

**United States  
Securities and Exchange Commission**  
Washington, D.C. 20549

**SCHEDULE 14A**  
(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  [x]  
Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

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

**RETAIL OPPORTUNITY INVESTMENTS CORP.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- [x] No fee required.  
 [ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- 1) Title of each class of securities to which transaction applies:  
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  - 2) Aggregate number of securities to which transaction applies:
  - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - 4) Proposed maximum aggregate value of transaction:  
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[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

- 1) Amount previously paid:  
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- 2) Form, Schedule or Registration Statement No.:  
\_\_\_\_\_
- 3) Filing Party:  
\_\_\_\_\_
- 4) Date Filed:  
\_\_\_\_\_



**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 1, 2013**

To the Stockholders of Retail Opportunity Investments Corp.:

The 2013 Annual Meeting of Stockholders (the "Annual Meeting") of Retail Opportunity Investments Corp., a Maryland corporation (the "Company"), will be held at the offices of Clifford Chance US LLP, 31 West 52nd Street, New York, New York 10019, on May 1, 2013, at 2:00 p.m., Eastern Time, to consider and vote on the following matters:

- (1) the election of eight directors to serve on the Company's board of directors until the Company's 2014 Annual Meeting of Stockholders and until their successors are duly elected and qualify;
- (2) the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2013;
- (3) the resolution to approve, on an advisory basis, the compensation of the Company's named executive officers; and
- (4) the transaction of such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof.

The close of business on March 6, 2013 has been fixed by our board of directors as the record date for the determination of the stockholders entitled to notice of, and to vote at, the Annual Meeting or any postponements or adjournments thereof.

We hope that all stockholders who can do so will attend the Annual Meeting in person. Whether or not you plan to attend, in order to assure proper representation of your shares of our common stock, par value \$0.0001 per share ("Common Stock"), at the Annual Meeting, we urge you to submit your proxy voting instructions to the Company. By submitting your proxy voting instructions promptly, you can help the Company avoid the expense of follow-up mailings and ensure the presence of a quorum at the Annual Meeting. If you attend the Annual Meeting, you may, if so desired, revoke your prior proxy voting instructions and vote your shares in person.

**If you are a registered holder of shares of Common Stock on the record date, you may vote your shares of Common Stock in person at the Annual Meeting or by submitting your proxy voting instructions to the Company. If you hold shares of Common Stock in "street name" through a broker or other financial institution, you must follow the instructions provided by your broker or other financial institution regarding how to instruct your broker or financial institution to vote your shares of Common Stock.**

**Your proxy is being solicited by our board of directors. Our board of directors recommends that you vote "FOR" each nominee for director and "FOR" proposals 2 and 3.**

By Order of the Board of Directors

Stuart A. Tanz  
President and Chief Executive Officer

San Diego, California  
April 1, 2013

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held May 1, 2013. The Proxy Statement and our 2012 Annual Report to Stockholders are available at: <http://www.viewproxy.com/roireit/2013>**

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**PROXY STATEMENT  
FOR ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 1, 2013**

This Proxy Statement is being furnished to stockholders in connection with the solicitation of proxies by and on behalf of the board of directors of Retail Opportunity Investments Corp., a Maryland corporation (the "Company," "we," "our" or "us"), for use at the Company's 2013 Annual Meeting of Stockholders (the "Annual Meeting") to be held at the offices of Clifford Chance US LLP, 31 West 52nd Street, New York, New York 10019, on May 1, 2013, at 2:00 p.m., Eastern Time, or at any postponements or adjournments thereof.

If you are a registered holder of shares of our common stock, par value \$0.0001 per share ("Common Stock"), as of the close of business on the record date, you may vote your shares of Common Stock in person at the Annual Meeting or by submitting your proxy voting instructions to us. If you hold shares of Common Stock in "street name" through a broker or other financial institution, you must follow the instructions provided by your broker or other financial institution regarding how to instruct your broker or financial institution to vote your shares of Common Stock.

Shares of Common Stock represented by properly submitted proxies received by us prior to the Annual Meeting will be voted according to the instructions specified on such proxies. Any stockholder of record submitting voting instructions or a proxy retains the power to revoke such instructions or proxy at any time prior to its exercise at the Annual Meeting by (i) delivering prior to the Annual Meeting a written notice of revocation to Michael B. Haines, our Chief Financial Officer, at Retail Opportunity Investments Corp., 8905 Towne Centre Drive Suite 108, San Diego, California 92122, (ii) submitting a later dated proxy, or (iii) by voting in person at the Annual Meeting. Attending the Annual Meeting will not automatically revoke a stockholder's previously submitted voting instructions or proxy unless such stockholder votes in person at the Annual Meeting. If a proxy is properly authorized without specifying any voting instructions and not revoked prior to the Annual Meeting, the shares of Common Stock represented by such proxy will be voted **FOR** the election of the director nominees to serve on our board of directors until our 2014 Annual Meeting of Stockholders and until their successors are duly elected and qualify, **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013 and **FOR** the advisory resolution on the compensation of our named executive officers as disclosed in this Proxy Statement. As to any other business which may properly come before the Annual Meeting or any postponements or adjournments thereof, the persons named as proxy holders on your proxy card will vote the shares of Common Stock represented by properly submitted proxies in their discretion.

This Proxy Statement, the Notice of Annual Meeting of Stockholders and the related proxy card are first being sent and made available to stockholders on or about April 1, 2013.

**ANNUAL REPORT**

This Proxy Statement is accompanied by our Annual Report to Stockholders for the year ended December 31, 2012, including financial statements audited by Ernst & Young LLP, our independent registered public accounting firm for the fiscal year ended December 31, 2012, and their report thereon, dated February 27, 2013.

**VOTING SECURITIES AND RECORD DATE**

Stockholders will be entitled to cast one vote for each share of Common Stock held of record at the close of business on March 6, 2013 (the "Record Date") with respect to (i) the election of eight directors to serve on our board of directors until our 2014 Annual Meeting of Stockholders and until their successors are duly elected and qualify, (ii) the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013, (iii) the advisory resolution to approve, on an advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement and (iv) any other proposal for stockholder action that may properly come before the Annual Meeting or any postponements or adjournments thereof.

Abstentions and broker non-votes are each included in the determination of the number of shares present at the Annual Meeting for the purpose of determining whether a quorum is present. A broker non-vote occurs when a nominee holding shares for a beneficial owner (i.e., a broker) does not vote on a particular proposal because such nominee does not have discretionary voting power for that particular matter and has not received instructions from the beneficial owner. If you hold your shares in "street name" it is critical that you cast your vote if you want it to count in the election of directors. Under the rules of the New York Stock Exchange ("NYSE"), the only item to be acted upon at the Annual Meeting with respect to which a broker or nominee will be permitted to exercise voting discretion is the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013. Although our shares trade on the NASDAQ Stock Market ("NASDAQ"), the NYSE rules affect us because most of the shares of Common Stock held in "street name" are held with NYSE member-brokers. Therefore, if you hold your shares in "street name" and do not give the broker or nominee specific voting instructions on the election of the directors or the advisory resolution to approve the compensation of our named executive officers, your shares will not be voted on those items, and a broker non-vote will occur.

Abstentions and broker non-votes will have no effect on the election of directors, the ratification of the appointment of Ernst & Young LLP or the advisory vote on the compensation of our named executive officers as disclosed in this Proxy Statement.

The presence, in person or by proxy, of holders of Common Stock entitled to cast a majority of all the votes entitled to be cast at the Annual Meeting shall constitute a quorum. The disposition of business scheduled to come before the Annual Meeting, assuming a quorum is present, will require the following affirmative votes: (i) for the election of a director, a plurality of all the votes cast in the election of directors at the Annual Meeting; (ii) for the ratification of the appointment of our independent registered public accounting firm, a majority of all the votes present or represented at the Annual Meeting; and (iii) for the advisory resolution on the compensation of our named executive officers, a majority of all the votes present or represented at the Annual Meeting.

As of the Record Date, we had issued and outstanding 61,965,023 shares of Common Stock.

## 1. ELECTION OF DIRECTORS

### Board of Directors

Our board of directors is currently comprised of eight directors: Richard A. Baker, Michael J. Indiveri, Edward H. Meyer, Lee S. Neibart, Charles J. Persico, Laura H. Pomerantz, Stuart A. Tanz and Eric S. Zorn. In accordance with our charter (the "Charter") and Amended and Restated Bylaws (the "Bylaws"), each director holds office until our next annual meeting of stockholders and until his or her successor has been duly elected and qualifies, or until the director's earlier resignation, death or removal.

Upon the recommendation of the Nominating and Corporate Governance Committee of our board of directors (the "Nominating and Corporate Governance Committee"), each of our current directors, Messrs. Baker, Indiveri, Meyer, Neibart, Persico, Tanz and Zorn, and Ms. Pomerantz, has been nominated by our board of directors to stand for election as directors by the stockholders at the Annual Meeting to serve until our 2014 Annual Meeting of Stockholders and until their respective successors are duly elected and qualify.

We seek to have a board of directors representing diverse education and experiences that provide knowledge of business, financial, governmental or legal matters that are relevant to our business and to our status as a publicly owned company. We believe that, as a group, the nominees bring a diverse range of perspectives that contribute to the effectiveness of our board as a whole. The procedures and considerations of the Nominating and Corporate Governance Committee in recommending qualified director candidates are described below under "Corporate Governance—Identification of Director Candidates" in this Proxy Statement. The Nominating and Corporate Governance Committee and our board of directors concluded that each of our director nominees should be nominated for election based on the qualifications and experience described in the biographical information below under "Nominees for Election as Directors."

It is intended that the shares of Common Stock represented by properly submitted proxies will be voted by the persons named therein as proxy holders **FOR** the election of Messrs. Baker, Indiveri, Meyer, Neibart, Persico, Tanz and Zorn, and Ms. Pomerantz as directors, unless otherwise instructed. If the candidacy of Messrs. Baker, Indiveri, Meyer, Neibart, Persico, Tanz or Zorn, or Ms. Pomerantz should, for any reason, be withdrawn prior to the Annual Meeting, the proxies will be voted by the proxy holders in favor of such substituted candidates (if any) as shall be nominated by our board of directors. Our board of directors has no reason to believe that, if elected, Messrs. Baker, Indiveri, Meyer, Neibart, Persico, Tanz and Zorn, and Ms. Pomerantz will be unable or unwilling to serve as directors.

### Nominees for Election as Directors

The following information is furnished regarding the nominees for election as directors as of April 1, 2013.

**Richard A. Baker**, 47, the Chairman of our board of directors, has served as one of our directors since our inception in 2007, as Executive Chairman of our board of directors between 2009 and 2012 and, until 2009, served as our Chief Executive Officer. Mr. Baker is the Chief Executive Officer and Chairman of the Hudson's Bay Company, a diversified North American retail organization, which owns and operates Lord & Taylor and the Hudson's Bay Company. From 1988 until 2005, Mr. Baker served in various capacities, including President, Chief Operating Officer and Senior Vice President of National Realty & Development Corp., a real estate development company owned by him together with his father, Robert C. Baker, who was formerly one of our directors. National Realty & Development Corp. owns and manages a real estate portfolio which includes shopping centers and corporate business centers located in 20 states. National Realty & Development Corp.'s tenants include prominent retailers such as Walmart, Kohl's, Lowe's, Toys 'R Us, The Home Depot, Sears, Staples, Supervalu and T.J. Maxx. Mr. Baker received a B.S. in Hotel Administration from Cornell University and serves on the Dean's Advisory Board of the hotel and real estate program. We believe Mr. Baker's significant prior experience as a founder, an executive officer and a director of numerous real estate companies makes him qualified to serve as a director.

**Michael J. Indiveri**, 60, has served as one of our directors since our inception in 2007. He is a principal of Michael J. Indiveri, CPA LLC, a licensed certified public accounting firm that provides financial and accounting consulting services. From June 2011 to December 2011, Mr. Indiveri provided these financial and accounting consulting services through The Indiveri Group, LLC, a real estate investment firm, where he has served as President since 2007. From 2007 to 2011, Mr. Indiveri served as Executive Vice President and Chief Financial Officer of Amalgamated Bank in New York. From 1997 until 2007, Mr. Indiveri served as the Executive Vice President & Chief Financial Officer of City & Suburban Federal Savings Bank, where he was also a director. From 1994 to 1997, Mr. Indiveri served as Senior Vice President & Chief Financial Officer of New York Federal Savings Bank. Mr. Indiveri received a B.A. in Political Science from Rutgers University and an M.B.A. from Fordham University. We believe Mr. Indiveri's significant prior experience at Amalgamated Bank in New York, including as Executive Vice President and Chief Financial Officer, Chairman of the Investment Committee and Chairman of the Asset Liability Management Committee, makes him qualified to serve as a director.

**Edward H. Meyer**, 86, has served as one of our directors since our inception in 2007. Since 2007, Mr. Meyer has served as Chief Executive Officer of Ocean Road Advisors, Inc., an investment management firm. From 1970 to 2006, Mr. Meyer was Chairman and Chief Executive Officer of the Grey Global Group, one of the leading global advertising and marketing agencies. Prior to becoming Chairman, he was President of Grey from 1968 to 1970. He began his career at Bloomingdale's. Mr. Meyer currently serves on the Board of Directors of Harman International Industries, Inc. (NYSE: HAR), National Cinemedia, Inc. (NASDAQ: NCMI) and The Jim Pattison Group. Mr. Meyer previously served on the Board of Directors of May Department Stores for 17 years. He also served as a director of Ethan Allen Interiors Inc. from 1991 to 2010. Mr. Meyer serves as a Trustee of the Solomon R. Guggenheim Foundation, the New York University Langone Medical Center and the Film Society of Lincoln Center, and as President of the Edward & Sandra Meyer Foundation, Inc. Mr. Meyer received a B.A. in Economics from Cornell University. We believe Mr. Meyer's significant prior experience as Chairman and Chief Executive Officer of the Grey Global Group and a director of a number of public companies makes him qualified to serve as a director.

