010) and to certain entities which are deemed to be bodies corporate for the purposes of overseas jurisdictions with which the UK has a double taxation agreement or for the purposes of such double tax agreements.

This tax charge should not be incurred if the Company has taken reasonable steps to avoid paying dividends to such a shareholder. HMRC guidance describes certain actions that the principal company may take to show it has taken such "reasonable steps". One of these actions is to include restrictive

provisions in the Company's articles of incorporation to address this requirement. The Company's articles of incorporation include these provisions.

1.4 *Dividends*

The Company is required to distribute to shareholders (by way of dividend), on or before the filing date of its corporation tax return for the accounting period in question, at least 90 per cent. of the income profits (broadly, calculated using normal tax rules) of the UK resident members of the NewRiver Group in respect of their Property Rental Business and of the non-UK resident members of the Group insofar as they derive from their UK Property Rental Business arising in each accounting period (the "90% distribution test").

A dividend received by a shareholder of the Company in respect of profits and gains of the Property Rental Business of the UK resident members of the NewRiver Group or in respect of the profits or gains of a non-UK resident member of the NewRiver Group insofar as they derive from their UK Property Rental Business is referred to in this document as a "Property Income Distribution" or "PID". Any other dividend received by a shareholder of a UK-REIT will be referred to herein as a "Non-PID Dividend".

When the Company pays a dividend, that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution test. If the dividend exceeds the amount required to satisfy that test, the UK-REIT may determine that all or part of the balance is a NonPID Dividend paid out of the profits of the activities not in the Property Rental Business. Any remaining balance of the dividend (or other distribution) will be deemed generally to be a PID, first in respect of the income profits for the current year or previous years out of which a PID can be paid, and after these have been distributed in full, in respect of certain capital gains which are exempt from tax by virtue of the UK-REIT regime. Any remaining balance will be attributed to other distributions. Dividends paid by the Company after exiting from the UK-REIT regime may nevertheless be PIDs for a transitional period.

1.5 *Profit : financing-cost ratio*

A tax charge will arise in the Company if, in respect of any accounting period, the ratio of the income profits (before capital allowances and financing costs) of the UK resident members of the NewRiver Group plus the UK income profits of any non UK resident members of the NewRiver Group, in each case, in respect of its Property Rental Business, to the financing costs incurred in respect of the Property Rental Business of the NewRiver Group, excluding certain intra group financing costs, is less than 1.25. This ratio is calculated by reference to the Financial Statements required to be prepared in accordance with the UK-REIT rules, apportioning costs relating partly to the Property Rental Business and partly to the Residual Business, respectively. The amount (if any) by which the financing costs exceeds the amount of those costs which would cause that ratio to equal 1.25 is chargeable to corporation tax.

1.6 *Property development and property trading by a UK-REIT*

A property development undertaken by a member of the NewRiver Group can be within the Property Rental Business provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the asset at the later of: (a) the date on which the relevant company becomes a member of a UK-REIT, and (b) the date of the acquisition of the development property, and the UK-REIT sells the development property within three years of completion of the development, the property will be treated as never having been part of the Property Rental Business for the purposes of calculating any gain arising on disposal of the property. In these circumstances any gain will be chargeable to corporation tax.

If a member of the NewRiver Group disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Property Rental Business for the purposes of calculating any profit arising on disposal of the property. Any profit will be chargeable to corporation tax. In both the above cases, the member of the NewRiver Group would be able to reclaim that part of the entry charge paid in respect of that property.

1.7 *Certain tax avoidance arrangements*

If HMRC believes that a member of the NewRiver Group has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Property Rental Business.

1.8 *Movement of assets in and out of Property Rental Business*

In general, where an asset owned by a UK resident member of the NewRiver Group and used for the Property Rental Business begins to be used for the Residual Business, there will be a tax free step up in the base cost of the property. Where an asset owned by a UK resident member of the NewRiver Group and used for the Residual Business begins to be used for the Property Rental Business, this will generally constitute a taxable market value disposal of the asset, except for capital allowances purposes. Special rules apply to disposals by way of a trade and to development property.

1.9 *Funds awaiting reinvestment*

Where an asset used exclusively in the Property Rental Business is sold, the legislation provides for the sale proceeds to be treated as assets of the Property Rental Business for the purposes of the 75 per cent. assets test for two years following the disposal, provided that they are held as cash or cash equivalents. However, any interest earned on that cash is treated as part of the Residual Business and is therefore taxable.

1.10 *Joint ventures*

The UK-REIT rules also make certain provisions for corporate joint ventures. If one or more members of the NewRiver Group are beneficially entitled, in aggregate, to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding up, that joint venture company (or its subsidiaries) is carrying on a qualifying Property Rental Business which satisfies the 75 per cent. profits test and the 75 per cent. assets test (see paragraph 1.11 below) (the “JV company”) and certain other conditions are satisfied, the principal company may, by giving notice to HMRC, elect for the assets and income of the JV company to be included in the Property Rental Business for tax purposes. In such circumstances, the income of the JV company will count towards the 90 per cent. distribution test and the 75 per cent. profits test, and its assets will count towards the 75 per cent. assets test.

1.11 *Balance of business tests*

Under the UK-REIT rules the income profits arising from the Property Rental Business must represent at least 75 per cent. of NewRiver Group’s total profits for the accounting period (the “75 per cent. profits test”). Profits for this purpose means profits calculated in accordance with International Accounting Standards (“IAS”) before deduction of tax but excluding realised and unrealised gains and losses on the disposal of property, changes in the fair values of hedging derivative contracts (within the meaning of section 599(4) CTA 2010) and items which are outside the ordinary course of the relevant company’s business (irrespective of their treatment in that company’s accounts) having regard to that company’s past transactions.

In addition, at the beginning of the accounting period the value of the assets in the Property Rental Business must represent at least 75 per cent. of the total value of assets held by the NewRiver Group (the “75 per cent. assets test”). Assets must be valued in accordance with IAS and at fair value where IAS offers a choice of valuation between cost basis and fair value and in applying this test no account is to be taken of liabilities secured against or otherwise relating to assets (whether generally or specifically).

1.12 *Acquisitions and takeovers*

If a member of the NewRiver Group acquires another UK-REIT, no entry charge will be payable. However, if a company which is not a UK-REIT joins the NewRiver Group, currently, the entry charge will be payable on the assets constituting the Property Rental Business of the target company. (The UK-REIT entry charge is one of the topics currently part of an HMRC consultation.)

If a UK-REIT is taken over by another UK-REIT, the acquired UK-REIT does not necessarily cease to be a UK-REIT and will, provided the conditions are met, continue to enjoy tax exemptions in respect of the profits of its Property Rental Business and capital gains on disposal of properties in the Property Rental Business. There is no entry charge as a result of the acquired UK-REIT joining the acquiror's group and the properties of the acquired UK-REIT are not treated as having been sold and reacquired at market value.

The position is different where a UK-REIT is taken over by an acquiror which is not a UK-REIT. In these circumstances, the acquired UK-REIT is likely in most cases to fail to meet the requirements for being a UK-REIT and will therefore be treated as leaving the UK-REIT regime at the end of its accounting period preceding the takeover, and ceasing to benefit from tax exemptions on the profits of its Property Rental Business and capital gains on disposal of property forming part of its Property Rental Business from the end of that accounting period. The properties in the Property Rental Business are treated as having been sold and reacquired at market value for the purposes of corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax free as they are deemed to have been made at a time when the acquired UK-REIT was still in the UK-REIT regime and future capital gains on the relevant assets will therefore be calculated by reference to a base cost equivalent to this market value. If the acquired UK-REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be recharacterised retrospectively as normal dividends.

2. EXIT FROM THE UK-REIT REGIME

The Company can give notice to HMRC that it wants to leave the UK-REIT regime at any time. The Board retains the right to decide that the NewRiver Group should exit the UK-REIT regime at any time in the future without shareholder consent if it considers this to be in the best interests of the NewRiver Group.

If the NewRiver Group voluntarily leaves the UK-REIT regime within ten years of joining and disposes of any property that was involved in its Property Rental Business within two years of leaving, any uplift in the base cost of the property as a result of the deemed disposals on entry into and exit from the UK-REIT regime is disregarded in calculating the gain or loss on the disposal. However, there is no repayment of the entry charge in these circumstances.

It is important to note that it cannot be guaranteed that the NewRiver Group will continue to comply with all of the UK-REIT conditions and that the UK-REIT regime may cease to apply in some circumstances. HMRC may require the NewRiver Group to exit the UK-REIT regime if:

- it regards a breach of the Property Rental Business, Balance of Business or Distribution conditions (see paragraphs 1.4 and 1.11 above) or an attempt by the NewRiver Group to avoid tax, as sufficiently serious;
- the NewRiver Group has committed a certain number of minor or inadvertent breaches of the conditions in a specified period; or
- HMRC has given members of the NewRiver Group two or more notices in relation to the avoidance of tax within a ten year period of the first notice having been given.

In addition, if the conditions for UK-REIT status relating to the share capital of the Company and the prohibition on entering into loans with abnormal returns are breached or the Company ceases to be UK resident, becomes dual resident or an open-ended company, ceases to be listed or (in certain circumstances) ceases to fulfil the close company condition, it will automatically lose UK-REIT status. Where the NewRiver

Group is required by HMRC to leave the UK-REIT regime within ten years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the NewRiver Group is treated as exiting the UK-REIT regime.

Shareholders should note that it is possible that the NewRiver Group could lose its status as a UK-REIT as a result of actions by third parties (for example, in the event of a successful takeover by a company that is not a UK-REIT) or other circumstances outside the NewRiver Group's control.

3. TAX TREATMENT OF CERTAIN SHAREHOLDERS OF A UK-REIT

3.1 Introduction

The following paragraphs are intended as a general guide only and are based on the Company's understanding of current UK tax law and HMRC practice, each of which is subject to change, possibly with retrospective effect. The following paragraphs do not constitute advice.

The following paragraphs relate only to certain limited aspects of the United Kingdom and Guernsey and Jersey taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of shares in the Company. They apply only to Shareholders who are the absolute beneficial owners of both their shares in and dividends from the Company and hold their shares as investments and, except where otherwise indicated, they apply only to Shareholders who are both resident and ordinarily resident for tax purposes solely in the United Kingdom.

They do not apply to Substantial Shareholders, as defined in paragraph 3.18. Nor do they apply to certain categories of Shareholders, such as dealers in securities or distributions, persons who have or are deemed to have acquired their shares by reason of their or another's employment, persons who hold their shares as part of hedging or conversion transactions or persons who hold their shares in connection with a UK branch, agency or permanent establishment. Except where otherwise indicated at paragraph 3.2.2(d) below, they do not apply to persons holding shares in the Company by virtue of an interest in any partnership, collective investment schemes, insurance companies, life insurance companies, mutual companies, charities, trustees or pension scheme administrators.

The treatment of Guernsey and Jersey tax resident individual shareholders is set out in paragraph 3.2.5 below.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, Guernsey or Jersey, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

3.2 UK taxation of Shareholders

3.2.1 UK taxation of Non-PID Dividends

Non-PID Dividends paid by the Company will be taxed in the same way as normal corporate dividends paid by a UK company, whether in the hands of individual or corporate Shareholders and regardless of whether the Shareholder is resident for tax purposes in the UK.

3.2.2 UK taxation of PIDs

(a) UK taxation of Shareholders who are individuals

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company to which Part 12 of CTA 2010 applies, treated as a separate UK property business from any other UK property business (a "different UK property business") carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be off-set against a PID as part of a single calculation of the

profits of the Shareholder's UK property business. Please see also paragraph 3.2.2(d) (withholding tax) below.

(b) *UK taxation of corporate Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to corporation tax as profit of a UK property business (as defined in section 205 of CTA 2009). A PID is, together with any property income distribution from any other company to which Part 12 of CTA 2010 applies, treated as a separate UK property business from any other UK property business (a "different UK property business") carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be off-set against a PID as part of a single calculation of the Shareholder's UK property business profits.

Please see also paragraph 3.2.2(d) (withholding tax) below.

(c) *UK taxation of Shareholders who are not resident for tax purposes in the UK*

Where a Shareholder who is resident for tax purposes outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding. Please see also paragraph 3.2.2(d) (withholding tax) below.

(d) *Withholding tax*

(i) General

Subject to certain exceptions summarised at paragraph (iv) below, the Company is required to withhold tax at source at the basic rate (currently 20 per cent.) from its PIDs. The Company will provide Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

(ii) Shareholders solely resident and ordinarily resident in the UK

Where tax has been withheld at source, Shareholders who are individuals may, depending on their particular circumstances, either be liable to further tax on their PID at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are corporates will generally be liable to pay corporation tax on their PID and if (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to corporation tax in the accounting period in which the PID is received.

(iii) Shareholders who are not resident for tax purposes in the UK

It is not possible for a Shareholder to make a claim under a double taxation treaty for a PID to be paid by the Company gross or at a reduced rate. The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double taxation treaty between the UK and the country in which the Shareholder is resident.

(iv) Exceptions to requirement to withhold income tax

Shareholders should note that in certain circumstances the Company may not withhold income tax at source from a PID. These circumstances include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, a charity or a body mentioned in section 468 CTA 2010 which is allowed the same exemption from tax as a charity. The exception to deduct withholding tax also applies where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-

schemes, the account manager of an Individual Savings Account (ISA), the plan manager of a Personal Equity Plan (PEP), or the account provider for a child trust fund. In each case this is subject to the Company reasonably believing that the PID will be applied for the purposes of the relevant fund, scheme, account or plan.

The Company will also not be required to withhold income tax at source from a PID where the Company reasonably believes that the body beneficially entitled to the PID is a partnership, each member of which is a body described in the paragraph above.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose, the Company will require such Shareholders to submit a valid claim form (copies of which may be obtained on request from the Company's registrar, Capita Registrars). Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their claim form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

3.2.3 UK taxation of Chargeable Gains

Chargeable gains arising on the disposal of ordinary shares in a UK-REIT should be taxed in the same way as chargeable gains arising on the disposal of shares in a property investment company. The current prevailing rate of UK capital gains tax is 28 per cent. Chargeable gains subject to corporation tax are currently charged at a rate of 26 per cent.

3.2.4 UK Stamp Duty and Stamp Duty Reserve Tax

No stamp duty or stamp duty reserve tax will be payable on the issue of the Placing Shares.

Provided that the Ordinary Shares or Placing Shares are not registered in any register of the Company kept in the UK, and that nothing needs to be done in the UK to perfect the transfer of title of the Ordinary Shares or Placing Shares, no UK stamp duty should be payable on the transfer of Ordinary Shares or Placing Shares.

In the event that either of these conditions are not met, UK stamp duty will be due at a rate of 0.5 per cent (rounded up to the nearest £5.00) of the amount or value of consideration given. Stamp duty is normally paid by the purchaser.

As the Company is incorporated in Guernsey, no stamp duty reserve tax should be payable on the agreement to transfer any Ordinary Shares or Placing Shares.

The above statements are intended as a general guide to the current stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with Depositary arrangements and clearance services.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

3.3 *Taxation of Guernsey and Jersey-resident Shareholders who are individuals*

Guernsey and Jersey tax law do not set out the tax treatment of distributions from a UK-REIT. However, rulings have been obtained for the Company from the Guernsey and Jersey Tax Offices to confirm the taxation of such investors.

PIDs comprising distributions of property income will be subject to UK withholding tax upon distribution. The gross income is assessable to Guernsey/Jersey income tax and double tax relief (DTR) is available to the Guernsey/Jersey resident individual in respect of the UK withholding tax.

Residual income suffers UK corporation tax in the Company. Accordingly, it is treated as a normal UK dividend and taxable in Guernsey/Jersey on the net receipt, with no DTR available (the same as a normal UK dividend).

Distributions of PIDs derived from gains on the sale of properties will be subject to UK withholding tax upon distribution. However, the gain should not be subject to further tax in Guernsey/Jersey. Chargeable gains on the sale of companies are subject to UK corporation tax at the UK-REIT level, however distributions of such gains should not be subject to tax in Guernsey/Jersey.

Guernsey/Jersey tax resident individuals disposing of shares in the Company should not be subject to tax in either the UK or Guernsey/Jersey, provided the shares are considered to be an investment and not a trading asset.

4. UK-REIT CONSULTATION

The UK-REIT rules are currently subject to consultation, however except where noted, it is not anticipated that the new rules will impact upon the tax analysis set out in this part.

5. UK CORPORATION TAX & TRANSFER PRICING

Upon entry to the UK-REIT regime the NewRiver Group ceased to be liable to UK income tax under the non resident landlord scheme and instead became liable to UK corporation tax.

The NewRiver Group's transfer pricing policies have recently been agreed with HMRC, giving stability and certainty with regard to the taxation of the NewRiver Group's residual business

6. 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.

The Company is tax resident in the UK by way of its management and control being exercised in the UK. For the purposes of the UK-REIT rules the Company must be resident for tax purposes only in the UK. Currently, under Guernsey tax law, a company which has been granted an exemption from tax is not tax resident in Guernsey. It is therefore important that the Company continues to reapply for exempt status in Guernsey such that the Company is tax resident only in the UK. Should the Company not be granted an exemption from Guernsey taxation, the Company would then also be tax resident in Guernsey. The Company would therefore not satisfy the UK-REIT residence condition and the Group would automatically leave the UK-REIT regime. The NewRiver Group would be treated as ceasing to be a Group UK-REIT at the end of the previous accounting period

7. OTHER TAXATION

Should the NewRiver 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 NewRiver 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 9

SUMMARY OF THE WARRANTS

1. Introduction

Shareholders who subscribed for Ordinary Shares upon First Admission received Warrants, in the aggregate, to subscribe for three per cent. of the Fully Diluted Share Capital exercisable at the First Placing subscription price per Ordinary Share of 250 pence, as adjusted in the circumstances summarised below under the heading “Terms of the Warrants”, and all such Warrants were fully vested and exercisable upon issuance. There are currently Warrants outstanding to subscribe for 783,100 Ordinary Shares. The Subscription Price for these Warrants, following the payment of the final dividend for the year ended 31 March 2011 of 4.5 pence per Ordinary Share to be paid on 20 July 2011, will be 237 pence per Ordinary Share. An adjustment to the subscription price and the subscription rights attaching to the Warrants is expected to be required as a consequence of the Placing.

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 NewRiver 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 NewRiver 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 for Companies and CISX Listing Rules.

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

“NewRiver 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 authorisations 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.

“Subscription Price” means the subscription price payable from time to time to subscribe for Warrant Shares, 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).

“Warrantholder” 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 Warrantholders the right to subscribe in cash at the Subscription Price for the Warrant Shares.

2.2.2 Each Warrantholder 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 (as adjusted since Admission pursuant to paragraph 2.3 below) of the Fully Diluted Share Capital of the Company specified in its Certificate (the “Subscription Rights”).

2.2.3 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 Warrantholders 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 Warrantholders shall have a period of six 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 Warrantholders 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 Warrantholders’ 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 Warrantholders 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 Warrantholders’ 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.

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 affect 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 Warrantholders, 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 NewRiver 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 NewRiver 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 Warrantholders, 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 Warrantholders, 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 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 as 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 Warranholders 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 Warranholder, 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 Warranholder. The Company shall give, or cause to be given, written notice to the Warranholder 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 Warranholder 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 Warranholder a new Certificate in respect of the remaining Warrants held by such Warranholder, such that all Warranholders 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 Warranholder, 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 10

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated with limited liability in Guernsey on 4 June 2009 under 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 tax-resident in the UK and (other than the Directors) has no employees.
- 1.2 The address of the registered office of the Company is Isabelle Chambers, Route Isabelle, St. Peter Port, Guernsey, Channel Islands GY1 3TX. The address of the head office, business address for the Directors and principal place of business of the Company is 28 Brook Street, London, W1K 5DH, United Kingdom and its telephone number is + 44 1481 735540.
- 1.3 The Company’s principal activity is 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 issued share capital of the Company since its incorporation are summarised in paragraph 2 below.
- 1.6 As a company whose Ordinary Shares are admitted to trading on AIM and to listing on the Daily Official List of the CISX, the Company is subject to the AIM Rules for Companies and the CISX Listing Rules.
- 1.7 The website address for the Company which includes the information required by the AIM Rules for Companies is www.nrr.co.uk

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 6 July 2011, being the latest practicable date prior to the publication of this document, 14,838,508 Ordinary Shares of no par value.
- 2.3 On the assumption that all of the Ordinary Shares proposed to be issued pursuant to 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 31,703,508 Ordinary Shares of no par value.
- 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 and the Law.
- 2.5 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 10.

- 2.6 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 Warrantholders upon exercise of any Warrants.
- 2.7 Pursuant to a share transfer agreement dated 26 August 2009 between the Company and the shareholders of NewRiver Retail UK, being Allan Lockhart and David Lockhart, the shareholders of NewRiver Retail UK transferred the entire issued share capital of NewRiver Retail UK to NewRiver Retail for the consideration of £1, conditional only upon First Admission occurring. NewRiver Retail UK at First Admission became a wholly-owned subsidiary of NewRiver Retail. The share transfer agreement contained 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 Retail UK between its incorporation and the date of completion of the agreement. The liability of the shareholders under the warranties was capped at £250,000 (apportioned equally between the shareholders) and was limited to a period of 12 months following completion of the agreement.
- 2.8 David Lockhart, via a company controlled by him, was owed £350,000 in respect of the costs incurred in establishing NewRiver prior to the IPO on 1 September 2009, for which he has not been reimbursed and which he has agreed to waive.
- 2.9 On 5 May 2010, the Company issued 4,212,200 Ordinary Shares pursuant to the 2010 Placing. The Ordinary Shares issued under the 2010 Placing were allotted pursuant to the authority contained in the Articles.
- 2.10 At the Company's 2010 annual general meeting, Shareholders passed a resolution providing the Directors with 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 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 to be held on 18 July 2011 unless such authority is varied, revoked or renewed prior to such date by a ordinary resolution of the Company in general meeting. The Company will seek renewal of this authority from Shareholders at its annual general meeting on 18 July 2011 and thereafter at subsequent annual general meetings. The making and timing of any buy-backs will be at the absolute discretion of the Board.
- 2.11 In November 2010, the NewRiver Group raised a further £25 million through the issue by NewRiver Retail CUL, a subsidiary of the Company, of Convertible Unsecured Loan Stock. Further details of the Convertible Unsecured Loan Stock are given in paragraph 6.15.
- 2.12 Save as disclosed in this paragraph 2 and the Ordinary Shares issued at First Admission, 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 aside from the issue of shares pursuant to the Placing.
- 2.13 Save as disclosed in this document, no person has any preferential subscription rights for any share capital of the Company.
- 2.14 Save as disclosed in this paragraph 2, 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.

2.15 The following options to acquire Ordinary Shares have been granted to the Directors 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	250 Pence Per Share	The 3rd anniversary of First Admission	Day before the 10th anniversary of grant
Allan Lockhart	12,000	250 Pence Per Share	The 3rd anniversary of First Admission	Day before the 10th anniversary of grant
Nicholas Sewell	11,049	271.5 Pence Per Share	15 December 2012	Day before the 10th anniversary of grant
Mark Davies	11,049	271.5 Pence Per Share	15 December 2012	Day before the 10th anniversary of grant

2.16 The following options to acquire Ordinary Shares have been granted to the Directors 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	272,286	250 Pence Per Share	Split equally between the 3rd, 4th and 5th anniversary of First Admission	Day before the 10th anniversary of grant
Allan Lockhart	192,686	250 Pence Per Share	Split equally between the 3rd, 4th and 5th anniversary of First Admission	Day before the 10th anniversary of grant
Nicholas Sewell	102,647	271.5 Pence Per Share	Split equally between 15 December 2012, 15 December 2013 and 15 December 2014	Day before the 10th anniversary of grant
Mark Davies	38,693	271.5 Pence Per Share	Split equally between 15 December 2012, 15 December 2013 and 15 December 2014	Day before the 10th anniversary of grant
Nicholas Sewell	15,000	243.5 Pence Per Share	Split equally between 15 December 2012, 15 December 2013 and 15 December 2014	Day before the 10th anniversary of grant
Mark Davies	15,000	243.5 Pence Per Share	Split equally between 15 December 2012, 15 December 2013 and 15 December 2014	Day before the 10th anniversary of grant

2.17 The following options to acquire Ordinary Shares 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	100,000	250 Pence Per Share	The 1st anniversary of First Admission	Day before the 10th anniversary of grant
Paul Roy	100,000	250 Pence Per Share	The 2nd anniversary of First Admission	Day before the 10th anniversary of grant

2.18 Save as disclosed in this paragraph 2 and in Part 9 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, other than options in respect of 4,612 Ordinary Shares at an

exercise price of between 271.5 pence and 243.5 pence, which vest in the period from 15 December 2012 to 15 December 2014.

- 2.19 Other than pursuant to the terms of 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 Ordinary Shares are, and 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 Placing 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 save as disclosed in this paragraph 2, there are no shares in the Company held by any of its subsidiaries.
- 2.22 The EBT currently holds a total of 624,000 Ordinary Shares in order to satisfy options/awards made or to be made under the Share Incentive Plans. As the EBT is consolidated, these shares are treated as treasury shares.

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 14 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*

If the Company shall be wound up whether voluntarily or otherwise the liquidator may with the sanction of a special resolution divide among the Shareholders in specie any part of the assets 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 Articles, the provisions of the Law, the rights attaching to any class of shares and any guidelines established from time to time by the Board or to which the Company is subject, the Company may, at the discretion of the Board, purchase any of its own shares, whether or not they are redeemable, and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Law.

3.2 *Variation of class rights*

If at any time the shares of the Company are divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class 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 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. The Company may not issue Ordinary Shares at a discount to net asset value except in accordance with the Law.
- 3.3.2 Subject to the Articles and unless otherwise determined by special resolution of the Company in general meeting, 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 (being not less than 14 days) 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 and such offer is to be capable of acceptance for a further period of not less than 14 days. 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 preemption 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: (a) 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 (b) 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 14 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 in aggregate £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 137 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 12 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) if he be requested to resign by written notice signed by all the other Directors; or

- (g) 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.

3.13 *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 and subject to the UK-REIT provisions in the Articles (summarised below).

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, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide among the members in specie any part of the assets of the Company and may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator shall think fit. If thought expedient subject to the obtaining of any necessary consents or sanctions any such division may be otherwise than in accordance with the then existing rights of the members and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in default of any such provision the assets shall subject

to the rights of the holders of shares issued with special rights or privileges or on special conditions be distributed rateably according to the amount paid up on the shares.

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 (or in such other place in the United Kingdom, as the case may be).

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

The Articles require that, from First 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 five per cent. and each five per cent. threshold thereafter up to 30 per cent. and then 50 per cent. and 75 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.