**Lee S. Neibart**, 62, has served as one of our directors since our inception in 2007 and, until 2009, served as our President. Mr. Neibart is a founder of NRDC Real Estate Advisors, LLC and NRDC Equity Partners LLC. He is the Global Chief Executive Officer of AREA Property Partners, formerly Apollo Real Estate Advisors, and has been with the firm since 1993. Mr. Neibart oversees the global day-to-day activities of AREA Property Partners, including portfolio and fund management, strategic planning and new business development. From 1989 to 1993, Mr. Neibart worked at the Robert Martin Company, a real estate development and management firm, most recently as Executive Vice President and Chief Operating Officer. Mr. Neibart was a director at Linens 'n Things which filed for bankruptcy protection in May 2008 and entered into liquidation in October 2008. Mr. Neibart serves on the Advisory Board of The Real Estate Institute of New York University. He is a past President of the New York Chapter of the National Association of Industrial and Office Parks. Mr. Neibart received a B.A. from the University of Wisconsin and an M.B.A. from the New York University School of Business. We believe Mr. Neibart's significant prior experience as a founder, an executive officer and a director of numerous real estate companies makes him qualified to serve as a director.

**Charles J. Persico**, 73, has served as one of our directors since 2009. Mr. Persico is the President of Perbar Sales Corp. and has been actively involved in various phases of the real estate industry, including Development, Construction and Management, for over 38 years. He has participated in the development, ownership and management of over 2,500 apartment units in the New York metropolitan area as well as over one million square feet of retail and commercial developments. His present portfolio consists of mainly retail developments. He has managed properties for Metropolitan Life, Aetna Insurance Company, Connecticut Mutual Insurance, Roosevelt Savings Bank and Peoples Westchester Savings Bank. Mr. Persico is a member of the Westchester County and New York State Board of Realtors and of local, state and national builders organizations. He was formerly on the Board of Directors of the following organizations: City & Suburban Federal Savings Bank for over ten years serving on the Mortgage Committee, Audit and Finance Committee and also the Planning and Development Committee, Westchester County Association (a business development organization represented by such companies as IBM, PepsiCo, Chase Bank and many other large publicly traded corporations) and Westchester Business Partnership. He was also a member of the B.P.O. Elks, Scarsdale Chapter, a prior president and chairman of the Builders Institute of Westchester and Putnam Counties (a 2,400 member organization), a New York State Commissioner of the Hudson River Valley Commission, founder and first President of the Exchange Club of the Town of Greenburgh, past member of the board of trustees of Elizabeth Seton College and of the Advisory Board of Iona College; Westchester County Commission Christopher Columbus Quincentennial, Board Member of the American Lyme Disease Foundation, and the Real Estate Tax Review Board of the Town of Greenburgh (60,000 population). Mr. Persico received a B.S. in Real Estate from New York University. We believe Mr. Persico's significant prior experience as President of Perbar Sales Corp. and active involvement in various phases of the real estate industry makes him qualified to serve as a director.

**Laura H. Pomerantz**, 65, has served as one of our directors since our inception in 2007. Ms. Pomerantz is a Principal at PBS Gould Venture, LLC, d/b/a PBS Real Estate, LLC ("PBS Real Estate"), a boutique firm that offers commercial real estate advisory solutions to both tenants and landlords. Prior to joining PBS Real Estate in 2001, Ms. Pomerantz was a Senior Managing Director at Newmark & Company Real Estate. Prior to joining Newmark & Company Real Estate in 1996, Ms. Pomerantz was Executive Managing Director of S.L. Green (NYSE: SLG) and prior to that she was the Executive Vice President of The Leslie Fay Companies, Inc., having responsibility for supervising several of its upscale fashion divisions. She was with The Leslie Fay Companies, Inc. for over 18 years and served on the company's Board of Directors. She is a member of the Carnegie Hall Board of Trustees and is a director at WIN (Women in Need) and G-III Apparel Group, Ltd. (NASDAQ: GIII). Ms. Pomerantz received an A.B.A. in Business Administration from Miami Dade Community College. We believe Ms. Pomerantz's significant prior experience as a Principal at PBS Real Estate and at other real estate and retail companies makes her qualified to serve as a director.

**Stuart A. Tanz**, 54, has served as our President and Chief Executive Officer and one of our directors since 2009. Mr. Tanz was the Chief Executive Officer of United Income Properties, Inc. from 2006 to 2009 and its Chief Operating Officer and President from 1988 to 1992. United Income Properties, Inc. was a privately owned retail real estate development company in Southern California which developed, owned and operated various shopping centers in Southern California and now owns, manages and operates approximately 2,250 self-storage units and a retail property. From 1997 to 2006, Mr. Tanz was the Chairman, Chief Executive Officer and President of Pan Pacific Retail Properties, Inc., during which period its total market capitalization increased by 795% from \$447 million to over \$4 billion. Mr. Tanz oversaw and administered all aspects of Pan Pacific Retail Properties, Inc.'s business, management, finance and personnel and led its \$146 million initial public offering on the NYSE and ultimately in the sale of the company for \$4.1 billion to Kimco Realty Corp. (NYSE: KIM) in November 2006. From 1992 to December 1996, Mr. Tanz was a director of Revenue Properties Company Limited and was the Co-Chief Executive Officer from May 1996 to August 1997. Revenue Properties Company Limited was a publicly traded company on the Toronto Stock Exchange that was the parent company of Pan Pacific Development Corp., where Mr. Tanz was the President and Chief Operating Officer from 1992 to 1997. From 1982 to 1988, Mr. Tanz was the Director of Acquisitions of Southern California at Bramalea Limited, based in Toronto, Canada, and Bramalea California Inc. Mr. Tanz is a member of the Advisory Council for the University of Southern California Lusk Center for Real Estate and the Advisory council for the Tanz Centre for Research in Neurodegenerative Diseases. Mr. Tanz is a member of International Council of Shopping Centers and Young Presidents Organization. In 1998, National Real Estate Investors named Mr. Tanz as one of the country's top real estate executives under the age of 40 and in 2001 Mr. Tanz was awarded San Diego's Ernst & Young Real Estate Entrepreneur of the Year in real estate. Mr. Tanz received a B.S. in Business Administration from the University of Southern California, Marshall School of Business. We believe Mr. Tanz's significant prior public company experience as the Chairman, Chief Executive Officer and President of Pan Pacific Retail Properties, Inc. makes him qualified to serve as a director.

**Eric S. Zorn**, 64, has served as one of our directors since March 2012. Mr. Zorn currently serves as a consultant to Wal-Mart Stores, Inc. and is engaged in Walmart's Asian growth strategy. Until retiring in 2012, Mr. Zorn had served as President of Walmart Realty since 2002 and as an Executive Vice President of Wal-Mart Stores, Inc. since 2005. He led teams responsible for new store growth, store remodeling and property management, merchandise planning, procurement and allocation of capital among markets targeted for growth. Over a 15-year period, Mr. Zorn oversaw the opening of more than 3,200 Walmart stores in the United States, and also oversaw the strategy for disposition of excess real estate. Mr. Zorn joined Walmart in 1993 as Regional Vice President of Operations, becoming a Senior Vice President of Walmart Realty in 1995, after spending 22 years at Jamesway Corporation, including nine years as Senior Vice President and Chief Administrative Officer. Mr. Zorn is on the Board of Visitors for MD Anderson Cancer Center. Mr. Zorn previously served as Trustee of the International Council of Shopping Centers, and has served several other organizations in various capacities, including the Foundation Board of Trustees for Mercy Hospital in Rogers, Arkansas, Professional Women in Construction (New York chapter) and the Susan G. Komen Foundation (NWA Chapter). Mr. Zorn studied history at Fairleigh Dickinson University. We believe that Mr. Zorn's extensive experience, including leadership of real estate acquisitions and property management for Walmart Realty, makes him qualified to serve as a director.

**Our board of directors recommends a vote FOR the election of Messrs. Baker, Indiveri, Meyer, Neibart, Persico, Tanz and Zorn, and Ms. Pomerantz as directors.**

A plurality of all of the votes cast on the proposal at the Annual Meeting at which a quorum is present is necessary to elect a director. Proxies solicited by our board of directors will be voted FOR Messrs. Baker, Indiveri, Meyer, Neibart, Persico, Tanz and Zorn, and Ms. Pomerantz, unless otherwise instructed. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

In accordance with our Charter and Bylaws, vacancies occurring on our board of directors, as a result of death, resignation, removal of a director, an increase in the authorized number of directors or otherwise, may be filled by a majority of the remaining directors then in office.

There is no family relationship, as defined under Securities and Exchange Commission (the "SEC") regulations, among any of our directors or executive officers.

## 2. RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our board of directors has appointed Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013. Our board of directors is requesting that our stockholders ratify this appointment of Ernst & Young LLP.

The report of Ernst & Young LLP on our consolidated financial statements as of and for the fiscal years ended December 31, 2011 and December 31, 2012 did not contain any adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles. The reports of McGladrey & Pullen, LLP on our consolidated financial statements as of and for the fiscal years ended December 31, 2008 and 2009 did not contain any adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

Neither our Bylaws nor other governing documents or law require stockholder ratification of our board of directors' appointment of Ernst & Young LLP as our independent registered public accounting firm. However, our board of directors is submitting the appointment of Ernst & Young LLP to our stockholders for ratification as a matter of good corporate practice. In the event that ratification of this appointment of independent registered public accounting firm is not approved at the Annual Meeting, our board of directors will review its future selection of our independent registered public accounting firm. Even if the selection is ratified, our board of directors, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting and will be provided with an opportunity to make a statement if so desired and to respond to appropriate inquiries from stockholders.

### Independent Registered Public Accounting Firm Fees

The following table summarizes the aggregate fees (including related expenses) billed to us for professional services provided by Ernst & Young LLP, Berdon LLP, PKF O'Connor Davies LLP, McGladrey & Pullen, LLP and RSM McGladrey, Inc., an affiliate of McGladrey & Pullen, LLP, for the fiscal years ended December 31, 2012 and 2011.

	<b>Fiscal Year Ended December 31,</b>	
	<b>2012<sup>(5)</sup></b>	<b>2011<sup>(5)</sup></b>
Audit Fees <sup>(1)</sup>	\$ 715,534	\$ 610,404
Audit-Related Fees <sup>(2)</sup>	121,120	104,000
Tax Fees <sup>(3)</sup>	142,027	123,975
All Other Fees <sup>(4)</sup>	—	30,400
<b>Total</b>	<b>\$ 978,681</b>	<b>\$ 868,779</b>

- (1) 2012 and 2011 Audit Fees include fees paid to Ernst & Young LLP in respect of: (i) the audit of the consolidated financial statements included in our annual report on Form 10-K and services attendant to, or required by, statute or regulation; (ii) reviews of the interim consolidated financial statements included in our quarterly reports on Form 10-Q; (iii) consents and other services related to SEC and other regulatory filings and communications; and (iv) accounting consultation attendant to the audit.
- (2) 2012 and 2011 Audit-Related Fees include acquisition-related fees of \$90,000 and \$39,000 paid to Ernst & Young LLP, respectively, and fees related to 3.14 audits paid to PKF O'Connor Davies LLP of \$31,120 and \$65,000 in the fiscal years ended December 31, 2012 and December 31, 2011, respectively.
- (3) 2012 and 2011 Tax Fees include tax compliance, tax planning, tax advisory and related tax services provided by Ernst & Young LLP.
- (4) 2011 Other Fees include registration expenditures of \$14,460 paid to PKF O'Connor Davies LLP and \$15,940 paid to McGladrey & Pullen, LLP in the fiscal year ended December 31, 2011.
- (5) Does not include fees relating to the audit of the effectiveness of our internal control over financial reporting of \$106,183 and \$90,612 paid to Berdon LLP in the fiscal years ended December 31, 2012 and December 31, 2011.

The Audit Committee's charter provides that the Audit Committee shall review and pre-approve the engagement fees and the terms of all auditing and non-auditing services to be provided by our external auditors which audit our financial statements and evaluate the effect thereof on the independence of such external auditors. All audit, tax and other services provided to us by Ernst & Young LLP, our independent registered public accounting firm, were reviewed and pre-approved by the Audit Committee, which concluded that the provision of such services by Ernst & Young LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

**Our board of directors recommends a vote FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013.**

A majority of all of the votes cast on this proposal at the Annual Meeting at which a quorum is present is required for its approval. Proxies solicited by our board of directors will be voted FOR this proposal, unless otherwise instructed. Abstentions will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

### 3. ADVISORY VOTE ON EXECUTIVE COMPENSATION

As required by Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we are providing our stockholders with the opportunity to vote to approve, on an advisory and non-binding basis, the compensation of our named executive officers as disclosed in accordance with SEC rules in this Proxy Statement. This proposal is commonly known as a "say-on-pay" proposal. The compensation of our named executive officers as disclosed in this Proxy Statement includes the disclosures under "Executive Compensation—Compensation Discussion and Analysis," the compensation tables and other narrative executive compensation disclosure in this Proxy Statement, as required by SEC rules.