3.18 ***UK-REIT***

In order to maintain its status as a UK-REIT, the Articles contain provisions to enable the Company to demonstrate to HMRC that it has taken reasonable steps to avoid paying a dividend (or making any other distribution) to a "substantial Shareholder", that is, a company that is beneficially entitled, directly or indirectly, to 10 per cent. or more of the Company's distributions or share capital or controls, directly or indirectly, 10 per cent. or more of the voting rights of the Company. These include:

- (a) an obligation on each Shareholder to give notice to the Company upon becoming a substantial shareholder and the Directors can require any Shareholder to deliver such information as is required to enable the Directors to determine whether the Shareholder is a substantial shareholder;
- (b) the prohibition of the payment of dividends on Ordinary Shares that form part of a substantial shareholding, unless certain conditions are met;
- (c) the Directors' power to pay dividends on Ordinary Shares that form part of a substantial shareholding where the Shareholder has disposed of its rights to dividends on its Ordinary Shares;

- (d) the creation of trust arrangements where a dividend is paid on Ordinary Shares forming part of a substantial shareholding so that dividends so paid are held on trust by the recipient for any person nominated by the substantial shareholder concerned; and
- (e) the Directors' power to require a substantial shareholder to dispose of Ordinary Shares forming part of a substantial shareholding where a substantial shareholder has been identified and a dividend declared but the substantial shareholder has not transferred the right to the dividend, there has been a failure to provide information requested by the Directors or any information provided by any person proves materially inaccurate or misleading.

3.19 *Untraced Shareholders*

3.19.1 The Company shall be entitled to sell at the best obtainable price the shares of a shareholder or, on their death, their personal representative, provided that:

3.19.1.1 during the period of not less than twelve years prior to the date of the publication by the Company of advertisements in a national newspaper and in a newspaper circulating in the area of the last known address of such shareholder, at least three dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and

3.19.1.2 during the period of three months following the publication of such advertisements the Company shall have received no indication either of the whereabouts nor of the existence of such shareholder or person.

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 Company Share Option Plan 2009 "CSOP"*

Status of the CSOP

The CSOP was formally approved by HMRC.

The CSOP was adopted by the Company on 26 August 2009.

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, from being granted an option by virtue of having, or having had, a material interest in the Company.

Grant

The Remuneration 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.

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 Remuneration 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 for Companies, 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

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 NewRiver 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 First 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 directors or employees of NewRiver Retail UK (other than David Lockhart and Allan Lockhart) within the period of 18 months following the date of First 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-First 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 paragraph 2.15 of this Part 10 sets out the options which have been granted under the CSOP to Directors.

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 Remuneration 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 Remuneration 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 not be conditional upon the achievement of any objective performance target.

Exercise of options

Normally, an option may only be exercised following the occurrence of a date (“Vesting Date”) specified at the time of grant provided that the option holder is still an employee within the NewRiver Group. The Vesting Date for an option may not occur before the third anniversary of the date of grant.

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 for Companies or the CISX Listing Rules (if relevant).

If an option holder ceases to be an employee of the NewRiver Group 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 Remuneration Committee), redundancy or retirement on or after reaching the age of 55 or upon the sale or transfer out of the NewRiver Group of the company or undertaking employing him, his option shall be exercisable during the six month period following the later of (a) the Vesting Date of such option and (b) the option holder’s cessation of employment; if not so exercised, such option will lapse. In the event the option holder ceases to be an employee before the Vesting Date, the Remuneration 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 NewRiver 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 12 months following the date of his death.

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

The options granted to David Lockhart and Allan Lockhart (at any time) may be exercised during the 12 months following the date of cessation of employment if such option holder ceases to be an employee of the NewRiver Group by reason of: (a) injury, ill health, incapacity or disability (evidenced to the reasonable satisfaction of the Remuneration 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 NewRiver 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 Remuneration Committee); or (f) any other circumstance stipulated by the Remuneration Committee as at the date of grant of such options; or (g) at the time of or in anticipation of or within the three months following such cessation of employment at the discretion of the Remuneration Committee, in any other circumstances; or (h) in respect only of the options granted on or within the first year following the date of First Admission 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 NewRiver Group of the undertaking employing the option holder concerned, the Remuneration Committee may allow the option to be exercised immediately before, but with effect from, the takeover or the transfer of the undertaking concerned.

Other than in respect of options granted on or before First 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 NewRiver Group, the maximum number of Ordinary Shares over which any option is capable of exercise may, at the discretion of the

Remuneration 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 Remuneration Committee has a discretion, having full regard to all the circumstances surrounding the early exercise of an option, to ignore the prescribed prorating 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 Remuneration 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 Remuneration Committee. The Remuneration 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 NewRiver 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.

4.2 *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.

The Unapproved Plan was adopted by the Company on 26 August 2009.

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 Remuneration 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 Remuneration 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 Remuneration 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 for Companies, 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

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 NewRiver 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 First 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 directors or employees of NewRiver Retail UK (other than David Lockhart and Allan Lockhart) within the period of 18 months following the date of First 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-First 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 paragraph 2.15 of this Part 10 sets out the options which have been granted under the Unapproved Plan.

Exercise Price

The exercise price per Ordinary Share under an option is determined by the Remuneration 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 Remuneration 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 not be conditional upon the achievement of any objective performance target.

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 a date (“Vesting Date”) specified at the time of grant provided that the option holder is still an employee within the NewRiver Group. The Vesting Date for an option may not occur before the first anniversary of the date of grant.

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 for Companies or the CISX Listing Rules (if relevant).

If an option holder ceases to be an employee of the NewRiver Group 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 Remuneration Committee), redundancy or retirement on or after reaching the age of 55 or upon the sale or transfer out of the NewRiver Group of the company or undertaking employing him, his option shall be exercisable during the six month period following the later of (a) the Vesting Date of such option and (b) the date of such cessation; if not so exercised, such option will lapse. In the event that an option holder ceases to be an employee before the Vesting Date, the Remuneration 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 NewRiver 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 12 months following the date of his death.

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

The options granted to David Lockhart and Allan Lockhart (at any time) may be exercised during the 12 months following the date of cessation of employment if such option holder ceases to be an employee of the NewRiver Group by reason of: (a) injury, ill health, incapacity or disability (evidenced to the reasonable satisfaction of the Remuneration 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 NewRiver 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 Remuneration Committee); or (f) any other circumstance stipulated by the Remuneration Committee as at the date of grant of such options; or (g), at the time of or in anticipation of or within the three months following such cessation of employment at the discretion of the Remuneration Committee, in any other circumstances; or (h) in respect only of the options granted on or within the first year following the date of First Admission, 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 or within the first year following the date of First Admission, 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 NewRiver Group of the undertaking employing the option holder concerned, the Remuneration Committee may allow the option to be exercised immediately before, but with effect from, the takeover or the transfer of the undertaking concerned.

Other than in respect of options granted on or prior to the date of First 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 NewRiver Group, the maximum number of Ordinary Shares over which any option is capable of exercise may, at the discretion of the Remuneration 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 Remuneration 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 Remuneration Committee. The Remuneration 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 NewRiver 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.

4.3 *The Paul Roy Options*

The Paul Roy Options take the form of options to acquire 200,000 Ordinary Shares (in aggregate) for an exercise price of 250 pence per Ordinary Share. The Paul Roy Options have no beneficial tax status. The options were granted on 1 September 2009 for no consideration and their exercise is not conditional upon the achievement of a performance target.

100,000 of the Ordinary Shares which are subject to the Paul Roy Options vested and became capable of exercise on 1 September 2010. The remaining 100,000 Ordinary Shares which are subject to the Paul Roy Options vest and become capable of exercise on 1 September 2011.

The Paul Roy Options carry no right to any entitlement to any dividend or other distribution until exercise and the Ordinary Shares subject to such options have been transferred or issued to Paul Roy.

Except in limited circumstances (including a takeover of the Company, a voluntary winding up of the Company or as described below), the Paul Roy Options may only be exercised once they have vested provided that Paul Roy is still a director of the Company.

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 for Companies or the CISX Listing Rules (if relevant).

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 Remuneration Committee), his retirement or, at the discretion of the Remuneration Committee, in any other circumstances, the Paul Roy Options may be exercised during the 12 months following the date of such cessation. In these circumstances, the maximum number of Ordinary Shares over which the Paul Roy Options may be exercised may be pro-rated down by the Remuneration Committee on a time apportioned basis by reference to the time elapsed since 1 September 2009 to the time of the early exercise. When exercising this discretion, the Remuneration

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.

The Paul Roy Options are not capable of transfer or assignment. Benefits obtained under the Paul Roy Options are not pensionable. 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 respect with the Ordinary Shares already in issue.

The number of Ordinary Shares under the Paul Roy Options may be adjusted by the Remuneration Committee in the event of a variation in the share capital of the Company as further described at Paragraph 14 of Part 4.

4.4 ***The NewRiver Retail Limited Employee Benefit Trust (“EBT”)***

The EBT was constituted by a trust deed entered into between the Company and Lloyds TSB Offshore Trust Company Limited on 27 August 2009. The Company has the power to appoint and remove the trustee of the EBT (“Trustee”).

The EBT is 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 was 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.

4.5 ***The NewRiver Retail Limited Performance Share Plan 2009 (“PSP”)***

The PSP was adopted by the Company on 26 August 2009. No awards have yet been granted under the PSP and the Directors currently have no intention of making any such awards.

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.

The Remuneration Committee has absolute discretion to select employees (including executive directors) of the Company and any of its subsidiaries 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 Remuneration Committee will have regard to recommendations made by David Lockhart.

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 NewRiver 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 First 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 directors and employees of NewRiver Retail UK (other than David Lockhart and Allan Lockhart) within the period of 18 months following the date of First 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-First 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

Save in relation to PSP Awards made to David Lockhart or to Allan Lockhart or in circumstances which the Remuneration Committee considers to be exceptional, 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.

Other PSP Award Terms

The exercise of PSP Awards will normally be made conditional upon the achievement of a performance target set at the time of grant and measured over a performance period 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.

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 subject to good leaver provisions, provided that the PSP Award holder is still an employee within the NewRiver 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 are not capable of transfer or assignment.

Benefits obtained under the PSP are not pensionable.

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.

5. Directors' and other interests

- 5.1 The table below sets out the voting rights held by the Directors, directly or indirectly, in the share capital of the Company as at 6 July 2011 (being the latest practicable date prior to publication of this document) and immediately following Admission:

	<i>6 July 2011 (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>
Paul Roy ¹	360,000	2.43	360,000	1.14
Susie Farnon ²	25,000	0.17	25,000	0.08
David Lockhart ³	1,600,000	10.78	1,600,000	5.05
Peter Tom CBE ⁴	40,000	0.27	40,000	0.13
Allan Lockhart ⁵	140,000	0.94	140,000	0.44
Nick Sewell ⁶	100,000	0.67	100,000	0.32
Mark Davies	6,000	0.04	10,000	0.03

1 Paul Roy also has an interest in 23,602 Warrant Shares.

2 Susie Farnon also has an interest in 1,573 Warrant Shares.

3 David Lockhart also has an interest in 114,861 Warrant Shares.

4 Peter Tom also has an interest in 1,573 Warrant Shares.

5 Allan Lockhart also has an interest in 11,014 Warrant Shares.

6 Nick Sewell also has an interest in 7,867 Warrant Shares.

- 5.2 Save as disclosed in paragraph 5.1 above, none of the Directors, directly or indirectly, hold any voting rights in the share capital of the Company.
- 5.3 Save as set out in this Part 10, following Admission, none of the Directors will have any interest in more than one per cent. of the share capital of the Company.
- 5.4 The Company is aware of the following persons who have as at 6 July 2011 (being the latest practicable date prior to publication of this document) or are expected, following Admission, to be interested, directly or indirectly, in three per cent. or more of the issued shares of the Company:

	<i>6 July 2011 (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>
Asset Value Investors Ltd	1,415,758	9.54	2,705,758	8.53
Spearpoint	n/a	n/a	1,984,000	6.26
Cheviot Capital Private Clients	1,389,582	9.36	1,881,546	5.93
Forum European Realty Income III LP	n/a	n/a	1,785,000	5.63
Cenkos Channel Islands	1,452,050	9.79	1,752,050	5.53
Artemis Alpha Trust plc	675,000	4.55	1,650,000	5.2
David Lockhart	1,600,000	10.78	1,600,000	5.05
Schroder Investment Management Limited	1,107,473	7.46	1,502,473	4.74
AXA Framlington	n/a	n/a	1,500,000	4.73
BlackRock Investment Management (UK) Limited	n/a	n/a	1,350,000	4.26
Hargreave Hale Limited	242,867	1.64	1,092,867	3.45
Clearance Capital LLP	1,000,000	6.74	1,000,000	3.15

- 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 Retail Limited NewRiver Retail (Boscombe No.1) Limited NewRiver Retail (Carmarthen) Limited NewRiver Retail (Paisley) Limited NewRiver Retail (Portfolio No.4) Limited NewRiver Retail (Skegness) Limited NewRiver Retail (UK) Limited NewRiver Retail (Wisbech) Limited Tillmouth & Tweed Salmon Fishings LLP	Cream (GP) Limited Createpearl Limited Draftstripe Limited Geranium Properties Limited Halladale Haworth Carlisle Limited Halladale Haworth Newton Abbot Limited Harlow Quarter Limited Oban Bay Properties Limited Nevsky Property Advisors Limited Stockland Asset Management Limited Stockland (Billingham) Limited Stockland Developments (Fountain) Limited Stockland Developments Limited Stockland Developments (UK) Limited Stockland General Partner (Brook) Limited Stockland General Partner (Nelson) Limited Stockland Holdings Limited Stockland Investments Limited Stockland Investments (London) Limited Stockland Land Limited Stockland LP (Nevsky) Limited Stockland Properties (Fountain) Limited Stockland Properties (London) Limited Stockland Properties (UK) Limited Stockland Property Holdings Limited Stockland Services (UK) Limited Stockland (UK) Limited Stockland Ventures (Brook) Limited Stockland Ventures (Hammersmith) Limited Stockland Ventures Limited Stockland Ventures (London) Limited Stockland Ventures (Scotland) Limited Weaveline Limited Weavemount Limited Tabletop Estates Limited