In considering their vote, stockholders may wish to carefully review the information presented on our compensation policies and decisions regarding our senior executive officers, as disclosed in detail in this Proxy Statement under "Executive Compensation." Our board of directors believes that our long-term success depends in large measure on the talents of our management team and other employees and, as described below under "Executive Compensation—Compensation Discussion and Analysis," we, through our executive compensation programs, seek to attract, motivate and retain top-quality senior executives who are committed to our core values of excellence and integrity. The fundamental philosophy of the Compensation Committee of our board of directors (the "Compensation Committee") is to closely align these compensation programs with the achievement of clear annual and long-term performance goals tied to our financial success and the creation of stockholder value. The Compensation Committee believes that it is important to create a compensation program that appropriately balances short-term, equity-based or cash-based compensation with long-term, equity-based compensation.

Our board of directors has determined that the best way to allow stockholders to vote on the compensation of our named executive officers is through the following resolution:

RESOLVED, that the stockholders of the Company advise that they approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in accordance with Securities and Exchange Commission rules in the Company's Proxy Statement for the Company's 2013 Annual Meeting of Stockholders, including the disclosure under "Compensation Discussion and Analysis," the compensation tables and other narrative executive compensation disclosure in the Proxy Statement relating to the Company's 2013 Annual Meeting of Stockholders.

This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers as disclosed in accordance with SEC rules in this Proxy Statement. Although this vote is advisory and non-binding, our board of directors and the Compensation Committee value the opinions of our stockholders and will consider the voting results when making future decisions regarding compensation of our named executive officers.

**Our board of directors recommends a vote FOR the approval, on an advisory basis, of the compensation of our named executive officers as disclosed in accordance with SEC rules in this Proxy Statement, including the disclosure under "Compensation Discussion and Analysis," the compensation tables and other narrative executive compensation disclosure in this Proxy Statement.**

A majority of all of the votes cast on this proposal at the Annual Meeting at which a quorum is present is required for its approval. Proxies solicited by our board of directors will be voted FOR this proposal, unless otherwise instructed. Abstentions will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

## BOARD AND COMMITTEE MATTERS

### Board of Directors

Our board of directors is responsible for overseeing our affairs. Our board of directors conducts its business through meetings and actions taken by written consent in lieu of meetings. The policy of our board of directors, as set forth in our Corporate Governance Guidelines (the "Guidelines"), is to encourage and promote the attendance by each director at all scheduled meetings of our board of directors and all meetings of our stockholders. During the year ended December 31, 2012, our board of directors held four meetings, and each of our directors attended at least 75% of the meetings that were held during the period in which they served as a director. Each of our directors who served on a committee of our board of directors attended at least 75% of the meetings of such committee that were held during the period in which they served on such committee. In 2012, eight of the nine directors then serving on our board of directors attended our 2012 Annual Meeting of Stockholders.

### Committees of our Board of Directors

Our board of directors has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

**Audit Committee.** Michael J. Indiveri (Chair), Lee S. Neibart and Eric S. Zorn are the current members of the Audit Committee. Mr. Neibart was appointed as a member of the Audit Committee in February 2013 and replaced Charles J. Persico who served as a member of the Audit Committee during 2012. Our board of directors has determined that all of the members of the Audit Committee are independent as required by NASDAQ corporate governance requirements, SEC rules governing the qualifications of audit committee members, the Guidelines, the Independence Standards (as defined below) and the written charter of the Audit Committee. Our board of directors has also determined, based upon its qualitative assessment of their relevant levels of knowledge and business experience (see "1. Election of Directors—Nominees for Election as Directors" in this Proxy Statement for a description of their respective backgrounds and experience), that Mr. Indiveri qualifies as an "audit committee financial expert" for purposes of, and as defined by, SEC rules and has the requisite accounting or related financial management expertise required by NASDAQ corporate governance requirements. In addition, our board of directors has determined that all of the members of the Audit Committee are financially literate as required by NASDAQ corporate governance requirements. The Audit Committee, which met four times during 2012, among other things, acts on behalf of our board of directors to discharge our board of directors' responsibilities relating to our and our subsidiaries' corporate accounting and reporting practices, the quality and integrity of our consolidated financial statements, our compliance with applicable legal and regulatory requirements, the performance, qualifications and independence of our external auditors, the performance of our internal audit function and our policies with respect to risk assessment and risk management. The Audit Committee is also responsible for approving and reviewing with management and external auditors the interim and audited annual financial statements, meeting with officers responsible for certifying our annual report on Form 10-K or any quarterly report on Form 10-Q prior to any such certification and reviewing with such officers disclosures related to any significant deficiencies in the design or operation of internal controls. The Audit Committee is charged with periodically discussing with our external auditors such auditors' judgments about the quality, not just the acceptability, of our accounting principles as applied in our consolidated financial statements. The specific responsibilities of the Audit Committee are set forth in its written charter, a copy of which is available for viewing on our website at [www.roireit.net](http://www.roireit.net).

**Compensation Committee.** Laura H. Pomerantz (Chair) and Edward H. Meyer are the current members of the Compensation Committee. Ms. Pomerantz, Mr. Meyer and Melvin S. Adess comprised the Compensation Committee for the first two months of 2012. Our board of directors has determined that all of the members of the Compensation Committee are independent as required by NASDAQ corporate governance requirements, SEC rules governing the independence of compensation committee directors the Guidelines, the Independence Standards and the written charter of the Compensation Committee. The Compensation Committee, which met four times during 2012, is responsible for, among other things, overseeing the approval, administration and evaluation of our compensation plans, policies and programs, and reviewing the compensation of our directors and executive officers. The specific responsibilities of the Compensation Committee are set forth in its written charter, a copy of which is available for viewing on our website at [www.roireit.net](http://www.roireit.net).

**Nominating and Corporate Governance Committee.** Edward H. Meyer (Chair), Charles J. Persico and Michael J. Indiveri are the current members of the Nominating and Corporate Governance Committee. Mr. Meyer, Mr. Persico and Melvin S. Adess comprised the Compensation Committee for the first two months of 2012. Our board of directors has determined that all of the members of the Nominating and Corporate Governance Committee are independent as required by NASDAQ corporate governance requirements, the Guidelines, the Independence Standards and the written charter of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee, which met two times during 2012, is responsible for, among other things, reviewing and making recommendations to our board of directors on the range of qualifications that should be represented on our board of directors and eligibility criteria for individual board membership, seeking, considering and recommending to our board of directors qualified candidates for election as directors and approving and recommending to the full board of directors succession plans for each of our senior executive officers. It reviews and makes recommendations on matters involving the general operation of our board of directors and our corporate governance, and recommends to our board of directors nominees for each committee of our board of directors. In addition, the Nominating and Corporate Governance Committee annually facilitates the assessment of our board of directors' performance as a whole and of the individual directors, and reports thereon to our board of directors. The specific responsibilities of the Nominating and Corporate Governance Committee are set forth in its written charter, a copy of which is available for viewing on our website at [www.roireit.net](http://www.roireit.net).

We will provide the written charters of the Audit Committee, Compensation Committee and/or Nominating and Corporate Governance Committee, free of charge, to stockholders who request them. Requests should be directed to Michael B. Haines, our Chief Financial Officer, at Retail Opportunity Investments Corp., 8905 Towne Centre Drive Suite 108, San Diego, California 92122. The written charters of the Audit Committee, Compensation Committee and/or Nominating and Corporate Governance Committee are also available for viewing on our website at [www.roireit.net](http://www.roireit.net).

## **Audit Committee Report**

The Audit Committee has furnished the following report for the 2012 fiscal year.

The Audit Committee is responsible for monitoring the integrity of our consolidated financial statements, our system of internal controls, our risk management, the qualifications, independence and performance of our independent registered public accounting firm, and our compliance with related legal and regulatory requirements. The Audit Committee has the sole authority and responsibility to select, determine the compensation of, evaluate and, when appropriate, replace our independent registered public accounting firm. The Audit Committee operates under a written charter adopted by our board of directors.

Management is primarily responsible for our financial reporting process, including the system of internal controls, for the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States and for the report on our internal control over financial reporting. Ernst & Young LLP, our independent registered public accounting firm for the fiscal year ended December 31, 2012, was responsible for performing an independent audit of (i) our annual consolidated financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States and (ii) the effectiveness of our internal control over financial reporting and expressing an opinion with respect thereto. The Audit Committee's responsibility is to oversee and review the financial reporting process and to review and discuss management's report on our internal control over financial reporting. The Audit Committee is not, however, professionally engaged in the practice of accounting or auditing and does not provide any expert or other special assurance as to such financial statements concerning compliance with laws, regulations or accounting principles generally accepted in the United States or as to auditor independence. The Audit Committee relies, without independent verification, on the information provided to it and on the representations made by our management and our independent registered public accounting firm.

The Audit Committee held four meetings during 2012. The meetings were designed, among other things, to facilitate and encourage communication among the Audit Committee, management and Ernst & Young LLP, an independent registered public accounting firm, for the fiscal year ended December 31, 2012.

The Audit Committee reviewed and discussed our ongoing compliance with Section 404 of the Sarbanes-Oxley Act of 2002, including the Public Company Accounting Oversight Board's ("PCAOB") Auditing Standard No. 5 regarding the audit of internal control over financial reporting. The Audit Committee discussed with Ernst & Young LLP the overall scope and plans for its audit. The Audit Committee reviewed reports and memoranda prepared by Ernst & Young LLP with respect to its audit of our internal control over financial reporting. The Audit Committee met with Ernst & Young LLP, with and without management present, to discuss the results of their examinations and their evaluations of our internal controls.

The Audit Committee reviewed and discussed the audited consolidated financial statements for the fiscal year ended December 31, 2012, and the related report prepared by Ernst & Young LLP, with management and Ernst & Young LLP. The Audit Committee also reviewed and discussed with management and Ernst & Young LLP management's annual report on our internal control over financial reporting. The Audit Committee discussed with management and Ernst & Young LLP the process used to support certifications by our Chief Executive Officer and Chief Financial Officer that are required by the SEC and the Sarbanes-Oxley Act of 2002 to accompany our periodic filings with the SEC and the processes used to support management's annual report on our internal control over financial reporting. As a result of these discussions, the Audit Committee believes that we maintain an effective system of accounting controls that allows us to prepare consolidated financial statements that fairly present our financial position and results of our operations. Management represented to the Audit Committee that our consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States.

The Audit Committee reviewed and discussed with Ernst & Young LLP their 2013 audit plan for us and their proposed implementation of this plan. The Audit Committee also discussed with Ernst & Young LLP matters that independent accounting firms must discuss with audit committees under generally accepted auditing standards and standards of the PCAOB, including, among other things, matters related to the conduct of the audit of our consolidated financial statements and the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (Communication with Audit Committees), which included a discussion of Ernst & Young LLP's judgments about the quality (not just the acceptability) of our accounting principles as applied to financial reporting.

The Audit Committee also discussed with Ernst & Young LLP its independence from us. Ernst & Young LLP provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent accountant's communication with the Audit Committee concerning independence and represented that it is independent from us. When considering the independence of Ernst & Young LLP, the Audit Committee considered if services they provided to us, beyond those rendered in connection with their audit of our consolidated financial statements, their reviews of our interim condensed consolidated financial statements included in our quarterly reports on Form 10-Q and their audit of the effectiveness of our internal control over financial reporting, were compatible with maintaining their independence. The Audit Committee also reviewed and approved, among other things, the tax and other professional services performed by, and the amount of fees paid for such services to, Ernst & Young LLP. The Audit Committee also received regular updates on the amount of fees and scope of audit, tax and other professional services provided by Ernst & Young LLP.

Based on the Audit Committee's review and these meetings, discussions and reports, and subject to the limitations on the Audit Committee's role and responsibilities referred to above and in its written charter, the Audit Committee recommended to our board of directors that our audited consolidated financial statements for the fiscal year ended December 31, 2012 be included in our annual report on Form 10-K filed with the SEC. The Audit Committee has also recommended the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013 and is presenting this selection to our stockholders for ratification.

Michael J. Indiveri, Chair  
Lee S. Neibart  
Eric S. Zorn

*The foregoing Audit Committee Report shall not be deemed under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, to be (i) "soliciting material" or "filed" or (ii) incorporated by reference by any general statement into any filing made by us with the SEC, except to the extent that we specifically incorporate such report by reference.*

## COMPENSATION OF NON-EMPLOYEE DIRECTORS

For the year ended December 31, 2012, each non-employee member of our board of directors was entitled to receive compensation for his or her services as a director as follows: (i) an annual cash retainer of \$40,000 per year in cash; (ii) an annual equity award of 3,000 restricted shares of Common Stock ("Restricted Shares"); (iii) a fee of \$1,500 for each board of directors meeting attended in person and \$1,000 for each board of directors meeting attended by teleconference; (iv) a fee of \$1,500 for each board of directors committee meeting attended in person and \$1,000 for each board of directors committee meeting attended by teleconference; and (v) annual chair fees of \$15,000 per year, \$12,500 per year and \$10,000 per year to each non-employee director acting as the Chair of the Audit Committee, Chair of the Compensation Committee and Chair of the Nominating and Corporate Governance Committee, respectively.

During 2012, the Compensation Committee engaged FTI Consulting Inc. ("FTI") to serve as its compensation consultant in reviewing and evaluating our officer and director compensation levels and program, with the goal of creating a fair, reasonable and balanced compensation program that closely aligns the interest of our board of directors with those of our stockholders. FTI received instructions from, and reported to, the Compensation Committee on an independent basis. FTI's services to the Compensation Committee are discussed further below. See "Executive Compensation—Compensation Discussion and Analysis." Other than as described herein, FTI did not provide other services to us or any of our affiliates during 2012.

The following table summarizes the annual compensation received by our non-employee directors for the year ended December 31, 2012.

Name	Fees Earned or Paid in Cash(\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)	Total (\$)
Melvin S. Adess <sup>(3)</sup>	15,500	—	—	15,500
Mark Burton <sup>(4)</sup>	11,500	—	—	11,500
Michael J. Indiveri	69,000	36,180	—	105,180
Edward H. Meyer	59,000	36,180	—	95,180
Lee S. Neibart	44,500	36,180	—	80,680
Charles J. Persico	54,500	36,180	—	90,680
Laura H. Pomerantz	62,500	36,180	—	98,680
Eric S. Zorn	42,500	339,750	—	382,250

(1) Amounts in this column represent retainer, annual board of directors fees and annual Chair fees paid to non-employee directors for service in 2012.

(2) Amounts in this column represent the aggregate grant date fair value of such awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation ("FASB ASC Topic 718").

(3) Melvin S. Adess served as a director until March 1, 2012.

(4) Mark Burton resigned as a director on March 20, 2012.

Non-employee directors are also eligible to receive grants of stock options ("Options"), Restricted Shares, phantom shares, dividend equivalents or other equity-based grants under the Retail Opportunity Investments Corp. 2009 Equity Incentive Plan (the "2009 Equity Incentive Plan"). Directors who are also our employees are not entitled to receive additional compensation for serving on our board of directors.

## INFORMATION REGARDING OUR EXECUTIVE OFFICERS

Our President and Chief Executive Officer is Stuart A. Tanz. The Chairman of our board of directors is Richard A. Baker. Our Chief Financial Officer is Michael B. Haines. Mr. Haines was appointed as our Chief Financial Officer, Treasurer and Secretary on December 1, 2012. Our Chief Operating Officer is Richard K. Schoebel. In January 2013, we appointed Laurie A. Sneve as our Senior Vice President and Chief Accounting Officer. For Messrs. Tanz's and Baker's biographies, please see "1. Election of Directors—Nominees for Election as Directors." The following sets forth the biographical information for Messrs. Haines and Schoebel and Ms. Sneve as of April 1, 2013.

**Michael B. Haines**, 51, has served as our Chief Financial Officer since December 2012. Prior to December 2012, Mr. Haines served as Chief Accounting Officer at Pacific Office Properties Trust, Inc., a publicly traded real estate investment trust that owns and operates institutional quality office properties in Hawaii and Southern California. From September 2009 until joining Pacific Office Properties Trust, Inc. in October 2010, Mr. Haines was Chief Accounting Officer at American Realty Advisors, an SEC-registered investment advisor and provider of real estate investment management services to institutional investors. From January 2007 to September 2008, he was Chief Financial Officer at Hopkins Real Estate Group, a firm that specializes in retail shopping center development and re-development. Prior to January 2007, for approximately 12 years, he held various financial and accounting positions, including Vice President, Finance, at Pan Pacific Retail Properties, Inc., a real estate investment trust that specialized in the acquisition, ownership and management of community and neighborhood shopping centers for everyday essentials. Prior to joining Pan Pacific Retail Properties, Inc., Mr. Haines was Director of Internal Audit for The Hahn Company, a developer and owner of regional shopping malls throughout the United States, and a Senior Auditor at Deloitte & Touche, LLP. Mr. Haines received a Bachelors in Business Administration from San Diego State University. Mr. Haines is a California-licensed Certified Public Accountant and is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

**Richard K. Schoebel**, 47, has served as our Chief Operating Officer since 2009. Prior to 2009, Mr. Schoebel served as the Vice President, Property Management for the West Region of Centro Properties Group (US), a retail property specialist with a focus on the ownership, management and redevelopment of community and neighborhood shopping centers, malls and lifestyle centers in the United States. In this role, he was responsible for 8.9 million square feet of community and neighborhood shopping centers. From 2007 to 2009, Mr. Schoebel was a Principal and Managing Member of Pacific Spectrum Properties, LLC, a brokerage firm providing leasing, management and consulting services to shopping center owners. Prior to that, for 12 years he held numerous positions at Pan Pacific Retail Properties, Inc., ultimately serving as Vice President, Operations, where he directed the leasing and property management for a portfolio of 38 shopping centers, encompassing 5 million leasable square feet. Mr. Schoebel has over 19 years of real estate industry experience, specializing in shopping centers. Mr. Schoebel has operated retail properties in ten states, including California, Washington, Oregon, Nevada, Arizona and Connecticut. Mr. Schoebel received a B.S. in Management with a minor in Applied Computer Science from Keene State College in New Hampshire.

**Laurie A. Sneve**, 49, has served as our Senior Vice President and Chief Accounting Officer since January 2013. Prior to joining our company, from October 2007 to November 2012, Ms. Sneve served as Chief Financial Officer of Coreland Companies, Inc., a privately held commercial real estate service company. From 1995 to 2006, Ms. Sneve served in various senior accounting roles at Pan Pacific Retail Properties Inc. Prior to joining Pan Pacific Retail Properties, Inc., Ms. Sneve was controller and director of accounting at Hahn Property Management, where she held various positions between 1988 and 1995. Ms. Sneve began her career at Arthur Andersen, where she served as an audit senior from 1985 to 1988. Ms. Sneve holds a Bachelor of Science in Accounting from Pennsylvania State University. Ms. Sneve is a California-licensed Certified Public Accountant and a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

### **Role and Leadership Structure of our Board of Directors and Risk Oversight**

Pursuant to our Charter, Bylaws and the Maryland General Corporation Law, our business and affairs are managed under the direction of our board of directors. Our board of directors has the responsibility for establishing broad corporate policies and for our overall performance and direction, but is not involved in our day-to-day operations. Members of our board of directors keep informed of our business by participating in meetings of our board of directors and its committees, by reviewing analyses, reports and other materials provided to them and through discussions with the Chairman of our board of directors, President and Chief Executive Officer and other executive officers.

We maintain separate roles for our Chief Executive Officer and Chairman of our board of directors.

Our board of directors believes that the composition of our board of directors protects stockholder interests and provides sufficient independent oversight of our management. A majority of our current directors are "independent" under NASDAQ corporate governance requirements, as more fully described elsewhere in this Proxy Statement under "Corporate Governance." The independent directors meet separately from our management on a regular basis at the conclusion of our board of directors' regularly scheduled meetings. The independent directors oversee such critical matters as the integrity of our financial statements, the evaluation and compensation of our directors and executive officers and the selection and evaluation of directors.

Each independent director has the ability to add items to the agenda of board of directors meetings or raise subjects for discussion that are not on the agenda for that meeting. In addition, our board of directors and each board of directors committee has complete and open access to our executive officers.

Our board of directors believes that its majority independent composition and the roles that our independent directors perform provide effective corporate governance at the board of directors level and independent oversight of both our board of directors and our executive officers. The current leadership model, when combined with the functioning of the independent director component of our board of directors and our overall corporate governance structure, strikes an appropriate balance between strong and consistent leadership and independent oversight of our business and affairs.

In connection with their oversight of risk to our business, our board of directors and the Audit Committee consider feedback from our executive officers concerning the risks related to our business, our operations and strategies. Our executive officers regularly report to our board of directors on risks relating to our property acquisitions, our leverage and hedging policies, our capital availability and our internal control and procedures. Members of our board of directors routinely meet with our executive officers, as appropriate, in connection with their consideration of matters submitted for the approval of our board of directors and the risks associated with such matters.

### **Code of Business Conduct and Ethics**

Our board of directors has adopted a Code of Business Conduct and Ethics (the "Code of Conduct") that applies to our directors, officers and employees. The Code of Conduct was designed to assist directors, officers and employees in complying with the law, and in resolving moral and ethical issues that may arise in complying with our policies and procedures. Among the areas addressed by the Code of Conduct are compliance with applicable laws, conflicts of interest, use and protection of our assets, confidentiality, communications with the public, internal accounting controls, improper influence of audits, records retention, fair dealing, discrimination and harassment, and health and safety. The Nominating and Corporate Governance Committee is responsible for monitoring our board of directors' governance process and will make recommendations, as appropriate, to the Chairman of our board of directors on governance and related matters. The Code of Conduct is available for viewing on our website at [www.roireit.net](http://www.roireit.net). We will also provide the Code of Conduct, free of charge, to stockholders who request it. Requests should be directed to Michael B. Haines, our Chief Financial Officer, at Retail Opportunity Investments Corp., 8905 Towne Centre Drive, Suite 108, San Diego, California 92122.

## Corporate Governance Guidelines

Our board of directors has adopted the Guidelines, which address significant issues of corporate governance, and set forth procedures by which our board of directors carries out its responsibilities. Among the areas addressed by the Guidelines are the composition of our board of directors, functions and responsibilities of our board of directors, board of directors committees, director qualification standards, access to management and independent advisors, director compensation, management succession, director orientation and continuing education and the annual performance evaluation review of our board of directors and committees. The Nominating and Corporate Governance Committee is responsible for reviewing the Guidelines and will make recommendations, as appropriate, to the Chairman of our board of directors on governance and related matters. The Guidelines are available for viewing on our website at [www.roireit.net](http://www.roireit.net). We will also provide the Guidelines, free of charge, to stockholders who request them. Requests should be directed to Michael B. Haines, our Chief Financial Officer, at Retail Opportunity Investments Corp., 8905 Towne Centre Drive, Suite 108, San Diego, California 92122.

### Director Independence

The Guidelines provide that a majority of the directors serving on our board of directors must be independent as required by NASDAQ corporate governance requirements. As permitted under the Guidelines, our board of directors has adopted certain categorical standards (the "Independence Standards") to assist it in making determinations with respect to the independence of directors. Based upon its review of all relevant facts and circumstances, our board of directors has affirmatively determined that six of our eight current directors, Michael J. Indiveri, Edward H. Meyer, Lee S. Neibart, Charles J. Persico, Laura H. Pomerantz and Eric S. Zorn, qualify as independent directors under NASDAQ corporate governance requirements and the Independence Standards. The Independence Standards are available for viewing on our website at [www.roireit.net](http://www.roireit.net).

### Review and Approval of Related-Party Transactions

Our board of directors has adopted written policies and procedures for review, approval and ratification of transactions involving us and "related parties" (directors, executive officers or stockholders beneficially owning 5% or greater of our outstanding Common Stock, or their immediate family members). The policy covers any related-party transaction that meets the minimum threshold for disclosure in the Proxy Statement under the relevant SEC rules (generally, transactions involving amounts exceeding \$120,000 in which a related person has a direct or indirect material interest). A summary of these policies and procedures is set forth below:

#### Policies

- Any covered related-party transaction must be approved by our board of directors or by a committee of our board of directors consisting solely of disinterested directors. In considering the transaction, our board of directors or a committee will consider all relevant factors, including, as applicable, (i) our business rationale for entering into the transaction; (ii) the available alternatives; (iii) whether the transaction is on terms comparable to those available to or from third parties; (iv) the potential for the transaction to lead to an actual or apparent conflict of interest; and (v) the overall fairness of the transaction to us.
- On at least an annual basis, our board of directors or a committee will monitor the transaction to assess whether it is advisable for us to amend or terminate the transaction.

#### Procedures

- Management or the affected director or executive officer will bring the matter to the attention of the Chair of the Audit Committee or, if the Chair of the Audit Committee is the affected director, to the attention of the Chair of the Nominating and Corporate Governance Committee.
- The appropriate Chair shall determine whether the matter should be considered by our board of directors or by a committee of our board of directors consisting solely of disinterested directors.

- If a director is involved in the transaction, he or she will be recused from all discussions and decisions about the transaction, except that the director shall provide all material information concerning the transaction.
- The transaction must be approved in advance whenever practicable and, if not practicable, must be ratified as promptly as practicable.
- If the transaction will be ongoing, our board of directors or a committee of our board of directors consisting solely of disinterested directors may establish guidelines for our management to follow in its ongoing dealings with the related party. Thereafter, our board of directors or a committee of our board of directors consisting solely of disinterested directors, on at least an annual basis, will review and assess ongoing relationships with the related party to see that they are in compliance with the guidelines and that the transaction remains appropriate.
- All related-party transactions will be disclosed in our applicable filings with the SEC as required under SEC rules.

### **Identification of Director Candidates**

In accordance with the Guidelines and its written charter, the Nominating and Corporate Governance Committee is responsible for identifying director candidates for our board of directors and for recommending director candidates to our board of directors for consideration as nominees to stand for election at our annual meetings of stockholders. Director candidates are recommended for nomination for election as directors in accordance with the procedures set forth in the written charter of the Nominating and Corporate Governance Committee.

We seek to have a board of directors representing diverse education and experiences that provide knowledge of business, financial, governmental or legal matters that are relevant to our business and to our status as a publicly owned company. The Nominating and Corporate Governance Committee periodically reviews the appropriate skills and characteristics required of our directors in the context of the current composition of our board of directors, our operating requirements and the long-term interests of our stockholders. In accordance with the Guidelines, directors should possess the highest personal and professional ethics, integrity and values, exercise good business judgment and be committed to representing the long-term interests of our Company and our stockholders. Directors should also have an inquisitive and objective perspective, practical wisdom and mature judgment. The Nominating and Corporate Governance Committee reviews director candidates with the objective of assembling a slate of directors that can best fulfill and promote our goals, regardless of gender, age or race, and recommends director candidates based upon contributions they can make to our board of directors and management and their ability to represent our long-term interests and those of our stockholders.