<i>Name</i>	<i>Current directorships/ partnerships</i>	<i>Previous directorships/ partnerships</i>
Allan Lockhart	NewRiver Retail Limited NewRiver Retail CUL No 1 Limited NewRiver Retail (GP3) Limited NewRiver Retail (Nominee No.3) Limited NewRiver Retail (Portfolio No.1) Limited NewRiver Retail (Portfolio No2) Limited NewRiver Retail (UK) Limited NewRiver Retail (Wrexham No.1) Limited	Ailsa Retail Ltd Ailsa Retail (Reigate) Ltd CREAM (GP No.1) Limited CREAM (GP No.2) Limited CREAM (GP No.3) Limited CREAM (GP No.4) Limited CREAM (GP No.5) Limited Stockland Developments (UK) Limited Stockland Office (One) Limited Stockland Property Holdings Limited
Mark Davies	NewRiver Retail Limited Farriers Place Residents Limited NewRiver Retail (Boscombe No.1) Limited NewRiver Retail (Carmarthen) Limited NewRiver Retail CUL No 1 Limited NewRiver Retail (GP3) Limited NewRiver Retail (Market Deeping No.1) Limited NewRiver Retail (Newcastle No.1) Limited NewRiver Retail (Nominee No.3) Limited NewRiver Retail (Paisley) Limited NewRiver Retail (Portfolio No.1) Limited NewRiver Retail (Portfolio No2) Limited NewRiver Retail (Portfolio No.3) Limited NewRiver Retail (Portfolio No.4) Limited NewRiver Retail (Skegness) Limited NewRiver Retail (UK) Limited NewRiver Retail (Wisbech) Limited NewRiver Retail (Wrexham No.1) Limited	Exemplar Properties Holdings LLP Meadow View (Sayers Common) Residents Company Limited Omega Land Limited Ponderosa Real Estate Company Limited Westmark Omega (Queen Square) Limited
Nick Sewell	NewRiver Retail Limited NewRiver Retail (Boscombe No.1) Limited NewRiver Retail (Carmarthen) Limited NewRiver Retail (Market Deeping No.1) Limited NewRiver Retail (Newcastle No.1) Limited NewRiver Retail (Paisley) Limited NewRiver Retail (Portfolio No.4) Limited NewRiver Retail (Skegness) Limited NewRiver Retail (UK) Limited NewRiver Retail (Wisbech) Limited	No previous directorships
Susie Farnon	NewRiver Retail Limited Baubigny Garage Limited Breedon Aggregates Limited C&E Launderettes Limited Cash & Carry Limited Cenkos Channel Islands Limited Dexion Absolute Limited Guernsey Sports Commission LBG CRW Best Trust (Executor) Hawthorn Limited Interceptor Holdings Limited Legis Group Holdings Limited Little Lucy Limited Standard Life Income Property Trust Limited The CRW Best Trust Timbertops Limited	Bailiwick Investments Limited Cenkos Channel Islands Investment Management Limited Rapid Realisations Fund Limited

<i>Name</i>	<i>Current directorships/ partnerships</i>	<i>Previous directorships/ partnerships</i>
Paul Roy	NewRiver Retail Limited British Horseracing Authority Limited British Horseracing Database Limited Horse Race Betting Levy Board NewSmith Asset Management LLP NewSmith Capital (Scotland) GP Limited NewSmith Capital GP Limited NewSmith Capital Partners LLP NewSmith Capital Services Limited NewSmith Financial Solutions Limited NewSmith Nominees Limited NewSmith Trustee Limited Tillmouth & Tweed Salmon Fishings LLP	Cenkos Channel Islands Limited Cenkos Nominee UK Limited Cenkos Securities plc Kinabalu Financial Solutions Limited Park Place Estates LLP Rock Capital Group plc Supreme Huntress Limited Woodham Merchant Limited
Peter Tom CBE	NewRiver Retail Limited 1880 Investments Ltd Bailiwick Investments Beach House Ltd Beach Restaurant Ltd Breedon Aggregate Ltd Breedon Holdings Ltd Care Biotechnologies Ltd Channel Islands Property Fund Limited Leaf Clean Energy Plc Leicester Football Club plc Leicester Rugby Club Limited Leicester Tigers Limited Midlands Conference Centre Limited Rise Rocks Ltd Tigers Events Limited	AGA Foodservice Group plc Aggregate Industries Holdings Limited Aggregate Industries Limited Rapid Realisations Fund Limited
Andrew Walker	NewRiver Retail Limited Affine S.A. Delos Advisors Limited Forum Asian Realty Investment Management LLC Forum Asian Realty Investment Management II LLC Forum European Realty Income GP Limited Forum European Realty Income II GP Limited Forum European Realty Income III GP Limited Forum European Realty Investment Management LLC Forum European Realty Investment Management II LLC Forum European Realty Investment Management III LLC Forum Partners Europe (UK) LLP Forum Partners Investment Management LLC Roxhill Developments Group Limited Wiltshire Realty Investments LLC Züblin Immobilien Holding AG Züblin Immobilière France S.A	Bruin Sarl Capitol Court Management Company Limited Chambertin Sarl Constantia Sarl Exlon Residential Limited Exlon Residential (Didsbury) Limited Exlon Residential (Newhall Hill) Limited FERI Sarl Informsmart Limited London and Henley (UK) Limited Montalcino Sarl Noir Sarl Verde Sarl

5.10 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.
- 5.11 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.
- 5.12 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 paid to the Directors by the Company for the 12 month period from 1 April 2010 to 31 March 2011 was £1,475,000 and the maximum aggregate amount of remuneration payable to non-executive Directors permitted under the Articles is £600,000 per annum.
- 5.14 Susie Farnon is a non-executive director of Cenkos Channel Islands Limited, the Company's Sponsor on the CISX. Details of the Sponsorship Agreement are set out in paragraph 6.7 of this Part 10.
- 5.15 The services of Paul Roy as a non-executive Director are provided under the terms of a consolidated letter of appointment dated 30 June 2011 between the Company and Paul Roy. This letter of appointment consolidates Paul Roy's original letter of appointment dated 5 June 2009, pursuant to which Paul Roy's appointment commenced on 4 June 2009, with a side letter dated in 2009. Pursuant to the terms of the consolidated letter of appointment, Paul Roy's appointment shall continue until terminated by either party with three months' written notice and he is currently paid a fee of £75,000 gross per annum for his services.
- 5.16 The services of Susie Farnon as a non-executive Director are provided under the terms of a consolidated letter of appointment dated 30 June 2011 between the Company and Susie Farnon. This letter of appointment consolidates Susie Farnon's original letter of appointed dated 15 June 2009, pursuant to which Susie Farnon's appointment commenced on 4 June 2009, with a side letter dated 23 March 2011. Pursuant to the terms of the consolidated letter of appointment, Susie Farnon's appointment shall continue until terminated by either party with three months' written notice and she is currently paid a fee of £40,000 gross per annum for her services.
- 5.17 Under the terms of the Forum Subscription Agreement, FNRR Holdings Limited is entitled to appoint one director of the Company for as long as it holds a "Qualifying Holding" (as defined in paragraph 6.16 of this Part 10). FNRR Holdings Limited may remove or replace such director by notice to the Company. That director is currently Andrew Walker, who provides his services under the terms of a letter of appointment dated 30 June 2011 between the Company and Andrew Walker. Andrew Walker's appointment commenced on 19 November 2010 and shall continue until it is terminated pursuant to clause 5.2 of the Forum Subscription Agreement if Forum ceases to hold a Qualifying Holding unless: (i) it is terminated earlier by Forum pursuant to clause 5.1 of the Forum Subscription

Agreement; or (ii) the Company gives three months' written notice. The fee for Andrew Walker's services is currently £40,000 and is paid to Forum European Realty III LLP.

- 5.18 The services of Peter Tom CBE as a non-executive Director are provided under the terms of a consolidated consultancy agreement dated 30 June 2011 between the Company, Peter Tom and his service company. This letter of appointment consolidates Peter Tom's original consultancy agreement, pursuant to which Peter Tom was appointed as the Company's Senior Independent Director with effect from 1 June 2009, and two side letters dated August 2009 and 31 March 2011. Pursuant to the terms of the consolidated consultancy agreement, Peter Tom's appointment shall continue until terminated by either party with three months' written notice and his service company is currently paid a fee of £50,000 per annum for his services.

- 5.19 David Lockhart is a director of the Company and of NewRiver Retail UK.

The letter of appointment between David Lockhart and the Company is dated 5 June 2009 and shall continue as long as David Lockhart remains a director of NewRiver Retail UK. The annual fee for the services is set at £50,000 which is to be reviewed annually by the Management Committee.

The service contract between David Lockhart and the NewRiver Retail UK is dated in 2009 and shall continue until terminated by either party with 12 months' written notice.

Pursuant to his current service agreement, David Lockhart's annual base salary (including all benefits such as pension contributions) is set at £300,000 (exclusive of any director's fees to which he is entitled as a Director of the Company and its subsidiaries). 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 Remuneration 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 in the event of his or his spouse's injury, incapacity, ill health or disability as evidenced to the reasonable satisfaction of the Remuneration Committee. He is, in this event, entitled to a 12 months' base salary PILON and 12 months' bonus 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. 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. The service agreement does not contain any specific provisions relating to change of control.

- 5.20 The service agreement between Allan Lockhart and NewRiver Retail UK is dated in 2009 and shall continue until terminated by either party with 12 months' written notice. Pursuant to his current service agreement, Allan Lockhart's annual base salary (including all benefits such as pension contributions, etc) is set at £270,000 (inclusive of any director's fees to which he is entitled as a Director of the NewRiver Retail UK and its subsidiaries and holding company). Allan Lockhart also participates in the NewRiver Group'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). 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. The agreement provides for liquidated damages (equivalent to the PILON calculation under the Agreement) in the event that the NewRiver Retail UK terminates the contract in

breach of notice provisions. The service agreement does not contain any specific provisions relating to change of control.

- 5.21 The service agreement between Nick Sewell and NewRiver Retail UK is dated in 2009 and shall continue until terminated by either party with 12 months' written notice. Pursuant to his current services agreement, Nick Sewell's annual base salary shall be £200,000. Nick Sewell also participates in the NewRiver Group's share and cash based long term incentive plans. The holiday entitlement is for 30 days per annum (in addition to normal public holidays). Contractual incapacity pay (basic salary and benefits) is for 31 weeks in any 12 month period. 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). NewRiver Retail UK may exercise a garden leave option in respect of all or part of the notice period. The restrictive covenants prohibit competition with NewRiver Retail UK or any NewRiver Group Company or solicitation of clients of NewRiver Retail UK or any NewRiver Group Company and the solicitation of members of staff of NewRiver Retail UK or any NewRiver Group Company. The restrictive covenants run for a period of 12 months following the end of the employment less any period of garden leave. The service agreement does not contain any specific provisions relating to change of control.
- 5.22 The service agreement between Mark Davies and NewRiver Retail UK is dated 7 October 2009 and shall continue until terminated by either party with 12 months' written notice. Pursuant to his current service agreement, Mark Davies' base salary shall be £200,000. Mark Davies' salary shall be subject to annual reviews by the Remuneration Committee. Mark Davies also participates in the NewRiver Retail UK's share and cash based long term incentive plans. The holiday entitlement is for 30 days per annum (in addition to normal public holiday). Contractual incapacity pay (basic salary and benefits) is for 15 weeks in any 12 months period. The PILON clause in the contract provides for base salary and also bonus at the discretion of the Remuneration Committee. NewRiver Retail UK may exercise a garden leave option in respect of all or part of the notice period. The restrictive covenants prohibit the solicitation of specific project contracts current at the time of termination from NewRiver Retail UK or any NewRiver Group Company and the solicitation of members of staff of NewRiver Retail UK or any NewRiver Group Company who had dealings with Mark Davies or for whom he had management responsibilities. The restrictive covenants run for a period of six months following the end of the employment less any period of garden leave. The service agreement does not contain any specific provisions relating to change of control.
- 5.23 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.
- 5.24 No Director (nor any member of a Director's family) has had a related financial product (as defined in the AIM Rules for Companies) referenced to their Ordinary Shares.

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:

Property Management and Advisory Agreement

- 6.1 The arrangements described under this contract were terminated with effect from when the Company converted into a UK-REIT.

The Company and NewRiver Retail UK entered into a property management and advisory agreement (the "Property Management and Advisory Agreement") on 26 August 2009. Under the terms of the Property Management and Advisory Agreement, NewRiver Retail UK 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 provided by NewRiver Retail UK under the Property Management and Advisory Agreement included, without limitation, advising the Company on the origination, identification and acquisition of new investments that fell within the investment objective, policy and strategy set out in this document; advising on the capital structure of the NewRiver 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 NewRiver Group's property investments and their realisation, once acquired.