When our board of directors considers adding a member to fill an existing vacancy or newly created position, or any other time the Nominating and Corporate Governance Committee believes our board of directors should consider adding a member, the Nominating and Corporate Governance Committee identifies and assesses director candidates and makes recommendations to our board of directors based upon the results of such search. In conducting this assessment, the Nominating and Corporate Governance Committee considers knowledge, experience, skills, diversity and such other factors as it deems appropriate in light of our current needs and those of our board of directors. The Nominating and Corporate Governance Committee receives input on such director candidates from other directors, and recommends director candidates to our board of directors for nomination. The Nominating and Corporate Governance Committee does not solicit director nominations, but will consider recommendations by stockholders with respect to elections to be held at an annual meeting, so long as such recommendations are sent on a timely basis and in accordance with our Bylaws and applicable law. The Nominating and Corporate Governance Committee will evaluate nominees recommended by stockholders against the same criteria that it uses to evaluate other nominees. The Nominating and Corporate Governance Committee may, in its sole discretion, engage one or more search firms and/or other consultants, experts or professionals to assist in, among other things, identifying director candidates or gathering information regarding the background and experience of director candidates. If the Nominating and Corporate Governance Committee engages any such third party, the Nominating and Corporate Governance Committee will have sole authority to approve any fees or terms of retention relating to these services.

Our stockholders of record who comply with the advanced notice procedures set forth in our Bylaws and outlined under the "Submission of Stockholder Proposals" section of this Proxy Statement may nominate director candidates for election to our board of directors. Stockholder nominations of director candidates at our annual meeting of stockholders must be received by our secretary not earlier than the 150th day nor later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of this Proxy Statement; provided, however, that in connection with our first annual meeting or in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to the date of such annual meeting, as originally convened, or the tenth day following the day on which public announcement of the date of such meeting is first made. The public announcement of a postponement or adjournment of an annual meeting will not commence a new time period for the giving of a stockholder's notice as described above. Accordingly, to submit a director candidate for consideration for nomination at our 2014 Annual Meeting of Stockholders, stockholders must submit the recommendation, in writing, by January 1, 2014, but in no event earlier than December 2, 2013. The written notice must set forth the information required by our Bylaws. The advanced notice procedures set forth in our Bylaws do not affect the right of stockholders to request the inclusion of proposals in our proxy statement pursuant to SEC rules. See the "Submission of Stockholder Proposals" section of this Proxy Statement for information regarding providing timely notice of stockholder proposals under SEC rules.

#### **Personal Loans to Executive Officers and Directors**

We comply with, and operate in a manner consistent with, applicable law prohibiting extensions of credit in the form of personal loans to or for the benefit of our directors and executive officers.

#### **Director Attendance at Annual Meetings of Stockholders**

We have scheduled a board meeting in conjunction with the Annual Meeting and, as set forth in the Guidelines, our policy is to encourage and promote the attendance by each director at all scheduled meetings of our board of directors and all meetings of our stockholders.

#### **Communications with our Board of Directors**

Our board of directors has established a process by which stockholders or other interested parties may communicate in writing with the Chair of any committee of our board of directors or the independent directors of our board of directors as a group. Any such communication sent by e-mail should be sent to [stockholdercommunications@roireit.net](mailto:stockholdercommunications@roireit.net). Any such communications sent by U.S. mail or overnight delivery should be directed to the attention of the Independent Directors, the Chair of the Audit Committee, the Chair of the Compensation Committee, or the Chair of the Nominating and Corporate Governance Committee, as the case may be, in each instance in care of the Company, at Retail Opportunity Investments Corp 8905 Towne Centre Drive Suite 108, San Diego, California 92122. Our representative will forward them to the intended recipient(s). We reserve the right to disregard any communication that our Chief Executive Officer determines is unduly hostile, threatening, illegal, does not reasonably relate to us or our business, or is similarly inappropriate. Our Chief Executive Officer has the authority to disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications. Our board of directors has approved this communication process.

#### **Executive Sessions of Independent Directors**

It is the policy of our board of directors, in accordance with the Guidelines, that the independent directors serving on our board of directors meet separately without management (including management directors) in executive session at least four times per year at regularly scheduled meetings of our board of directors.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The following Compensation Discussion and Analysis describes the material elements of the compensation programs offered to our senior executive officers. The Compensation Committee is responsible for the administration of our compensation plans, policies and programs and for making recommendations relating to the compensation of our executive officers. The Compensation Committee endeavors to ensure that the compensation paid to our executive officers is consistent with our overall philosophy on compensation and market practices.

**Overview.** In connection with the Framework Transactions (as defined below), we entered into employment agreements with each of Stuart A. Tanz, our President and Chief Executive Officer and Richard A. Baker, the Chairman of our board of directors. On November 17, 2009, we appointed Richard K. Schoebel as our Chief Operating Officer and entered into an employment agreement with Mr. Schoebel that became effective as of November 30, 2009. On April 2, 2012, we entered into a letter agreement with Mr. Baker which provided that he would transition from Executive Chairman to non-executive Chairman of our board of directors and amended Mr. Baker's compensation arrangements. On November 19, 2012, we appointed Michael B. Haines as our Chief Financial Officer effective December 1, 2012, and entered into an employment agreement with Mr. Haines that became effective as of November 25, 2012. On January 2, 2013, we appointed Laurie A. Sneve as our Chief Accounting Officer. Messrs. Baker, Tanz, Haines and Schoebel and Ms. Sneve are referred to herein as the "named executive officers." In addition, Mr. John B. Roche, who served as our Chief Financial Officer until December 1, 2012, is a "named executive officer" for 2012. See "—Employment and Letter Agreements and Termination of Employment and Change-in-Control Arrangements."

**Compensation Philosophy and Objectives.** We, through our executive compensation programs, seek to attract, motivate and retain top-quality senior executives who are committed to our core values of excellence and integrity. The Compensation Committee's fundamental philosophy is to closely align these compensation programs with the achievement of clear annual and long-term performance goals tied to our financial success and the creation of stockholder value.

The Compensation Committee's objectives in developing and administering the executive compensation programs are to:

- attract, retain and motivate a highly skilled senior executive team that will contribute to the successful performance of our Company;
- align the interests of the senior executive team with the interests of our stockholders by motivating executives to increase long-term stockholder value;
- provide compensation opportunities that are competitive within industry standards, thereby reflecting the value of the position in the marketplace;
- set clear performance goals and objectives which provide accountability for our executive officers;
- support a culture committed to paying for performance where compensation is commensurate with the level of performance achieved; and
- maintain flexibility and discretion to allow us to recognize the unique characteristics of our operations and strategy, and our prevailing business environment, as well as changing labor market dynamics.

The Compensation Committee believes that it is important to create a compensation program that appropriately balances short-term, equity-based or cash-based compensation with long-term, equity-based compensation. Our executive officer compensation program includes the following primary components:

- base salaries paid in cash which recognize the unique role and responsibilities of a position as well as an individual's performance in that role;
- annual awards, which may be paid in cash or stock, which are meant to motivate and reward our short-term financial and operational performance, as well as individual performance; and
- long-term equity-based awards which are designed to support our objectives of aligning the interests of executive officers with those of our stockholders, promoting our long-term performance and value creation, and retaining executive officers.

The Compensation Committee is committed to the ongoing review and evaluation of the executive officer compensation levels and program. It is the Compensation Committee's view that compensation decisions are complex and best made after a deliberate review of Company and individual performance, as well as industry compensation levels. Consistent with this view, the Compensation Committee generally assesses our performance within the context of the industry's overall performance and internal performance standards and evaluates individual executive officer performance relative to the performance expectations for their respective positions and roles within our Company.

The Compensation Committee consults with compensation consultants, outside counsel, and other advisors as appropriate, in the committee's discretion, to assist in discharging its duties. Specifically, the Compensation Committee has engaged FTI as its independent compensation consultant to assist the committee on a range of executive compensation matters. FTI's services to the Compensation Committee are discussed further below.

**Setting Executive Compensation.** The compensation arrangements with Stuart A. Tanz, our President and Chief Executive Officer, John B. Roche, our prior Chief Financial Officer, and Richard A. Baker, the Chairman of our board of directors, were initially negotiated in October 2009, when our stockholders and warrant holders approved each of the proposals presented at the special meetings of stockholders and warrant holders, respectively, in connection with the transactions contemplated by the Framework Agreement, dated as of August 7, 2009, with NRDC Capital Management, LLC ("NRDC") (such transactions, the "Framework Transactions"), which, among other things, set forth the steps to be taken by us to continue our business as a corporation that has elected to qualify as a REIT for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2010. Mr. Baker's compensation arrangements were modified by a letter agreement in 2012. Following the closing of the Framework Transactions, we appointed Richard K. Schoebel as our Chief Operating Officer. On November 19, 2012, we appointed Michael B. Haines as our Chief Financial Officer effective December 1, 2012, and entered into an employment agreement with Mr. Haines that became effective as of November 25, 2012. On January 2, 2013, we appointed Laurie A. Sneve as our Chief Accounting Officer. The compensation arrangements with our existing executive management team were approved by the Compensation Committee, taking into consideration each individual's potential value to our Company, and in consultation with FTI and Clifford Chance US LLP, our outside counsel. The focus of the Compensation Committee's process was to (i) align our senior executive compensation programs and policies with our financial performance and, accordingly, the creation of stockholder value, (ii) see that the compensation terms of our executive management team reflected current practices in the marketplace and (iii) reflect the unique risks that members of our executive management team took on in joining our Company prior to the Frameworks Transactions being completed (in the case of Mr. Tanz and Mr. Roche). The Compensation Committee considered, among other things, the duties and responsibilities associated with this position in order to determine the appropriate compensation offered to Messrs. Tanz, Haines, Baker, Schoebel and Ms. Sneve. Information with respect to the current employment and letter agreements of our named executive officers can be found under "—Employment and Letter Agreements and Termination of Employment and Change-in-Control Arrangements."

The Compensation Committee will, on an ongoing basis, continue to examine and assess our executive compensation practices relative to our compensation philosophy and objectives, as well as competitive market practices, and will make or recommend to our board of directors modifications to the compensation programs, as deemed appropriate. The Compensation Committee has engaged FTI as its independent compensation consultant since 2011 to assist the Compensation Committee on a range of director and executive compensation matters. FTI has not performed other services for us. FTI met with the Compensation Committee on several occasions to discuss guiding principles, competitive market trends, peer group pay practices and other compensation considerations, including our performance during the 2012 fiscal year and the beginning of the 2013 fiscal year. Specifically, FTI was engaged to assist the Compensation Committee in considering the framework for executive officers' total compensation, base salaries and annual bonus program for 2012 and 2013, including performance benchmarks and targets. In order to assist in evaluating levels of executive compensation for 2012, the Compensation Committee benchmarked the total compensation provided to our executive officers to industry-based compensation practices based on peer groups as formulated by the Compensation Committee together with FTI, as discussed in more detail below under "—Peer Groups." The Compensation Committee intends to use similar benchmarking processes to provide a framework for its compensation decisions in the future. While it is the Compensation Committee's goal to provide compensation opportunities that reflect Company and individual executive performance and that are competitive within industry standards, a specific target market position for executive officer pay levels has not been established since the Compensation Committee recognizes the challenge in setting executive officer pay levels when we are growing as an operating company.

The Compensation Committee considers Company and individual executive performance as the most important factors in determining an executive's compensation. As a result of its review of Company and individual executive performance, in which FTI participated, the Compensation Committee determined that our Company's and each executive officer's performance was extremely strong during 2012.

The Compensation Committee reviewed individual performance evaluations conducted by each executive officer. The Compensation Committee also considered the relative value provided by each of the executive officers towards our success in 2012, including Mr. Tanz's and Mr. Roche's contribution to the achievement of our financial goals, Mr. Schoebel's contribution with respect to the number of properties we acquired and Mr. Baker's contribution to our business goals during 2012.

With respect to its evaluation of Company performance, the Compensation Committee believes that an evaluation of our financial and operating performance provides an appropriate measure of Company performance in relation to our business objectives and for setting executive compensation.

In evaluating the Company's financial performance for 2012, the Compensation Committee reviewed our Funds From Operations (FFO) per share, our net operating income, our dividend yield and the occupancy levels at our shopping centers, on both an absolute basis and compared to a peer group. This peer group, which was comprised of REITs with an investment focus similar to our Company, included the following companies which are primarily also included in our executive compensation peer group: Acadia Realty Trust (NYSE:AKR); Cedar Realty Trust (NYSE:CDR); DDR Corp. (NYSE:DDR); Equity One, Inc. (NYSE:EQY); Excel Trust, Inc. (NYSE: EXL); Federal Realty Trust (NYSE:FRT); Inland Real Estate (NYSE:IRC); Kimco Realty Corporation (NYSE:KIM); Kite Realty Group Trust (NYSE:KRG); Regency Centers Corporation (NYSE:REG); Retail Properties of America, Inc. (NYSE:RPAI); Ramco-Gershenson Property Trust (NYSE:RPT); and Weingarten Realty Investors (NYSE:WRI). The following table summarizes each of the foregoing financial performance measures of our Company compared to the above peer group during the periods presented:

**FFO per share increase**

	<b>2012 vs 2011 (Percentage Change)</b>
Retail Opportunity Investments Corp.	27.3% <sup>(1)</sup>
Peer Group (Average)	<u>14.2%</u>
<b>Retail Opportunity Investments Corp. Outperformance vs Peer Group</b>	<b>13.1%</b>

<sup>(1)</sup> Excludes bargain purchase gains and relocation costs

**Same Store Net Operating Income Growth**

	<b>2012 vs 2011 (Percentage Change)</b>
Retail Opportunity Investments Corp.	7.4%
Peer Group (Average)	<u>3.8%</u>
<b>Retail Opportunity Investments Corp. Outperformance</b>	<b>3.6%</b>

**Dividend Yield**As of December 31, 2012<sup>(1)</sup>

Retail Opportunity Investments Corp.	4.4%
Peer Group (Average)	<u>4.3%</u>
<b>Retail Opportunity Investments Corp. Outperformance</b>	<b>0.1%</b>

<sup>(1)</sup> Based on common share closing prices and most recent quarterly dividend as of December 31, 2012.

**Increase in Occupancy**

	2012 vs 2011 (Percentage Change)	2012 vs 2010 (Percentage Change)
Retail Opportunity Investments Corp.	1.7%	3.8%
Peer Group (Average)	<u>1.3%</u>	<u>1.8%</u>
<b>Retail Opportunity Investments Corp. Outperformance</b>	<b>0.4%</b>	<b>2.0%</b>

The Compensation Committee also reviewed our operating performance, including asset growth, the diversification of our investor base, the quality of our investor relations, the increase in our analyst coverage, capital-raising activities, the increase in our availability of debt capital and the transition of our corporate headquarters from White Plains, New York to San Diego, California. The Compensation Committee also considered the strength of our balance sheet and the configuration of our borrowings, which as of December 31, 2012 consisted of 81.4% unsecured debt.

The Compensation Committee also considered our total stockholder returns in determining executive compensation and, accordingly, a portion of the Restricted Shares awarded to the named executive officers in 2012 and 2013 vested upon our achievement of a 7% annual total stockholder return (comprised of the change in stock price plus dividends) or, otherwise, performance within the top one-third of our executive compensation peer group. See "—Equity Grants" and "—Grants of Plan-Based Awards for 2012" below for a discussion of the performance targets with respect to the equity awards granted to the named executive officers in 2012 and 2013 and "—Peer Groups" below for more detail regarding our executive compensation peer group and executive chairman compensation peer group.

For purposes of determining overall incentive compensation for 2012, however, the Compensation Committee concluded that it would not be appropriate to put significant weight on our one-year, three-year or five-year total stockholder returns in comparison to our executive compensation peer group, for the following reasons:

- **Failure To Adjust For Our Company's Circumstances.** Because our operations did not commence until our management team joined our company in October 2009, we do not have a five-year performance record and therefore a comparison against our peers on that metric would be fundamentally flawed. Although we have been in operation for a full three fiscal years, we believe that a direct comparison of our three-year total stockholder returns in comparison to our executive compensation peer group would also be fundamentally flawed because at the beginning of the three-year period we had not yet acquired any real estate assets. Further, we are still in a strong growth phase in our evolution as a company and compared with our executive compensation peer group experienced a relatively high expense ratio, particularly given the expenses involved in sourcing, assessing and purchasing properties. We believe that an example of this is the net loss recorded on our income statement for our fiscal year ended December 31, 2010.
- **Failure to Adjust for External Market Factors.** We believe that comparisons of our relative three-year or five-year total stockholder returns against those of our executive compensation peer group are misleading because they fail to take into consideration that this group, on average, experienced significant price declines during the 2007 and 2008 calendar years. This is exemplified by the 21% and 45% average stock-price decrease experienced by the companies in our executive compensation peer group during the 2007 and 2008 calendar years, respectively.

- **Failure to Consider our Company's Capital Structure.** As of December 31, 2012, warrants were outstanding entitling holders to purchase an aggregate of 49,399,000 shares of our Common Stock at an exercise price of \$12.00 per share at any time prior to October 23, 2014. None of the companies in our executive compensation peer group have warrants as part of their capital structure. As part of its review of total stockholder return, the Compensation Committee considered the negative impact that the warrants, which were issued in connection with the consummation of our initial public offering in 2007 and prior to our commencement of operations in October 2009, may have had on the performance of our Common Stock during 2012.

**Peer Groups.** Our executive compensation peer group for 2012 (the "executive compensation peer group") is comprised of publicly traded REITs that generally have an investment focus concentrated on the retail real estate sector and with implied equity market capitalizations generally ranging from \$200 million to \$1 billion, although certain of the REITs have greater equity market capitalizations. Although the REITs in our peer group generally have an investment focus concentrated on the retail real estate sector, the Compensation Committee also included select REITs outside of the retail sector whose size and operating scale is similar to ours. Our executive compensation peer group for 2012 included Acadia Realty Trust (NYSE:AKR); Agree Realty Corporation (NYSE:ADC); CBL & Associates Properties, Inc. (NYSE:CBL); Cedar Realty Trust (NYSE:CDR); Cousins Properties Incorporated (NYSE:CUZ); DDR Corp. (NYSE:DDR); Equity One, Inc. (NYSE:EQY); Excel Trust, Inc. (NYSE:EXL); Federal Realty Trust (NYSE:FRT); Getty Realty Corporation (NYSE:GTY); Glimcher Realty Trust (NYSE:GRT); Inland Real Estate (NYSE:IRC); Kimco Realty Corporation (NYSE:KIM); Kite Realty Group Trust (NYSE:KRG); Macerich Company (NYSE:MAC); Pennsylvania Real Estate Investment Trust (NYSE:PEI); Ramco-Gershenson Property Trust (NYSE:RPT); Saul Centers, Inc. (NYSE:TCO); Tanger Factory Outlet Centers, Inc. (NYSE:SKT); Taubman Centers, Inc. (NYSE:TCO); Urstadt Biddle Properties, Inc. (NYSE:UBP); and Weingarten Realty Investors (NYSE:WRI).

In connection with Mr. Baker's transition from Executive Chairman to non-executive Chairman of our board of directors, no changes in Mr. Baker's annual compensation arrangement were implemented through October 19, 2012, which was the expiration date of the initial term of his initial letter agreement with us. In setting the terms of Mr. Baker's revised compensation arrangement, our Compensation Committee, in consultation with FTI, considered his revised compensation arrangement compared to industry-based compensation practices of non-executive board chairs based on a peer group formulated by the Compensation Committee together with FTI for this purpose. This peer group comprised of Ashford Hospitality Trust, Inc. (NYSE:AHT); CBL & Associates properties, Inc. (NYSE:CBL); Douglass Emmett, Inc. (NYSE:DEI); Getty Realty Corporation (NYSE:GTY); Hersha Hospitality Trust (NYSE:HT); Kimco Realty Corporation (NYSE:KIM); Lexington Realty Trust (NYSE:LXP); One Liberty Properties (NYSE:OLP); Pennsylvania Real Estate Investment Trust (NYSE:PEI); Summit Hotel Properties, Inc. (NYSE:INN) and Weingarten Realty Investors (NYSE:WRI). See "— Employment and Letter Agreements and Termination of Employment and Change-in-Control Arrangements — Richard A. Baker" for a discussion of the amendment to the Mr. Baker's letter agreement with us which provides for his transition from executive to non-executive Chairman of our board of directors.

**Role of Executive Officers in Compensation Decisions.** The Compensation Committee implements all compensation related to our executive officers and approves recommendations related to incentive compensation for our other employees. When implementing compensation for our executive officers (other than Mr. Tanz), the Compensation Committee seeks and considers the advice and counsel of Mr. Tanz, our Chief Executive Officer, given his direct day-to-day working relationship with these senior executives, and Mr. Baker, our Chairman.

**Elements of Executive Compensation.** The key elements of our executive compensation program include:

- Base salary;
- Incentive compensation;
- Equity grants; and
- Perquisites and other benefits.

## Base Salary

Pursuant to their employment and letter agreements, we provide our executive officers with annual base salaries to compensate them for services provided during the term of their employment or service. The Compensation Committee annually reviews the amount of the annual base salary paid to the named executive officers each year, based upon individual roles and performance and the overall financial and operating performance of our Company, and may provide for increases as it may in its discretion deem appropriate. The Compensation Committee believes that the annual base salary paid in 2012 to each of our named executive officers reflected the scope of the role and responsibilities of the applicable position, individual performance and experience, and competitive market practices.

The annual base salaries for each of the named executive officers at December 31, 2012 were as follows:

	<b>2012 Base Salary</b>
	<b>Cash</b>
Stuart A. Tanz	\$ 775,000
John B. Roche <sup>(1)</sup>	515,000
Michael B. Haines	250,000
Richard A. Baker	275,000
Richard K. Schoebel	283,250
Laurie A. Sneve	200,000

(1) John B. Roche terminated his employment with us effective December 1, 2012.

Pursuant to their employment and letter agreements, the amount of annual compensation paid to each of the named executive officers may be increased during the term of employment at the discretion of our board of directors. Our board of directors intends to continue to implement the terms of the employment or letter agreements, including the annual base salary provisions, while remaining open to future annual base salary adjustments in the event our board of directors concludes that the circumstances warrant them. However, consistent with the Compensation Committee's overall philosophy, we intend that the compensation programs for the named executive officers will emphasize incentive compensation.

## Incentive Compensation

Under the terms of their employment or letter agreements, an incentive structure was established for the named executive officers, making them eligible to receive an annual bonus within a specified range expressed as a percentage of such named executive officer's annual salary. The range specified for each named executive officer is disclosed under "— Employment and Letter Agreements and Termination of Employment and Change-in-Control Arrangements." The actual bonus award is determined in the sole discretion of our board of directors or the Compensation Committee, as applicable, based on the named executive officer's performance and the performance of our Company. The incentive structure provides our board of directors and the Compensation Committee with considerable discretion to establish incentive compensation levels in a manner consistent with its overall compensation philosophy and objectives.

The Compensation Committee focuses on incentive compensation as an integral component of overall compensation. In reviewing each named executive officer's annual bonus for 2012, the Compensation Committee considered and reviewed our operating achievements and our financial performance as described above under "—Setting Executive Compensation." Based upon these considerations, the Compensation Committee recommended bonuses as follows for 2012:

	<b>Cash</b>
Stuart A. Tanz	\$ 800,000
John B. Roche <sup>(1)</sup>	472,083
Michael B. Haines	—
Richard A. Baker	200,000
Richard K. Schoebel	300,000
Laurie A. Sneve	—

(1) John B. Roche terminated his employment with us effective December 1, 2012.

## **Equity Grants**

The Compensation Committee believes that equity-based incentives are an effective means of motivating and rewarding long-term Company performance and value creation. In addition, equity-based incentives appropriately align the interests of management with those of stockholders. During the fourth quarter of 2009, we adopted the 2009 Equity Incentive Plan, as approved by our stockholders. In accordance with the terms of the 2009 Equity Incentive Plan, employees, non-employee directors, executive officers and other key personnel and our service providers and any of our subsidiaries are eligible to be granted Options, Restricted Shares, share appreciation rights, phantom shares, dividend equivalents and other equity-based awards under the 2009 Equity Incentive Plan. These equity-based awards will be designed to link executive compensation to our long-term Common Stock performance. In order to adopt a more formulaic approach to vesting, the Compensation Committee has determined, in consultation with FTI, that, consistent with the approach in 2012, in addition to time-based vesting equity awards an appropriate element of equity-based incentives will continue to require the achievement of an overall market-based performance measure, such as total return to stockholders and/or performance within our executive compensation peer group.

With respect to the Restricted Shares awarded to the named executive officers in 2012 and 2013, 50% of such awards vest based solely on continued employment or service over a three-year vesting period and 50% based upon the achievement of specified performance criteria over the three-year vesting period. The performance criteria is based on our Company achieving a 7% annual total stockholder return (comprised of the change in stock price plus dividends) or, otherwise, performance within the top one-third of our executive compensation peer group. Two of the named executive officers were also granted Options in 2012 which vest based solely on continued employment over a three-year vesting period. See "—Grants of Plan-Based Awards for 2012" below for more detail regarding the equity awards granted to the named executive officers in 2012.

As of December 31, 2012, the named executive officers (other than Mr. Roche) held an aggregate of 321,499 Restricted Shares and 260,000 Options.

## **Perquisites and Other Benefits**

In general, it is the Compensation Committee's practice to provide limited perquisites and other benefits to the named executive officers. We provide each of Messrs. Tanz and Schoebel with an automobile allowance of \$1,500 per month, Mr. Haines with an automobile allowance of \$750 per month and Ms. Sneve with an automobile allowance of \$400 per month, but do not reimburse the named executive officers for clubs, financial planning or items of a similar nature.

Messrs. Tanz, Haines, Schoebel, and Ms. Sneve are eligible to participate in our employee health and welfare benefit programs. The attributed costs of these benefits for the named executive officers for the fiscal year ended December 31, 2012, are included in the Summary Compensation Table under the column entitled "All Other Compensation" and the related footnote. Further, in accordance with the Code of Conduct, we do not make any loans to, or guarantee any personal loans of, any of our employees, including the named executive officers.

As discussed above in this Compensation Discussion and Analysis, we have entered into employment or letter agreements with each of the named executive officers. These employment and letter agreements are designed to promote our stability and continuity of senior leadership. Information with respect to applicable severance payments under these agreements for the named executive officers is provided under "—Employment and Letter Agreements and Termination of Employment and Change-in-Control Arrangements."

**Deductibility of Executive Compensation.** The Compensation Committee has determined, where practical, to maximize the tax deductibility of compensation payments to our executive officers under Section 162(m) of the Code and the regulations thereunder. Section 162(m) imposes an annual individual limit of \$1 million on the deductibility of our compensation payments to executives. Specified compensation is excluded for this purpose, including performance-based compensation, provided that certain conditions are satisfied. In this regard payments to our executives are not generally designed to satisfy such requirements. The Compensation Committee may, however, authorize payments to executives that may not be fully deductible if it believes such payments are in our interests and that of our stockholders.