Pursuant to the Property Management and Advisory Agreement, NewRiver Retail UK was entitled to receive a quarterly management fee from all wholly-owned Property Vehicles and the Company totalling an amount per annum equal to five per cent. of the Company's Net Asset Value plus any fee agreed with any Property Vehicle which was not wholly-owned by the Company. The Company and NewRiver Retail UK agreed that the management fee would be subject to review in the event that the Company completes a further fundraising or fundraisings. The management fee was payable in sterling quarterly in advance. NewRiver Retail UK was entitled to a termination fee equal to one year's management fee on termination after the initial five year period. NewRiver Retail UK was 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) were payable to NewRiver Retail UK under the Property Management and Advisory Agreement. All fees were exclusive of VAT.

The Property Management and Advisory Agreement was able to be terminated by either the Company or NewRiver Retail UK giving the other party not less than 12 months' written notice to expire no earlier than the fifth anniversary of the date of First Admission. In the event that no notice of termination was served, the Property Management and Advisory Agreement continued unless otherwise terminated on 12 months' written notice by either party. The Property Management and Advisory Agreement was also terminable 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 was entitled to terminate the Property Management and Advisory Agreement with immediate effect in the event that NewRiver Retail UK knowingly committed an illegal act which had a material adverse effect to the Company's reputation or which caused NewRiver Retail UK to be subject to any regulatory or disciplinary action or any fine or other penalty. The mutual termination rights also applied between NewRiver Retail UK and a relevant Property Vehicle, except that such termination would have only terminated the Property Management and Advisory Agreement with the Property Vehicle. A change of control of either the Company or NewRiver Retail UK did not constitute an event entitling the other party to terminate the Property Management and Advisory Agreement.

NewRiver Retail UK was not liable for any loss to the Company or to any relevant property owning vehicle except to the extent that such loss was due to the gross negligence, wilful default or fraud or material breach of the obligations of NewRiver Retail UK under the Property Management and Advisory Agreement or of any person to whom NewRiver Retail UK 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 agreed to indemnify NewRiver Retail UK against all claims by third parties (including employees and agents) which may be made against NewRiver Retail UK 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 Retail UK or its employees or any person to whom NewRiver Retail UK 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 contained provisions pursuant to which the Company grants NewRiver Retail UK 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.

The Administration Agreement

- 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 safekeeping in respect of the Company’s non-property investments.

For these services the Administrator shall receive a fee of £72,000 per annum, 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.

The Registrar Agreement

- 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 £4,250 (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.

The Registrar Agreement commenced on First Admission and will continue unless three months’ notice to terminate is given by either the Registrar or the Company. 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.

Directors Lock-in Agreements

- 6.4 Each of the Directors and Allan Lockhart (the “lock-in parties”) entered into lock-in agreements, all dated 26 August 2009, between the Company and Cenkos Securities pursuant to which the lock-in parties undertook to the Company and Cenkos Securities not to dispose or agree to dispose of any Ordinary Shares or Warrants held by them at any time prior to 1 September 2010.

The undertaking by the lock-in parties not to dispose of Ordinary Shares or Warrants did 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 First 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.

Asset Management Agreement

6.5 NewRiver Retail UK 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 Retail UK agreed 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 initially ran from 1 October 2008 to 30 September 2010 (the "Initial Period"). After the expiry of the Initial Period, the Abingdon Management Contract continues until either party terminates the Abingdon Management Contract by serving not less than one month's 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 Retail UK 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 Retail UK fails to perform its obligations under the Abingdon Management Contract.

The Abingdon Management Contract obliges NewRiver Retail UK to appoint Allan Lockhart to direct and control NewRiver Retail UK'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 Retail UK'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 Retail UK may not terminate Allan or David Lockhart's employment with NewRiver Retail UK without Sackville's consent. Should either Allan or David Lockhart cease employment with NewRiver Retail UK 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 Retail UK for each complete quarter of the Initial Period remaining.

Sackville shall pay NewRiver Retail UK 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 Retail UK 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 Retail UK's liability is capped as to time and amount.

First Placing Agreement

6.6 The Company entered into a placing agreement (the "First Placing Agreement") dated 26 August 2009 among the Company, NewRiver Retail UK, the Directors and Merrill Lynch International, in connection with First Admission, pursuant to which, subject to certain conditions, Merrill Lynch International agreed to use reasonable endeavours to procure subscribers for the ordinary shares in connection with the First Placing.

The First Placing Agreement contained, among other things, the following provisions:

- (a) The Company appointed Merrill Lynch International as sole bookrunner to the First Placing.
- (b) The Company, NewRiver Retail UK and the Directors gave certain customary representations, warranties and undertakings to Merrill Lynch International including, among others, warranties in relation to the information contained in the Admission Document published by the Company in connection with First Admission and other documents prepared by the Company in connection with the First Placing and First Admission and warranties in relation to the business of the Company and NewRiver Retail UK, and their compliance with applicable laws and regulations. In addition, the Company and NewRiver Retail UK agreed to indemnify Merrill Lynch International against certain liabilities, including in respect of the accuracy of information contained in the Admission Document published by the Company in connection with First Admission, losses arising from a breach of the First Placing Agreement and certain other losses suffered or incurred in connection with the First Placing.
- (c) The liability of the Company and NewRiver Retail UK under the First Placing Agreement is unlimited as to time and amount. The liability of the Directors under the First Placing Agreement is subject to certain limitations as to time and quantum.
- (d) In addition, the Company 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).

The First Placing Agreement is governed by English law.

Sponsorship Agreement

6.7 The Company entered into the Sponsorship Agreement with 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 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 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 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.

Cenkos Channel Islands Limited Placing Agreement

6.8 Pursuant to a letter dated 11 June 2009 between the Company, Merrill Lynch International and the Sponsor, the Sponsor agreed to use its reasonable endeavours to procure subscribers from its private client base for Ordinary Shares as part of the First Placing in consideration for the payment, by way of commission, of £300,000. Pursuant to the letter, the Sponsor gave certain undertakings, representations and warranties to the Company and Merrill Lynch International in relation to its activities in connection with the First Placing.

Warrant Instrument

6.9 The Company entered into the Warrant Instrument pursuant to which the Company granted at First Admission Shareholders subscribing for ordinary shares upon First Admission the right to subscribe for, in aggregate, 3 per cent. of the Fully Diluted Share Capital. A summary of the terms of the Warrants is set out in Part 9.

2010 Placing Agreement

6.10 The Company entered into the 2010 Placing Agreement dated 13 April 2010 between the Company and Cenkos Securities, pursuant to which, subject to certain conditions, Cenkos Securities agreed to use its reasonable endeavours to procure subscribers for the 2010 Placing Shares at 250 pence per Ordinary Share.

The obligations of Cenkos Securities pursuant to the 2010 Placing Agreement were subject to certain conditions, which included, amongst others:

- the passing of the resolutions put to the Shareholders existing at the time of the extraordinary general meeting held on 4 May 2010 and the waiver of pre-emption rights contained in the Articles;
- the 2010 Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- the admission of the 2010 Placing Shares to trading on AIM and listing on the CISX becoming effective by no later than 8.00 a.m. on 5 May 2010 (or such later time and/or date, being no later than 8.00 a.m. on 19 May 2010, as the Company and Cenkos Securities may agree).

Subject to the terms and conditions of the 2010 Placing Agreement, the Company agreed to pay a commission equal to three per cent. of the aggregate value at 250 pence per Ordinary Share of the 2010 Placing Shares placed by Cenkos Securities (excluding 2010 Placing Shares placed to specified placees who had subscribed for 300,000 2010 Placing Shares in aggregate, representing £750,000) (this commission included subplacing commissions payable to sub-placing agents).

Pursuant to the 2010 Placing Agreement, the Company gave certain customary warranties and undertakings to Cenkos Securities which included, among others, warranties in relation to the information contained in a circular to shareholders concerning the 2010 Placing (the "2010 Placing Circular") and other documents prepared by the Company in connection with the 2010 Placing and

warranties in relation to the business of the Company and its compliance with applicable laws and regulations.

In addition, the Company agreed to indemnify Cenkos Securities against certain liabilities, including in respect of the accuracy of information contained in the circular to shareholders concerning the 2010 Placing and other documents prepared by the Company in connection with the 2010 Placing and the admission of the 2010 Placing Shares to trading on AIM and listing on the CISX, losses arising from a breach of the warranties contained in the 2010 Placing Agreement and certain other losses suffered or incurred in connection with the First Placing.

The liability of the Company under the 2010 Placing Agreement is unlimited as to time and amount.

In addition, the Company agreed with Cenkos Securities, subject to certain exceptions, not to issue or agree to issue any Ordinary Shares (or options over Ordinary Shares) for a period of 12 months from the 13 April 2010 without Cenkos Securities' prior written consent (such consent not to be unreasonably withheld or delayed).

Nomad and Broker Agreement

6.11 The Company entered into a Nomad and Broker Agreement dated 1 March 2010 with Cenkos Securities pursuant to which Cenkos Securities agreed to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies for an annual fee. The Nomad and Broker Agreement contains certain indemnities and other undertakings given by the Company to Cenkos Securities and is terminable by either party on not less than one month's written notice.

MSREI Joint Venture Agreement

6.12 On 28 February 2010, the Company entered into a limited partnership agreement relating to NewRiver Retail Investments LP ("NewRiver Retail Investments"), a Guernsey limited partnership, with (i) NewRiver Retail (Portfolio No.1) Limited ("NRSPV"), a wholly owned subsidiary of the Company and a limited partner in NewRiver Retail Investments, (ii) UK Retail Investment LP Ltd ("UKRI"), a company owned and controlled by funds advised by MSREI and a limited partner in NewRiver Retail Investments and (iii) NewRiver Retail Investments (GP) Limited ("GP"), the general partner of NewRiver Retail Investments, which is owned 50:50 by NRSPV and UKRI. NRSPV, UKRI, GP and the Company have also entered into a General Partner Shareholders' Agreement to regulate their relationship in respect of the GP which is described in paragraph 6.13 of this Part 10 below.

NewRiver Retail Investments was formed to acquire:

- nine retail assets situated across the UK from the UBS Triton Property Fund (the "NewRiver Retail Investments Initial Portfolio"); and
- further retail assets which NewRiver Retail UK identifies and proposes for acquisition by NewRiver Retail Investments. Any such acquisitions are to be approved by UKRI.

Both NRSPV and UKRI have made an initial capital contribution to NewRiver Retail Investments of approximately £11.5 million as part of the funding of the acquisition of the NewRiver Retail Investments Initial Portfolio. UKRI has committed to invest an initial £60 million in NewRiver Retail Investments (such figure includes its investment in respect of the NewRiver Retail Investments Initial Portfolio) for a period of two years following 5 March 2010.

Any further acquisitions may be funded by NRSPV and UKRI in such proportions as they may agree and NRSPV has the flexibility to fund a minimum of 10 per cent. and a maximum of 50 per cent. of the equity funding.

The MSREI Joint Venture Agreement provides that profits which arise in respect of each individual investment in a property or portfolio of properties (each, a "Project") by NewRiver Retail Investments shall be paid to the limited partners by NewRiver Retail Investments in the proportions in which NRSPV and UKRI contributed funding to NewRiver Retail Investments to acquire the relevant

Project, save that NRSPV will be entitled to a promote payment in cash, depending on the level of the returns across the entire asset base of NewRiver Retail Investments.

All such payments shall be subject to ongoing clawback/true up so that the aggregate amount of the promote payments paid reflect the internal rate of return of UKRI across all completed Projects.

If a limited partner wishes to transfer its interest in NewRiver Retail Investments, it must first give the other limited partner the right to make an offer for such interest. If the right of first offer provisions are not exercised, the limited partners have agreed certain restrictions on transfers of their respective interests in NewRiver Retail Investments. No limited partner may transfer their interest in NewRiver Retail Investments until the MSREI Joint Venture Exclusivity Period has expired.

UKRI has the right to convert some or all of its interest in NewRiver Retail Investments into shares in the Company (the “MSREI Conversion Option”). The MSREI Conversion Option is exercisable in the period between 12 and 60 months after 5 March 2010 (the “Conversion Period”).

The maximum amount of shares in the Company which can be issued under the MSREI Conversion Option is 10 per cent. of the total number of shares in issue at the time of the conversion. However, different limitations on the maximum amount of shares in the Company which can be issued under the MSREI Conversion Option apply depending on whether it is exercised once or several times. The first time UKRI exercise the MSREI Conversion Option, they must elect whether they should be entitled to exercise it once only or on future occasions.

If UKRI elects to exercise the MSREI Conversion Option once, the share price for the conversion shall be the higher of the (i) the issue price under the 2010 Placing (ii) and the net asset value of the Company at that time.

If UKRI elects to exercise the MSREI Conversion Option more than once, the share price for each conversion shall be the higher of the (i) the most recent secondary issue which has been carried out by the Company at that time and (ii) the net asset value of the Company at that time. UKRI may only exercise the MSREI Conversion Option a maximum of four times during the Conversion Period. Each exercise of the MSREI Conversion Option in part lowers the percentage in respect of which the MSREI Conversion Option can be exercised in future. For example, if the option is exercised in respect of three per cent. of the then issued capital, UKRI can only exercise the option in future for a further seven per cent. of the issued capital of the Company and on each exercise by reference to the then issued share capital then in issue but excluding MSREI’s own shareholding. If MSREI disposes of or otherwise transfers shares in the Company (including by a sale of economic rights by, for example, a CFD) in the market, the MSREI Conversion Option terminates.

UKRI has agreed not to dispose of any shares in the Company which it receives pursuant to the exercise of the MSREI Conversion Option until 270 days after the issue of such shares. NRSPV and UKRI have agreed to bear any stamp duty costs of exercise of the MSREI Conversion Option equally.

On the occurrence of an event of default (which are of a type customarily seen in an agreement of this type, and include, amongst others, an insolvency-type event in respect of a limited partner, a material uncured default and, in respect of NRSPV only, termination of the NewRiver Retail Investments AMA), the non-defaulting party may within six months of the occurrence of the event of default require that the defaulting party sell its entire interest in NewRiver Retail Investments to the non defaulting party at 90 per cent. of fair value (such value to be determined by an independent valuer).

General Partner Shareholders’ Agreement

6.13 On 28 February 2010, the Company entered into a shareholders’ agreement relating to GP, a Guernsey limited company, with (i) UKRI (ii) NRSPV and (iii) GP to regulate their relationship in respect of GP (the “General Partner Shareholders’ Agreement”).

The General Partner Shareholders’ Agreement sets out the way in which NewRiver Retail Investments and its subsidiary entities (“Group Entities”) which are interested in individual Projects will be governed. The governance provisions apply at two levels:

- decision to be taken by the GP in respect of actions by NewRiver Retail Investments; and
- decisions to be taken in respect of actions by Group Entities in respect of individual Projects.

All decisions to be taken by the GP in respect of the operation of NewRiver Retail Investments are deadlocked at 50:50, regardless of the amount of money invested by each of UKRI and NRSPV in NewRiver Retail Investments.

At Group Entity level, the decision making power is determined by the proportions of equity funding made by NRSPV and UKRI to the relevant Group Entity. The parties have agreed varying levels of minority protections (“Reserved Matters”), depending on the levels of funding provided by NRSPV and UKRI in respect of each Group Entity.

The Company has agreed that during an exclusivity period of two years from 5 March 2010 or, if earlier, (i) the date on which UKRI has invested £60 million in aggregate into the LP or (ii) termination of the NewRiver Retail Investments AMA (the “MSREI Joint Venture Exclusivity Period”), it will grant NewRiver Retail Investments the first option to acquire any retail assets which the Company is interested in acquiring, which have a value of £25 million or greater. If NewRiver Retail Investments does not decide to proceed with such acquisition, the Company will be free to acquire such assets either on its own account, or otherwise, for example, by way of a joint venture with a third party.

The General Partner Shareholders’ Agreement contains similar default provisions to those contained in the MSREI Joint Venture Agreement referred to in paragraph 6.12 above.

NewRiver Retail Investments AMA

6.14 On 28 February 2010, NewRiver Capital, GP, acting in its capacity as general partner of NewRiver Retail Investments and NewRiver Retail (GP1) Limited, acting in its capacity as general partner of NRSPV, the owner of the NewRiver Retail Investments Initial Portfolio, amongst others, entered into an asset management agreement (the “NewRiver Retail Investments AMA”) in relation to NewRiver Retail Investments. Under the terms of the NewRiver Retail Investments AMA, NewRiver Retail UK has agreed to provide certain asset management and advisory services to NewRiver Retail Investments and any direct or indirect owner of an interest in any property acquired by NewRiver Retail Investments (each an “Owner”). The services provided by NewRiver Retail UK under the NewRiver Retail Investments AMA include, without limitation, property management and advisory services, letting services, corporate and administrative services, acquisition and sales services and reporting services in respect of the NewRiver Retail Investments Initial Portfolio and any other properties that may be acquired from time to time by any Owner. Each time an Owner acquires a property it is required to accede to the NewRiver Retail Investments AMA in respect of such property.

Pursuant to the NewRiver Retail Investments AMA, NewRiver Retail UK is entitled to receive a management fee: (i) in respect of the NewRiver Retail Investments Initial Portfolio, of £245,000 for the first 12 months from completion of the NewRiver Retail Investments AMA, being 28 February 2010 (the “Completion Date”), and thereafter of five per cent. of the gross rental income paid in each quarter; and (ii) in respect of any properties which are acquired by any Owner subsequently, between three and five per cent. of gross rental income as agreed between the relevant Owner and NewRiver Retail UK at the time of the acquisition having regard to prevailing market conditions at the time. The management fee is payable quarterly in arrear within 15 business days after the end of the relevant quarter.

In addition, NewRiver Retail UK is entitled to an accounting and reporting fee equal to: (i) £20,000 per annum for the period of 24 months following the Completion Date; and (ii) for the remainder of the term of the NewRiver Retail Investments AMA, £20,000 per annum or, if no further properties are acquired pursuant to the MSREI Joint Venture Agreement in the first two years, £25,000. Such fees payable quarterly in arrear within 15 business days after the end of the relevant quarter.

The NewRiver Retail Investments AMA commenced on the date of completion of the acquisition of the NewRiver Retail Investments Initial Portfolio, being 5 March 2010, and terminates on the earlier

of (i) the date which is 20 business days after the date when the last of the properties or Owners holding the properties is sold (the “Escrow Release Date”); and (ii) the date on which the NewRiver Retail Investments AMA is otherwise terminated in accordance with its terms.

The NewRiver Retail Investments AMA may be terminated by the GP or any Owner with immediate effect on notice in the event that (i) there is a change of control with respect to NewRiver Retail UK or any of its affiliates which is a party to any of the documentation entered into in connection with NewRiver Retail Investments; and (ii) there is an event of default in relation to NewRiver Retail UK (a “NRC EoD”) unless such event of default arises solely as a direct consequence of the Owner’s or the GP’s breach of its obligations under the NewRiver Retail Investments AMA. A NRC EoD includes, without limitation, a material breach by NewRiver Retail UK of the NewRiver Retail Investments AMA which breach, if capable of remedy, is not remedied within a 30 day cure period, persistent failure by NewRiver Retail UK to perform any of the services which, if capable of remedy, is not remedied within a 20 day cure period following notification of the third such failure, any act of fraud, bribery or corruption committed by NewRiver Retail UK or any of its affiliates and any event of insolvency in relation to NewRiver Retail UK or any of its affiliates which is party to any of the documentation entered into in connection with NewRiver Retail Investments.

In addition, if the net rental income ratio (as defined in the NewRiver Retail Investments AMA) in respect of the properties owned by an Owner falls below 75 per cent. on any test date (provided that it can be reasonably and fairly demonstrated that the relevant fall is not due to any matter beyond the reasonable control of NewRiver Retail UK, including, without limitation, tenant insolvency, threat of compulsory purchase order and failure by the Owner to put NewRiver Retail UK in funds to pay any tenant incentives or other tenant inducements) then the relevant Owner is entitled to terminate the NewRiver Retail Investments AMA in respect of such Owner and all the properties owned by it with immediate effect.

NewRiver Retail UK may terminate the NewRiver Retail Investments AMA in respect of any Owner or any properties owned by that Owner with immediate effect on notice in the event that an event of default occurs in respect of any such Owner, i.e. non-payment by that Owner of any sums due to NewRiver Retail UK under the NewRiver Retail Investments AMA for 20 business days after the due date for payment, an insolvency event in relation to that Owner or any act of fraud, bribery or corruption on the part of that Owner.

The NewRiver Retail Investments AMA also contains a provision relating to the retention of certain key personnel (Allan Lockhart (or another person approved by the Owners), in relation to service provision, and David Lockhart, in relation to strategy). In the event that David Lockhart desires to retire, then all reasonable steps necessary to secure an appropriate alternative approved by the Owners (acting reasonably and without delay) must be taken. In addition, no key personnel may be removed without the consent of the Owners (such consent not to be unreasonably withheld or delayed). Any key personnel lost unexpectedly must be replaced with the Owners’ approval within six months.

Convertible Unsecured Loan Stock Instruments

6.15 The Convertible Unsecured Loan Stock was created by a resolution of the board of directors of NewRiver Retail CUL and, was constituted as an unsecured obligation of NewRiver Retail CUL by the Convertible Unsecured Loan Stock Instruments. Under the terms of the Convertible Unsecured Loan Stock Instruments, the issue of the Convertible Unsecured Loan Stock was conditional upon Shareholder approval of: (i) the issue by NewRiver CUL of the Convertible Unsecured Loan Stock; (ii) the waiver of pre-emption rights in the articles of incorporation of NewRiver then in force in relation to the issue by the Board of Ordinary Shares to satisfy the Conversion Rights (as defined below); and (iii) the approval of Shareholders for election for UK-REIT status and conversion of the Company to a UK-REIT.

Pursuant to the subscription agreements referred to in paragraphs 6.16 and 6.17, £25 million of Convertible Unsecured Loan Stock has been issued by the NewRiver Group. Application was made for the A Convertible Unsecured Loan Stock and the B Convertible Unsecured Loan Stock to be admitted to trading on the Daily Official List of the CISX on 24 November 2010.

The Convertible Unsecured Loan Stock Instruments contain provisions, *inter alia*, to the effect set out below:

Under the terms of the Convertible Unsecured Loan Stock Instruments, any outstanding Convertible Unsecured Loan Stock shall be repaid in full on 31 December 2015 (if it is a business day or, if it is not, the immediately succeeding business day). Until the Convertible Unsecured Loan Stock has been repaid by NewRiver Retail CUL in full or converted into Ordinary Shares, interest will accrue on it on a daily basis at a gross rate equal to an annual rate of 5.85 per cent. Such interest is due and payable by NewRiver Retail CUL on 30 June 2011 and thereafter on 31 December and 30 June in any year whilst the Convertible Unsecured Loan Stock remains outstanding.

Prior to such repayment, a Stockholder may convert all or any of its Convertible Unsecured Loan Stock into Ordinary Shares at the rate of 1 Ordinary Share for every £2.80 nominal value of Convertible Unsecured Loan Stock held during the period commencing on the date of issue and ending on the expected repayment date of 31 December 2015. NewRiver Retail CUL cannot force a conversion of Convertible Unsecured Loan Stock held by Stockholders at any time.

NewRiver Retail CUL may at any time purchase Convertible Unsecured Loan Stock in the market by a tender offer to all Stockholders or by private treaty, in each case, at a price (exclusive of expenses but inclusive of accrued interest) which, if the Convertible Unsecured Loan Stock is then listed on the CISX, shall not exceed the average of the middle market quotations therefor (based on The Channel Islands Stock Exchange Daily Official List) during the period of 10 business days immediately prior to the date of such purchase, or, in the case of a purchase on the CISX, the market price therefor provided that such market price is not more than five per cent. above such average.

In addition, the Convertible Unsecured Loan Stock Instruments include certain anti-dilution protections for Stockholders in relation to their holdings of Convertible Unsecured Loan Stock, meaning that the conversion price and, therefore, conversion rate, is subject to adjustment on, *inter alia*, further issues of Ordinary Shares by the Company (whether by way of bonus share dividend, by way of rights or otherwise) and in relation to the payment of special dividends or other distributions to Shareholders by the Company. In particular, pursuant to the terms of the Convertible Unsecured Loan Stock Instruments, where the Company issues any shares for a consideration per share less than the average closing mid-market price of the Ordinary Shares based on the average closing mid-market price of the Ordinary Shares for the preceding 30 business days prior to such issue or sale, then the conversion price and, therefore, conversion rate, for the Convertible Unsecured Loan Stock is reduced concurrently with such issue or sale unless, in the case of the A Convertible Unsecured Loan Stock only, Forum has utilised any pre-emption rights which may be available to it (see further below).

For so long as it holds sufficient Convertible Unsecured Loan Stock so that on conversion, it would hold in excess of 10 per cent. of the Company's fully diluted share capital and whilst any Convertible Unsecured Loan Stock is outstanding, the Company has agreed with Forum in the Forum Subscription Agreement that it will have preemption rights in relation to any future equity fundraisings of the Company where the subscription or offer price is less than Fair Market Value (as such term is defined in the A Convertible Unsecured Loan Stock Instrument), on a fully diluted basis (i.e. assuming full conversion of any outstanding Convertible Unsecured Loan Stock). To the extent that Forum does not exercise its pre-emption rights (or exercises them only in part) an adjustment to the conversion price of the A Convertible Unsecured Loan Stock will be made in respect of any such equity fundraising and other holders of A Convertible Unsecured Loan Stock will be bound by such adjustment.

Furthermore, Stockholders may convert their holdings of Convertible Unsecured Loan Stock, or require NewRiver Retail CUL to repay in whole or in part any amounts of principal and/or interest owing in respect of the Convertible Unsecured Loan Stock held by them on the occurrence of certain events, including, *inter alia*, if NewRiver Retail CUL fails to make any payment of any principal amount or interest within five business days of the due date for payment or if the Company, NewRiver Retail CUL or any other subsidiary (which is material in the context of the Group, taken as a whole) has a liquidator, receiver, an administrative receiver or similar officer appointed over all or a substantial part of its assets or undertaking.

In addition, the Company and NewRiver Retail CUL have covenanted in the Convertible Unsecured Loan Stock Instruments that if there is a proposed change of control of the Company, the Company and NewRiver Retail CUL will procure that all Stockholders are given the opportunity to elect (i) to have repaid by NewRiver Retail CUL all interest and capital then outstanding on the Convertible Unsecured Loan Stock held by them at par; or (ii) to convert their Convertible Unsecured Loan Stock (at a price equal to the conversion price detailed above then applicable) into Ordinary Shares prior to any such change of control occurring; or (iii) to participate in any equivalent offer made to them by the offeror. Alternatively, Stakeholders can continue to hold their Convertible Unsecured Loan Stock notwithstanding such proposed change of control.