**Other Tax and Accounting Implications.** The American Jobs Creation Act of 2004 affects the tax rules applicable to nonqualified deferred compensation arrangements. We believe that we are operating in good faith compliance with these statutory provisions and all subsequent regulatory authority and that the employment agreements of all of our executive officers and the 2009 Equity Incentive Plan comply with Section 409A of the Code.

**Say-on-Pay Vote.** At our 2012 annual meeting of stockholders, we provided our stockholders with the opportunity to vote to approve, on an advisory basis, the compensation of our named executive officers. The Compensation Committee reviewed the results of this advisory "say-on-pay" vote. A significant majority of our stockholders (75.9%) that voted at the annual meeting of stockholders approved the compensation of our named executive officers as described in our proxy statement for last year's annual meeting of stockholders.

**Say-on-Frequency Vote.** At our 2011 annual meeting of stockholders, our stockholders recommended that we hold an advisory stockholder vote on the compensation of our named executive officers annually. In light of this recommendation from our stockholders, as well as other factors, our board of directors has determined that we will hold an annual stockholder advisory vote with respect to the compensation of our named executive officers.

### Compensation Committee Report

The Compensation Committee evaluates and establishes compensation for our senior executive officers and administers our 2009 Equity Incentive Plan. While management has the primary responsibility for our financial reporting process, including the disclosure of executive compensation, the Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis set forth in this Proxy Statement. The Compensation Committee is satisfied that the Compensation Discussion and Analysis fairly represents the philosophy, intent and actions of the Compensation Committee with regard to executive compensation. The Compensation Committee recommended to our board of directors that the Compensation Discussion and Analysis be included in this Proxy Statement for filing with the SEC.

Laura H. Pomerantz, Chair

Edward H. Meyer

*The foregoing Compensation Committee Report shall not be deemed under the Securities Act or the Exchange Act to be (i) "soliciting material" or "filed" or (ii) incorporated by reference by any general statement into any filing made by us with the SEC, except to the extent that we specifically incorporate such report by reference.*

### Compensation of Executive Officers

The following table summarizes the annual compensation received by the named executive officers for the years ended December 31, 2012, 2011, and 2010.

**Summary Compensation Table**

Name and Principal Position	Year	Salary (\$) <sup>(1)</sup>	Bonus (\$) <sup>(1)(2)</sup>	Stock Awards (\$) <sup>(1)(3)</sup>	Option Awards (\$) <sup>(1)(4)</sup>	Non-Equity	All Other	Total (\$)
						Incentive Plan Compensation (\$)	Compensation (\$) <sup>(5)(6)(7)</sup>	
Stuart A. Tanz, President and Chief Executive Officer	2012	775,000	800,000	1,557,000	—	—	24,184	3,156,184
	2011	775,000	800,000	1,281,250	—	—	28,137	2,884,387
	2010	750,000	750,000	—	—	—	22,783	1,522,783
Michael B. Haines, Chief Financial Officer <sup>(8)</sup>	2012	25,641	—	372,300	30,000	—	—	427,941
John B. Roche, Former Chief Financial Officer <sup>(8)</sup>	2012	472,083	472,083	285,450	—	—	2,145,351	3,374,967
	2011	515,000	515,000	512,500	106,000	—	28,137	1,676,637
	2010	500,000	500,000	—	—	—	22,783	1,022,783

Name and Principal Position	Year	Salary (\$) <sup>(1)</sup>	Bonus (\$) <sup>(1)(2)</sup>	Stock Awards (\$) <sup>(1)(3)</sup>	Option Awards (\$) <sup>(1)(4)</sup>	Non-Equity	All Other	Total (\$)
						Incentive Plan Compensation (\$)	Compensation (\$) <sup>(5)(6)(7)</sup>	
Richard A. Baker, Chairman of our board of directors and Former Chief Executive Officer	2012	364,305	200,000	155,700	—	—	—	720,005
	2011	386,250	350,000	128,125	—	—	—	864,375
	2010	375,000	375,000	—	—	—	—	750,000
Richard K. Schoebel, Chief Operating Officer	2012	283,250	300,000	415,200	—	—	23,982	1,022,432
	2011	283,250	300,000	385,750	74,200	—	27,716	1,070,916
	2010	275,000	275,000	—	—	—	22,783	572,783
Laurie A. Sneve, Chief Accounting Officer	2012	18,974	—	186,450	18,150	—	—	223,574

- (1) Material terms of the employment and letter agreements of the named executive officers are provided under "Executive Compensation — Employment and Letter Agreements and Termination of Employment and Change-in-Control Arrangements."
- (2) Amounts in this column represent the cash component of the 2010 bonus awards that were paid to the named executive officers on March 4, 2011, the 2011 bonus awards that were paid to the named executive officers on February 9, 2012 and the 2012 bonus awards that were paid to the named executive officers on February 28, 2013.
- (3) Amounts in this column represent the aggregate grant date fair value of such awards computed in accordance with FASB ASC Topic 718. The grant date fair values of awards have been determined based on the assumptions and methodologies set forth in our annual report on Form 10-K for the year ended December 31, 2012 (Note 8, Stock Compensation and Other Benefit Plans).
- (4) Amounts in this column represent the aggregate grant date fair value of such awards computed in accordance with FASB ASC Topic 718. The grant date fair values of awards have been determined based on the assumptions and methodologies set forth in our annual report on Form 10-K for the year ended December 31, 2012 (Note 8, Stock Compensation and Other Benefit Plans).
- (5) Amounts in this column represent all other compensation received by the named executive officers during 2012.

	Severance and Accrued Vacation (\$)	Health Insurance (\$)	401(k) Plan Company Match (\$)	Disability and Life Insurance (\$)	Dental Insurance (\$)	Total (\$)
Stuart A. Tanz	—	19,511	2,500	—	2,174	24,184
John B. Roche	2,122,423	18,435	2,500	—	1,992	2,145,350
Michael B. Haines	—	—	—	—	—	—
Richard A. Baker	—	—	—	—	—	—
Richard K. Schoebel	—	19,308	2,500	—	2,174	23,982
Laurie A. Sneve	—	—	—	—	—	—

- (6) Amounts in this column represent all other compensation received by the named executive officers during 2011.

	Health Insurance (\$)	401(k) Plan Company Match (\$)	Disability and Life Insurance (\$)	Dental Insurance (\$)	Total (\$)
Stuart A. Tanz	23,279	2,450	—	2,408	28,137
John B. Roche	23,279	2,450	—	2,408	28,137
Michael B. Haines	—	—	—	—	—
Richard A. Baker	—	—	—	—	—
Richard K. Schoebel	23,279	2,029	—	2,408	27,716
Laurie A. Sneve	—	—	—	—	—

- (7) Amounts in this column represent all other compensation received by the named executive officers during 2010.

	Health Insurance (\$)	401(k) Plan Company Match (\$)	Disability and Life Insurance (\$)	Dental Insurance (\$)	Total (\$)
Stuart A. Tanz	20,511	—	—	2,272	22,783
John B. Roche	20,511	—	—	2,272	22,783
Michael B. Haines	—	—	—	—	—
Richard A. Baker	—	—	—	—	—
Richard K. Schoebel	20,511	—	—	2,272	22,783
Laurie A. Sneve	—	—	—	—	—

- (8) John B. Roche terminated his employment with us effective December 1, 2012.

#### Grants of Plan-Based Awards

The following table summarizes certain information regarding all plan-based awards granted during the 2012 fiscal year to our named executive officers.

**Grants of Plan-Based Awards for 2012**

	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise of Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards <sup>(3)</sup> (\$)
		Target (#)				
Stuart A. Tanz <sup>(1)</sup>	4/1/2012	75,000	75,000	—	—	1,557,000
Michael B. Haines <sup>(2)</sup>	12/1/2012	—	30,000	25,000	12.41	402,300
John B. Roche <sup>(1) (4)</sup>	4/1/2012	13,750	13,750	—	—	285,450
Richard A. Baker <sup>(1)</sup>	4/1/2012	7,500	7,500	—	—	155,700
Richard K. Schoebel <sup>(1)</sup>	4/1/2012	20,000	20,000	—	—	415,200
Laurie A. Sneve	—	—	—	—	—	—

- (1) 50% of the Restricted Share awards granted vest based solely on continued employment over a three-year vesting period and 50% based upon the achievement of specified performance criteria in equal annual installments over a three-year vesting period beginning on January 1, 2012. The performance criteria is based on our Company achieving an 7% annual total stockholder return (comprised of the change in stock price plus dividends) or performance within the top one-third of the executive compensation peer group.
- (2) The exercise price of all Options shown in the table is the closing price of our Common Stock on the NASDAQ on the date of grant. The Options granted on December 1, 2012 vest based solely on continued employment in equal annual installments over a three-year vesting period beginning on November 25, 2013.
- (3) Amounts in this column represent the aggregate value of the Restricted Share and Option awards granted in 2012 based upon the aggregate grant date fair value of such awards computed in accordance with FASB ASC Topic 718.
- (4) John B. Roche terminated his employment with us effective December 1, 2012.

**Outstanding Equity Awards at Fiscal Year End**

The following table summarizes all outstanding equity awards held by the named executive officers on December 31, 2012.

**Outstanding Equity Awards at Fiscal Year-End 2012**

Name	Option Awards			Stock Awards			
	Number of Securities Underlying Unexercised Options (#) (Exercisable)	Number of Securities Underlying Unexercised Options (#) (Unexercisable)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Equity Incentive Plan Awards: Number of Shares or Units of Stock That Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(1)</sup>
Stuart A. Tanz	100,000 <sup>(2)</sup>	—	—	10.25	10/20/2019	—	\$—
	—	—	—	—	—	41,666 <sup>(3)</sup>	535,408
	—	—	—	—	—	150,000 <sup>(4)</sup>	1,927,500
Michael B. Haines	—	—	25,000 <sup>(5)</sup>	12.41	12/1/2022	—	—
	—	—	—	—	—	30,000 <sup>(6)</sup>	385,500
Richard A. Baker	50,000 <sup>(2)</sup>	—	—	—	—	—	—
	—	—	—	—	—	4,166 <sup>(3)</sup>	53,533
	—	—	—	—	—	15,000 <sup>(4)</sup>	192,750
Richard K. Schoebel	21,000 <sup>(7)</sup>	—	14,000 <sup>(7)</sup>	10.40	12/9/2019	—	—
	23,334 <sup>(8)</sup>	—	11,666 <sup>(8)</sup>	10.88	3/11/2021	—	—
	—	—	—	—	—	14,000 <sup>(9)</sup>	179,900
	—	—	—	—	—	11,667 <sup>(3)</sup>	149,921
	—	—	—	—	—	40,000 <sup>(4)</sup>	514,000
Laurie A. Sneve	—	—	—	—	—	—	—

- (1) For purposes of this table, the market value of the Restricted Shares is deemed to be \$12.85 per share, the closing price of the Common Stock reported on NASDAQ on December 30, 2012 (the last trading day of the year).
- (2) Represents Option awards that were granted on October 20, 2009.
- (3) Represents Restricted Share awards that were granted on March 11, 2011. 50% of such Restricted Shares vest in equal installments based solely on continued employment over a three-year vesting period and 50% based upon the achievement of specified performance criteria over the three-year vesting period. The performance criteria is based on our Company achieving an 8% annual total stockholder return (comprised of the change in stock price plus dividends) or performance within the top one-third of the executive compensation peer group. One-third of these Options vested on each of December 31, 2011 and December 31, 2012.
- (4) Represents Restricted Share awards that were granted on April 4, 2012. 50% of such Restricted Shares vest in equal installments based solely on continued employment over a three-year vesting period and 50% vest in equal installments based upon the achievement of specified performance criteria over the three-year vesting period. The performance criteria is based on our Company achieving an 7% annual total stockholder return (comprised of the change in stock price plus dividends) or performance within the top one-third of the executive compensation peer group. One-third of these Options vested on January 1, 2013.
- (5) Represents Option awards that were granted on December 1, 2012 and vest in equal installments based solely on continued employment over a three-year vesting period.
- (6) Represents Restricted Share awards that were granted on December 1, 2012 and vest in equal installments based solely on continued employment over a three-year vesting period.
- (7) Represents Option awards that were granted on December 9, 2009 and vest in equal installments based solely on continued employment over a five-year vesting period. One-fifth of these Options vested on each of December 9, 2010, December 9, 2011, and December 9, 2012.
- (8) Represents Option awards that were granted on March 11, 2011 and vest in equal installments based solely on continued employment over a three-year vesting period. One-third of these Options vested on each of December 31, 2011 and December 31, 2012.
- (9) Represents Restricted Share awards that were granted on December 9, 2009 and vest in equal installments based solely on continued employment over a five-year vesting period. One-fifth of these Restricted Shares vested on each of December 9, 2010, December 9, 2011 and December 9, 2012.

### Option Exercises and Stock Vested

The following table summarizes certain information regarding options exercised and stock awards vested with respect to the named executive officers during the year ended December 31, 2012.

Name	Option Exercises and Stock Vested in 2012			
	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Stuart A. Tanz	—	\$ —	75,000	\$ 962,750
John B. Roche	—	—	77,500	985,642
Michael B. Haines	—	—	—	—
Richard A. Baker	—	—	20,833	267,204
Richard K. Schoebel	—	—	18,667	239,521
Laurie A. Sneve	—	—	—	—

### Summary of the 2009 Equity Incentive Plan

The following is a summary of the 2009 Equity Incentive Plan, a copy of which is attached as Exhibit 4.5 to the Post-Effective Amendment No. 1 to Form S-8 filed with the SEC on June 3, 2012, and which is incorporated by reference into this Proxy Statement. The rights and obligations of the Company are governed by the express terms and conditions of the 2009 Equity Incentive Plan and not by this summary. This summary and the summaries of the 2009 Equity Incentive Plan elsewhere in this Proxy Statement may not contain all of the information about the 2009 Equity Incentive Plan that is of importance to you and are qualified in their entirety by reference to the complete text of the 2009 Equity Incentive Plan. We encourage you to read the 2009 Equity Incentive Plan carefully and in its entirety for a more complete understanding of the 2009 Equity Incentive Plan.