Pursuant to their respective subscription agreements as are more particularly described in paragraphs 6.16 and 6.17 of this Part 10), Forum and Spearpoint will also have the benefit of certain other customary covenants from the Company and/or NewRiver Retail CUL whilst any of the Convertible Unsecured Loan Stock remains outstanding.

The Company has agreed to guarantee the performance by NewRiver Retail CUL of its obligations under the Convertible Unsecured Loan Stock Instruments.

The Convertible Unsecured Loan Stock Instruments are governed by English law.

Forum Subscription Agreement in relation to the A Convertible Unsecured Loan Stock

6.16 On 27 October 2010, the Company, NewRiver Retail CUL and Forum entered into a subscription agreement (the “Forum Subscription Agreement”) pursuant to which Forum agreed to subscribe for £15.0 million in nominal value of A Convertible Unsecured Loan Stock at par. Customary warranties were provided by the Company and NewRiver Retail CUL to Forum, and by Forum to the Company and NewRiver Retail CUL, relating to their title and capacity to enter into the Forum Subscription Agreement and certain other matters (including, *inter alia*, in the case of the Company, as to its compliance with the AIM Rules for Companies and the contents of its audited accounts for its financial year ended 31 March 2010). In addition, Forum has given certain undertakings to the Company and NewRiver Retail CUL (including as to assisting the Company with its ongoing compliance with the requirements for participation in the regime applicable to UK-REITs). The Company has guaranteed the performance of NewRiver Retail CUL’s obligations under the Forum Subscription Agreement.

On completion of its subscription for the £15.0 million in nominal value of A Convertible Unsecured Loan Stock, NewRiver Retail CUL agreed to pay an arrangement fee of £150,000 to Forum.

Forum additionally committed, for a period of 3 months from the date of the Company’s conversion to a UK-REIT, to subscribe for up to £2.0 million in nominal value of A Convertible Unsecured Loan Stock at par, conditional upon, *inter alia*, (i) the issue of the £15.0 million in nominal value of A Convertible Unsecured Loan Stock referred to above; and (ii) receipt of a subscription request from NewRiver Retail CUL. This subscription was completed on 22 November 2010. In consideration of Forum’s covenants and obligations in relation to its commitment to subscribe for an additional £2.0 million in nominal value of the A Convertible Unsecured Loan Stock at the request of the Company, a commission of £10,000 shall be payable to Forum upon completion of Forum’s initial subscription for A Convertible Unsecured Loan Stock and a further £10,000 shall be payable to Forum upon the issue of any additional A Convertible Unsecured Loan Stock to Forum within the period of 3 months referred to above.

Forum is entitled, for so long as it would be the beneficial owner of 10 per cent. or more of the fully diluted share capital (as defined in this agreement, and assuming full conversion of any outstanding Convertible Unsecured Loan Stock) (a “Qualifying Holding”), to appoint a director to the Board and to appoint or remove any such director by notice in writing to the Company. Forum has agreed to consult with the Company in relation to the identity of any director-appointees it subsequently wishes to appoint.

In addition, for so long as Forum holds a Qualifying Holding:

6.16.1 neither the Company nor NewRiver Retail CUL may incur any unsecured indebtedness (other than in the ordinary course of business) which would rank pari passu or ahead of the Convertible Unsecured Loan Stock (subject to certain exceptions);

6.16.2 if any offer of or invitation to subscribe for Ordinary Shares is made to Shareholders or third parties at an offer or subscription price of less than the Fair Market Value (as such term is defined in the A Convertible Unsecured Loan Stock Instrument) of such Ordinary Shares, the Company shall make a like offer, or procure that a like offer is made, at the same time to Forum as if its conversion rights under the A Convertible Unsecured Loan Stock Instrument had been exercised in full immediately before the record date for such offer or invitation at the conversion price then applicable. Upon the making of such offer or invitation, Forum has the ability to elect to participate in it in respect of some or all of its holding of A Convertible Unsecured Loan Stock. If Forum does not take up its rights in full, the conversion price applicable to its holding of A Convertible Unsecured Loan Stock will be adjusted as follows, the adjusted price being referred to below as the Adjusted Conversion Price:

- (a) the maximum adjustment to the conversion price which would be made had Forum not exercised its pre-emption rights at all (the “Maximum Conversion Price Adjustment”) will be calculated on the basis of the following formula:

$$A = B - C$$

where:

A = the Maximum Conversion Price Adjustment;

B = the conversion price applicable at the time the adjustment is to be made; and

C = the Fully Adjusted Conversion Price, which is calculated by multiplying the conversion price applicable at the time the adjustment is to be made by a fraction, the numerator of which shall be (i) the number of Ordinary Shares in issue immediately prior to such offer or invitation, plus (ii) the number of Ordinary Shares which the aggregate consideration received by the Company would purchase at the Fair Market Value (as defined in the A Convertible Unsecured Loan Stock Instrument) of the Ordinary Shares and the denominator of which shall be the number of Ordinary Shares in issue immediately after such offer or invitation is completed;

- (b) the Maximum Conversion Price Adjustment is then multiplied by the percentage which the proportion of A Convertible Unsecured Loan Stock in respect of which Forum did not elect to participate in the offer or invitation represents as a proportion of its entire holding of A Convertible Unsecured Loan Stock, the resulting figure being the “Actual Conversion Price Adjustment”; and

- (c) the Actual Conversion Price Adjustment is then deducted from the conversion price applicable at the time the adjustment is to be made to produce the Adjusted Conversion Price, and the Adjusted Conversion Price will be binding on any other holders of the A Convertible Unsecured Loan Stock thereafter;

6.16.3 in the event that the Company ceases to be a UK-REIT, but with effect from the commencement of its financial year ending 31 March 2012, the Company shall use its reasonable endeavours not to breach the UK-REIT profit:financing cost ratio without the prior written consent of Forum (such consent not to be unreasonably withheld or delayed). Compliance with this covenant is tested at the end of each financial year based on its audited consolidated financial results for such period and the Company has the ability to cure any such breach within a specified period; and

6.16.4 in the event that Company intends at any time to bid for or purchase Convertible Unsecured Loan Stock by private treaty under the terms of the Convertible Unsecured Loan Stock Instruments (as more particularly described in paragraph 6.15 of this Part 10), it shall, at such

time, notify Forum of that fact and shall offer it the opportunity to sell its A Convertible Unsecured Loan Stock to the Company on a pro rata basis to the percentage of all Convertible Unsecured Loan Stock outstanding on the same terms.

The Forum Subscription Agreement is governed by English Law.

Spearpoint Subscription Agreement in relation to the B Convertible Unsecured Loan Stock

6.17 On 27 October 2010, the Company, NewRiver Retail CUL and Spearpoint entered into a subscription agreement (the “Spearpoint Subscription Agreement”) pursuant to which Spearpoint agreed to subscribe for up to £8.0 million in nominal value of B Convertible Unsecured Loan Stock, conditional upon, *inter alia*, receipt of a subscription request from NewRiver Retail CUL. Such subscription was completed on 26 November 2010. Customary warranties were provided by the Company and NewRiver Retail CUL to Spearpoint, and by Spearpoint to the Company and NewRiver Retail CUL, relating to their title and capacity to enter into the Spearpoint Subscription Agreement and certain other matters. The Company has guaranteed NewRiver Retail CUL’s obligations under the Spearpoint Subscription Agreement.

For so long as Spearpoint would be the beneficial owner of 10 per cent. or more of the fully diluted share capital (as defined in the Spearpoint Subscription Agreement, and assuming full conversion of any outstanding Convertible Unsecured Loan Stock) neither the Company nor NewRiver Retail CUL may incur any unsecured indebtedness (other than in the ordinary course of business) which would rank *pari passu* or ahead of the Convertible Unsecured Loan Stock (subject to certain exceptions).

In consideration of Spearpoint’s covenants and obligations under the Spearpoint Subscription Agreement, a commission of £40,000 was payable to Spearpoint upon the Company’s conversion to a UK-REIT and a further £40,000 was payable to Spearpoint upon the issue of any B Convertible Unsecured Loan Stock to Spearpoint on 26 November 2010.

The Spearpoint Subscription Agreement is governed by English Law.

Placing Agreement

6.18 The Company entered into the Placing Agreement dated 26 June 2011 between the Company, Cenkos Securities and the Sponsor, pursuant to which, subject to certain conditions, Cenkos Securities agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

The obligations of Cenkos Securities pursuant to the Placing Agreement are subject to certain conditions, which included, amongst others:

- (a) the passing of the Resolutions at the Extraordinary General Meeting;
- (b) the Property Acquisition Agreements not having lapsed or been terminated, having become unconditional in all respects, save in respect of Admission and payment of the consideration thereunder;
- (c) the Facility Agreement being entered into by the parties thereto and each condition to drawdown (save for any condition relating to (i) the Placing Agreement and Property Acquisition Agreements becoming unconditional and (ii) receipt by the Company of the proceeds of the Placing) having been satisfied; and;
- (d) Admission becoming effective by no later than 8.00 a.m. on 4 August 2011 (or such later time and/or date, being no later than 8.00 a.m. on 11 August 2011, as the Company and Cenkos Securities may agree).

Subject to the terms and conditions of the Placing Agreement, the Company agreed to pay to Cenkos Securities a commission of £1,275,000.

Pursuant to the Placing Agreement, the Company gave certain customary warranties and undertakings to Cenkos Securities which included, among others, warranties in relation to the information contained in this document and other documents prepared by the Company in connection with the

Acquisition and the Placing and warranties in relation to the business of the Company and its compliance with applicable laws and regulations.

In addition, the Company agreed to indemnify Cenkos Securities against certain liabilities, including in respect of the accuracy of information contained in this document and other documents prepared by the Company in connection with the Placing and Admission, losses arising from a breach of the warranties contained in the Placing Agreement and certain other losses suffered or incurred in connection with the Placing.

The liability of the Company under the Placing Agreement is unlimited as to time and amount.

In addition, the Company agreed with Cenkos Securities, subject to certain exceptions, not to issue or agree to issue any Ordinary Shares (or options over Ordinary Shares) for a period of 12 months from Admission without Cenkos Securities' prior written consent (such consent not to be unreasonably withheld or delayed).

Other material contracts

6.19 On 28 February 2010, NewRiver Retail (Portfolio No 1) LP and NewRiver Retail (GP1) Limited, acting in its capacity as general partner of NewRiver Retail (Portfolio No 1) LP entered into a loan agreement with Abbey National Treasury Services PLC (the "Abbey National"), pursuant to which Abbey National made available a term loan facility in an aggregate principal amount not exceeding the lower of:

- (a) £29,400,000;
- (b) 60 per cent. of the purchase price of the NewRiver Retail Investments Initial Portfolio (excluding VAT); and
- (c) 60 per cent. of the market value of the NewRiver Retail Investments Initial Portfolio, for the purpose of funding the acquisition of NewRiver Retail Investments Initial Portfolio.

The facility was drawn down in two amounts on 5 March 2010 to acquire the other English properties and the Glasgow property and on 17 May 2010 to acquire the Widnes property.

The following security was entered into as security for repayment of the Facility:

- (i) Composite Guarantee and Debenture dated 5 March 2010 granted by the borrower, NewRiver Retail (Nominee 1) Limited, NewRiver Retail (GP 1) Limited and NewRiver Retail (Holding No. 1) LP in favour of the Abbey National;
- (ii) Partnership Interest Charge dated 5 March 2010 granted by NewRiver Retail (Holding No. 1) LP in favour of the Abbey National;
- (iii) Security Interest Agreement dated 5 March 2010 granted by NewRiver Retail Investments (GP) Limited in favour of the Abbey National;
- (iv) Security Interest Agreement dated 5 March 2010 granted by NewRiver Retail (GP1) Limited in favour of the Abbey National;
- (v) Standard Security dated 5 March 2010 granted by the borrower in favour of the Abbey National;
- (vi) Assignment of Rental Income dated 5 March 2010 granted by the borrower in favour of the Abbey National;
- (vii) Legal Charge dated 17 May 2010 granted by NewRiver Retail (GP1) Limited and NewRiver Retail (Nominee 1) Limited in favour of the Abbey National; and
- (viii) Duty of Care Deed dated 17 May 2010 made between (1) the borrower (2) NewRiver Retail (GP1) Limited (3) NewRiver Retail (Nominee 1) Limited (4) NewRiver Capital Limited (4) Workman LLP and (6) Abbey National.

- 6.20 On 19 February 2010, NewRiver Retail (Wrexham No. 1) Limited, NewRiver Retail (Market Deeping No. 1) Limited and NewRiver Retail (Newcastle No. 1) Limited (as “Borrowers”) entered into a loan agreement with Abbey National, pursuant to which Abbey National made available to the Borrowers a term loan facility (the “3 Retail Facility”) in an aggregate principal amount not exceeding the lower of:
- (a) £9,303,000; and
 - (b) 60 per cent. of the aggregate purchase price of certain properties in Wrexham, Market Deeping and Newcastle (referred to at paragraph 2 of Part 4 of this document) (excluding VAT), for the purpose of funding the acquisition of the Properties.

The following security was entered into as security for repayment of the 3 Retail Facility:

- (i) Composite Guarantee and Debenture dated 3 March 2010 granted by the borrowers in favour of Abbey National;
 - (ii) Security Interest Agreement over the share capital of each of the borrowers dated 3 March 2010 granted by NewRiver Retail Limited in favour of Abbey National;
 - (iii) Legal Charge dated 9 July 2010 granted by NewRiver Retail (Newcastle No. 1) Limited in favour of Abbey National; and
 - (iv) Duty of Care Deed dated 3 March 2010 made between (1) the Borrowers (2) NewRiver Capital Limited (3) Workman LLP and (4) Abbey National.
- 6.21 On 4 June 2010, NewRiver Retail (Portfolio No. 2) Limited (the “Portfolio Borrower”) entered into a loan agreement with Abbey National, pursuant to which Abbey National made available to the Portfolio Borrower a term loan facility (“Redevco Portfolio Facility”) in an aggregate principal amount not exceeding the lower of:
- (a) £12,359,750;
 - (b) 65 per cent. of the aggregate purchase price of each property comprising the Redevco Portfolio (described in paragraph 2 of Part 4 of this document) (excluding VAT); and
 - (c) 65 per cent. of the aggregate market value of each such property, for the purpose of funding the acquisition of the Redevco Portfolio.

The aggregate principal amount of the facility is capable of being reduced pursuant to clause 2.2 of the loan agreement in the event that the facility is not drawn in one amount.

The following security was entered into as security for repayment of the Redevco Portfolio Facility:

- (i) Composite Guarantee and Debenture granted by the Portfolio Borrower in favour of Abbey National;
- (ii) Security Interest Agreement over the share capital of the Portfolio Borrower granted by NewRiver Retail Limited in favour of Abbey National;
- (iii) Legal Charge granted by the Portfolio Borrower in favour of Abbey National.

Pursuant to a deed of amendment and restatement dated 26 October 2010 the Redevco Portfolio loan agreement was amended, *inter alia*, to increase the aggregate principal amount of the Redevco Portfolio Facility by £9,100,000 to be utilised for the purpose of funding the acquisition of the Standard Life Portfolio (described in paragraph 2 of Part 4 of this document) and an additional legal charge was granted over the properties in the Standard Life Portfolio.

- 6.22 On 30 November 2010, NewRiver Retail (GP3) Limited entered into a loan agreement with HSBC Bank PLC (“HSBC”), pursuant to which HSBC made available a term loan facility in an aggregate principal amount not exceeding the lower of:
- (a) £34,580,000; and

- (b) 65 per cent. of the market value of the properties comprising the portfolio in Fareham, Burgess Hill, Erdington, Wallsend and Bramley (the “Properties”).

The following security was entered into as security for the repayment of this facility:

- (a) Debentures granted in favour of HSBC by NewRiver Retail (GP3) Limited as general partner for CPI Retail Active Management Programme (No.4) Limited Partnership and by NewRiver Retail (Portfolio No.3) Limited. The debenture granted by NewRiver Retail (GP3) Limited as general partner for CPI Retail Active Management Programme (No.4) Limited Partnership grants legal mortgages over the Properties in favour of HSBC;
- (b) Guarantees granted in favour of HSBC by NewRiver Retail (GP3) Limited as general partner for CPI Retail Active Management Programme (No.4) Limited Partnership and by NewRiver Retail (Portfolio No.3) Limited;
- (c) A share mortgage in favour of HSBC granted by NewRiver Retail Limited over the share capital held in NewRiver Retail (Portfolio No.3) Limited; and
- (d) A share mortgage in favour of HSBC granted by NewRiver Retail (Portfolio No.3) Limited over the share capital held in NewRiver Retail (GP3) Limited and NewRiver Retail (Nominees No. 3) Limited.

6.23 *Summary of term sheet in respect of the Facility Agreement*

On 29 June 2011, NewRiver received full credit committee approval from the Bank in respect of the Facility Agreement. The key commercial terms of the Facility Agreement are that the Bank will make available to the NewRiver Acquisition Vehicles and certain other members of the NewRiver Group a term loan facility for 5 years in an aggregate principal amount not exceeding £40,815,000.

The material conditions to drawdown on the loan under the Facility Agreement will be:

- (a) Confirmation by the Bank’s advisers that the NewRiver Acquisition Vehicles will acquire good unencumbered title to the Four Retail Properties; and
- (b) Receipt by the bank of a full valuation report on the Four Retail Properties from a valuer appointed and instructed by the Bank showing a minimum valuation for the Four Retail Properties of £68,025,000.

The members of the NewRiver Group who are party to the Facility Agreement will also give covenants and undertakings to the Bank of a sort which are customary in facility agreements of this type. The Bank will have the ability to terminate the Facility Agreement in the event of markets standard events of default.

The following security is to be entered into as security for repayment of the Facility Agreement:

- (i) Debenture over the NewRiver Acquisition Vehicles and their immediate holding company in favour of the Bank
- (ii) Composite guarantee granted by the NewRiver Acquisition Vehicles in favour of the Bank;
- (iii) Legal charge granted by the NewRiver Acquisition Vehicles in favour of the Bank; and
- (iv) Interest rate hedging arrangements in respect of at least 50 per cent. of the principal amount available under the Facility.

7. Subsidiaries

On Admission, subject to the Completion of the Acquisition, 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 Retail (Wrexham No.1) Limited	Guernsey	Isabelle Chambers, Route Isabelle, St.Peter Port, Guernsey	Real estate investments	100%
NewRiver Retail (Market Deeping No.1) Limited	Guernsey	Isabelle Chambers, Route Isabelle, St.Peter Port, Guernsey	Real estate investments	100%
NewRiver Retail (Newcastle No.1) Limited	Guernsey	Isabelle Chambers, Route Isabelle, St.Peter Port, Guernsey	Real estate investments	100%
NewRiver Retail (Portfolio No.1) Limited	Guernsey	Isabelle Chambers, Route Isabelle, St.Peter Port, Guernsey	Real estate investments	100%
NewRiver Retail (Portfolio No.2) Limited	Guernsey	Isabelle Chambers, Route Isabelle, St.Peter Port, Guernsey	Real estate investments	100%
NewRiver Retail (UK) Limited	United Kingdom	28 Brook Street, London W1K 5DH	Provision of property investment and management advice to NewRiver Retail	100%
NewRiver Retail (Boscombe No.1) Limited	United Kingdom	28 Brook Street, London W1K 5DH	Real estate investments	100%
NewRiver Retail (Carmarthen) Limited	United Kingdom	28 Brook Street, London W1K 5DH	Real estate investments	100%
NewRiver Retail CUL No.1 Limited	United Kingdom	28 Brook Street, London W1K 5DH	Finance company	100%
NewRiver Retail (GP3) Limited	United Kingdom	28 Brook Street, London W1K 5DH	Real estate investments	100%
NewRiver Retail (Nominee No.3) Limited	United Kingdom	28 Brook Street, London W1K 5DH	Real estate investments	100%
NewRiver Retail (Paisley) Limited	United Kingdom	28 Brook Street, London W1K 5DH	Real estate investments	100%
NewRiver Retail (Portfolio No.3) Limited	United Kingdom	28 Brook Street, London W1K 5DH	Real estate investments	100%
NewRiver Retail (Portfolio No.3) LP	United Kingdom	28 Brook Street, London W1K 5DH	Real estate investments	100%
NewRiver Retail (Portfolio No.4) Limited	United Kingdom	28 Brook Street, London W1K 5DH	Real estate investments	100%
NewRiver Retail (Skegness) Limited	United Kingdom	28 Brook Street, London W1K 5DH	Real estate investments	100%
NewRiver Retail (Wisbech) Limited	United Kingdom	28 Brook Street, London W1K 5DH	Real estate investments	100%

8. Mandatory offers and squeeze-out

Mandatory Offers

The City Code on Takeovers and Mergers (the “City Code”) applies to the Company. 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. Working capital

The Directors are of the opinion, having made due and careful enquiry, taking into account the resources available to the NewRiver Group, that the working capital available to the NewRiver Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

10. 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.

11. Related party transactions

From incorporation to the date of this document, no member of the NewRiver Group has entered into any material transactions with related parties save for; (a) the Property Management and Advisory Agreement between the Company and NewRiver Retail UK referred to in paragraph 6.1 of this Part 10 which has now been terminated; (b) the service agreements between NewRiver Retail UK and David and Allan Lockhart; and (c) 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 Retail UK as referred to in paragraph 2.9 of this Part 10.

12. 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 Retail UK, Cenkos Securities, 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 has 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 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 Admission, the Ordinary Shares 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 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 accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Ordinary Shares 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.

A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

13. Miscellaneous

- 13.1 In making any investment decision in respect of the Admission, no information or representation should be relied on in relation to the Admission, 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 NewRiver 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.
- 13.2 Cenkos Securities is registered in England and Wales under number 5210733 and its registered office is 6.7.8 Tokenhouse Yard, London, EC2R 7AS. 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.
- 13.3 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.
- 13.4 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 asset management agreement summarised in paragraph 6.5 of this Part 10.

- 13.5 MSREI has given and not withdrawn its written consent to the issue of this document with the inclusion of its name, and the names of any of its affiliates referred to herein, and references to it and any of its affiliates in the form and context in which they appear and also to the disclosure of the material terms of the joint venture contract set out herein.
- 13.6 Strutt & Parker 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 Valuation Report set out herein.
- 13.7 Colliers International 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.
- 13.8 CBRE 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.
- 13.9 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.
- 13.10 Other than the Directors, the Company has not had any employees since its incorporation and does not own any premises which it occupies.
- 13.11 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.
- 13.12 The Ordinary Shares being issued in connection with the Placing are being issued at 252 pence per Ordinary Share.
- 13.13 Other than in the case of Susie Farnon, who is a director of the Sponsor, 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.
- 13.14 Aside from the Acquisitions, there has been no significant change in the financial or trading position of the Company since 31 March 2011, the date of the 2011 Annual Accounts.
- 13.15 The expenses of the Placing and Admission are estimated to be £2,100,000 (excluding VAT) and are payable by the Company.
- 13.16 Colliers International and CBRE valued the Company's properties as at 31 March 2011 for the purposes of the compilation of the 2011 Annual Accounts. Colliers International and CBRE have each confirmed that, on the assumption that there have been no physical changes or material changes to the letting situation within each property, that the aggregate current value of such properties is broadly similar to that as at 31 March 2011.
- 13.17 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.
- 13.18 Save as disclosed in this document and the 2011 Annual Accounts, the Company does not have any contingent liabilities nor has it entered into any guarantees.
- 13.19 The ISIN number of the Ordinary Shares is GG00B4Z05859.

14. 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, Sundays and public holidays excepted) for a period of 14 days or until Admission, whichever is the longer period:

- 14.1 the memorandum of incorporation of the Company and the Articles;
- 14.2 the Valuation Report;
- 14.3 the material contracts referred to in paragraph 6 of this Part 10;
- 14.4 the letters from Colliers International and CBRE referred to in paragraph 13.16 of this Part 10;
- 14.5 the 2010 Annual Accounts and the 2011 Annual Accounts; and
- 14.6 this document.

15. 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, Sundays and public holidays excepted), and from the Company's registered office in Guernsey.

Dated: 7 July 2011

NOTICE OF EXTRAORDINARY GENERAL MEETING

NEWRIVER RETAIL LIMITED

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of NewRiver Retail Limited (the “Company”) will be held at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS on 2 August 2011 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution:

ORDINARY RESOLUTION

1. THAT the proposed acquisition by the Company of the Four Retail Properties, as defined in a circular and admission document sent by the Company to its shareholders dated 7 July 2011 of which this Notice of Extraordinary General Meeting forms part (the “Admission Document”) on the terms of the Property Acquisition Agreements (as defined in the Admission Document) be approved, and the directors be authorised to effect such acquisitions on their terms, and conditional on the passing of Resolution 2.

SPECIAL RESOLUTION

2. THAT subject to the Placing Agreement (as such expression is defined in the Admission Document) becoming unconditional (save for any condition relating to Admission (as such expression is defined in the Admission Document) and to the passing of the Resolution 1 set out in this Notice of Extraordinary General Meeting, in addition to all existing powers and authorities conferred upon them, the Company is hereby authorised to determine pursuant to Article 6.2 of the Company’s Articles of Association that the provisions of Article 6.2 and any pre-emption rights included therein shall not apply in respect of the proposed allotment and issue for cash of the Placing Shares (as such expression is defined in the Admission Document) at the Placing Price (as such expression is defined in the Admission Document) and which represents a discount of 7.69 per cent. to the Company’s last published net asset value of 273 pence per share on 31 March 2011, pursuant to or in connection with the Placing (as such expression is defined in the Admission Document) and that the Directors be and are hereby empowered to issue any such Placing Shares as if Article 6.2 and any pre-emption rights included therein did not apply to any such allotment and issue, provided that this power shall be limited to the allotment of the Placing Shares.

BY ORDER OF THE BOARD

Serena Tremlett for and on behalf of
Morgan Sharpe Administration Limited
Company Secretary
Date: 7 July 2011

Registered Office:
Isabelle Chambers
Route Isabelle
St. Peter Port
Guernsey
Channel Islands
GY1 3TX

Notes:

- (i) Any member entitled to attend, speak and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at a meeting of the Company. A proxy need not be a member of the Company.
- (ii) A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise rights attached to a different share or shares held by him.

- (iii) To be valid the enclosed Form of Proxy for the Extraordinary General Meeting together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof must be deposited by 11.00 a.m. on 31 July 2011 at the offices of the Company's registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham BR3 4TU.
- (iv) Completion of the Form of Proxy or submission of a valid electronic proxy appointment will not prevent you from attending and voting in person.
- (v) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company as at 6.00 p.m. on 31 July 2011 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6:00 p.m. on the day two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (vi) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (vii) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Capita Registrars (ID RA10), by 11.00 a.m. on 31 July 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- (viii) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (ix) In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