### Administration

The Compensation Committee has been appointed by our board of directors to administer the 2009 Equity Incentive Plan and has full authority to administer and interpret the 2009 Equity Incentive Plan, to authorize the granting of awards, to determine the eligibility of directors, officers, consultants and other key personnel and service providers, to determine the number of shares of Common Stock to be covered by each award (subject to the individual participant limitations provided in the 2009 Equity Incentive Plan), to determine the terms, provisions and conditions of each award (which may not be inconsistent with the terms of the 2009 Equity Incentive Plan), to prescribe the form of instruments evidencing awards and to take any other actions and make all other determinations that it deems necessary or appropriate in connection with the 2009 Equity Incentive Plan or the administration or interpretation thereof. In connection with this authority, the Compensation Committee may, among other things, establish performance goals that must be met in order for awards to be granted or to vest, or for the restrictions on any such awards to lapse. The 2009 Equity Incentive Plan is administered by the Compensation Committee consisting solely of non-employee directors, each of whom is intended to be, to the extent required by Rule 16b-3 under the Exchange Act, a non-employee director and will, at such times as we are subject to Section 162(m) of the Code and intend that grant be exempt from the restriction of Section 162(m), qualify as an outside director for purposes of Section 162(m) of the Code.

## **Eligibility**

All of our employees, non-employee directors, executive officers, consultants and other key personnel and service providers as well as our subsidiaries and any of our affiliates are eligible to receive awards under the 2009 Equity Incentive Plan. Each member of our Compensation Committee, which administers the 2009 Equity Incentive Plan, is both a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act, and an "outside director" within the meaning of Section 162(m) of the Code.

## **Authorization**

Our 2009 Equity Incentive Plan provides for grants of Restricted Shares and other equity-based awards up to an aggregate of 7.5% of the issued and outstanding shares of Common Stock at the time of the award, subject to a ceiling of four million shares available for issuance under the 2009 Equity Incentive Plan. In addition, subject to adjustment upon certain corporate transactions or events, incentive Options ("ISOs") for more than 400,000 shares of Common Stock over the life of the 2009 Equity Incentive Plan may not be granted. If an Option or other award granted under the 2009 Equity Incentive Plan expires or terminates, the shares subject to any portion of the award that expires, forfeits or terminates without having been exercised or paid, as the case may be, will again become available for the issuance of additional awards. Unless previously terminated by our board of directors, no new award may be granted under the 2009 Equity Incentive Plan after the tenth anniversary of the date that such plan was initially approved by our board of directors. No award may be granted under our 2009 Equity Incentive Plan to any person who, assuming exercise of all Options and payment of all awards held by such person, would own or be deemed to own more than 9.8% of the outstanding shares of Common Stock, subject to certain exceptions approved by our board of directors.

Section 162(m) of the Code limits publicly held companies to an annual deduction for U.S. federal income tax purposes of \$1 million for compensation paid to each of their chief executive officer and their three highest-compensated executive officers (other than the chief executive officer or the chief financial officer) determined at the end of each year, referred to as covered employees. However, performance-based compensation is excluded from this limitation. The 2009 Equity Incentive Plan is designed to permit the Compensation Committee to grant awards that qualify as performance-based for purposes of satisfying the conditions of Section 162(m), but it is not required under the 2009 Equity Incentive Plan that awards qualify for this exception. The 2009 Equity Incentive Plan provides that no participant in the plan will be permitted to acquire, or will have any right to acquire, shares thereunder if such acquisition would be prohibited by the ownership limits contained in our Charter or would impair our ability to qualify or remain qualified as a REIT.

## **Options**

The terms of specific Options, including whether Options shall constitute "incentive stock options" for purposes of Section 422(b) of the Code, shall be determined by the Compensation Committee. The exercise price of an Option shall be determined by the Compensation Committee and reflected in the applicable award agreement. The exercise price with respect to ISOs may not be lower than 100% (110% in the case of an ISO granted to a 10% stockholder, if permitted under the plan) of the fair market value of Common Stock on the date of grant. Each Option will be exercisable after the period or periods specified in the award agreement, which will generally not exceed ten years from the date of grant (or five years in the case of an ISO granted to a 10% stockholder, if permitted under the plan). Options will be exercisable at such times and subject to such terms as determined by the Compensation Committee.

## **Share Awards**

The 2009 Equity Incentive Plan also provides for the grant of share awards. A Restricted Share award is an award of shares of Common Stock that is subject to restrictions on transferability and such other restrictions, if any, as the Compensation Committee may impose at the date of grant. Grants of Restricted Shares will be subject to vesting schedules as determined by the Compensation Committee. The restrictions may lapse separately or in combination at such times, under such circumstances, including, without limitation, a specified period of employment or the satisfaction of pre-established criteria, in such installments or otherwise, as the Compensation Committee may determine. A participant granted Restricted Shares has all of the rights of a stockholder, including, without limitation, the right to vote and the right to receive dividends on the Restricted Shares. Although dividends may be paid on Restricted Shares, whether or not vested, at the same rate and on the same date as on shares of Common Stock, holders of Restricted Shares are prohibited from selling such shares until they vest.

## **Share Appreciation Rights**

Share appreciation rights, when issued, will reduce the number of shares available for grant under the 2009 Equity Incentive Plan and will vest as provided in the applicable award agreement. Share appreciation rights represent a right to receive the fair market value of a share of Common Stock, or, if provided by the Compensation Committee, the right to receive the fair market value of a share of Common Stock in excess of a base value established by the Compensation Committee at the time of grant. Share appreciation rights may generally be settled in cash or by transfer of shares of Common Stock (as may be elected by the participant or the Compensation Committee, as may be provided by the Compensation Committee at grant). The Compensation Committee may, in its discretion and under certain circumstances, permit a participant to receive as settlement of the share appreciation rights installments over a period not to exceed ten years.

## **Phantom Shares**

Phantom shares, when issued, will reduce the number of shares available for grant under the 2009 Equity Incentive Plan and will vest as provided in the applicable award agreement. A phantom share represents a right to receive the fair market value of a share of Common Stock, or, if provided by the Compensation Committee, the right to receive the fair market value of a share of Common Stock in excess of a base value established by the Compensation Committee at the time of grant. Phantom shares may generally be settled in cash or by transfer of Common Stock (as may be elected by the participant, in accordance with procedures established by the Compensation Committee, or us, as may be provided by the Compensation Committee at grant).

## **Dividend Equivalents**

A dividend equivalent is a right to receive (or have credited) the equivalent value (in cash or shares of Common Stock) of dividends paid on shares of Common Stock otherwise subject to an award. The Compensation Committee may provide that amounts payable with respect to dividend equivalents shall be converted into cash or additional shares of Common Stock. The Compensation Committee will establish all other limitations and conditions of awards of dividend equivalents as it deems appropriate.

## **Other Equity-Based Awards**

The 2009 Equity Incentive Plan authorizes the granting of other awards based upon shares of Common Stock (including the grant of securities convertible into shares of Common Stock and share appreciation rights and LTIP units), subject to terms and conditions established at the time of grant.

LTIP units are a special class of partnership interests in our operating partnership subsidiary, Retail Opportunity Investments Partnership, LP, a Delaware limited partnership (our "operating partnership"). Each LTIP unit awarded under the 2009 Equity Incentive Plan will be equivalent to an award of one share of Common Stock under the 2009 Equity Incentive Plan, reducing the number of shares available for other equity awards on a one-for-one basis. We will not receive a tax deduction for the value of any LTIP units granted under the 2009 Equity Incentive Plan. The vesting period for any LTIP units, if any, will be determined at the time of issuance. LTIP units, whether vested or not, will receive the same per unit profit distributions as units of our operating partnership, which profit distribution will generally equal per share distributions on shares of Common Stock.

## **Change of Control**

Upon a change of control (as defined in the 2009 Equity Incentive Plan), the Compensation Committee may make such adjustments as it, in its discretion, determines are necessary or appropriate in light of the change of control, but only if the Compensation Committee determines that the adjustments do not have a substantial adverse economic impact on the participants (as determined at the time of the adjustments) and may among other things accelerate vesting or forfeiture of unvested awards in connection with such event.

### **Amendment; Termination**

Our board of directors may amend, suspend, alter or discontinue the 2009 Equity Incentive Plan but cannot take any action that would impair the rights of a participant without such participant's consent. To the extent necessary and desirable (including as required by law or any stock exchange rules), our board of directors must obtain approval of our stockholders for any amendment that would:

- other than through adjustment as provided in the 2009 Equity Incentive Plan, increase the total number of shares of Common Stock reserved for issuance under the 2009 Equity Incentive Plan; or
- change the class of officers, directors, employees, consultants and advisors eligible to participate in the 2009 Equity Incentive Plan.

The Compensation Committee or our board of directors may amend the terms of any award granted under the 2009 Equity Incentive Plan, prospectively or retroactively, except that no amendment may adversely affect the rights of any participant with respect to awards previously granted, unless such amendments are in connection with applicable laws, without his or her consent.

As of the Record Date, under our 2009 Equity Incentive Plan, there were outstanding Options to acquire a total of 294,500 shares of Common Stock at a weighted average purchase price of \$10.78 per share, and a total of 532,933 Restricted Shares still subject to forfeiture. During 2012, no Options were exercised and no outstanding Options for any of the named executive officers were repriced. As of the Record Date, 3,209,464 shares of Common Stock remained available for grant to eligible participants under our 2009 Equity Incentive Plan.

### **Pension Benefits**

The named executive officers received no benefits in 2012 from us under defined pension or defined contribution plans.

### **Employment and Letter Agreements and Termination of Employment and Change-in-Control Arrangements**

We have employment and letter agreements with each of the named executive officers. As described below, these employment and letter agreements provide the named executive officers with, among other things, base salary, bonus and certain payments at, following and/or in connection with certain terminations of employment or a change-in-control involving the Company. As used below, the terms "Cause," "Change in Control," "Death," "Disability" and "Good Reason" shall have the respective meanings set forth in the applicable employment or letter agreements, as applicable.

**Stuart A. Tanz.** Mr. Tanz's employment agreement, which became effective as of October 20, 2009 and is scheduled to expire on October 20, 2013, provides that he will serve as our Chief Executive Officer and President for an initial term of three years, with automatic renewal for additional one-year terms unless we give prior written notice of non-renewal at least six months prior to the end of the then current term. Pursuant to the employment agreement, Mr. Tanz is entitled to an annual base salary of \$750,000, subject to annual review and upward adjustment, and an annual bonus between 0% and 200% of his then annual base salary, as determined in the sole discretion of our board of directors and based on Mr. Tanz's performance and the performance of the Company. Mr. Tanz's employment agreement provided for grant of 100,000 Restricted Shares and 100,000 Options, each vesting in equal installments on the first three anniversaries of the grant date thereafter. Mr. Tanz is entitled to participate in all of our employee benefit plans and programs or other welfare benefit programs as made generally available to other senior executives. Mr. Tanz is also entitled to (i) reimbursement for reasonable business expenses; (ii) automobile allowance of \$1,500 per month; and (iii) \$20,000 per month living allowance for six months commencing November 1, 2009, grossed-up to cover his income taxes (federal, state and local) incurred by him on the receipt of the living allowance payments.

Mr. Tanz's employment agreement provides that if his employment is terminated (i) by us without Cause, (ii) by Mr. Tanz for Good Reason, (iii) upon non-renewal of the employment term by us, (iv) by reason of Mr. Tanz's death or Disability, or (v) by Mr. Tanz for any or no reason within the 12-month period following a Change in Control, he will be entitled to receive a lump sum payment equal to (A) annual salary, annual bonus and other benefits earned and accrued prior to the date of termination, (B) (x) two times annual salary and (y) two times the average of the annual bonuses awarded for the last two years immediately preceding the year of termination (if no annual bonus was awarded for the year (or two years) preceding the year of termination, a minimum bonus equal to two times 50% of Mr. Tanz's then annual salary), and (C) automobile allowance for one year. In addition to the foregoing, all outstanding unvested equity-based incentives and awards will vest and become free from restrictions and be exercisable in accordance with their terms. To the extent that any of the foregoing payments so made constitutes an "excess parachute payment" under certain tax laws, rules and regulations, we will pay to Mr. Tanz such additional cash amounts as are necessary to put him in the same after-tax position as he would have been in had such payments not given rise to any applicable excise tax, penalties or interest. Mr. Tanz was also entitled to receive reimbursement for reasonable out-of-pocket direct expenses incurred by him in connection with his participation in the Framework Transactions.

Mr. Tanz has also agreed that he will not (i) compete with us; (ii) solicit our employees, agents or independent contractors; or (iii) solicit or intentionally interfere with our customer or client relationships for the period commencing on the date of the agreement and ending one year following the date upon which Mr. Tanz ceases to be an employee of the Company and our affiliates. His employment agreement also contains customary provisions relating to confidentiality and mutual non-disparagement.

**Michael B. Haines.** Mr. Haines's employment agreement, which became effective as of November 25, 2012 and is scheduled to expire on December 1, 2015, provides that he will serve as our Chief Financial Officer, Treasurer and Secretary for an initial term of three years, with automatic renewal for additional one-year terms unless we give prior written notice of non-renewal at least six months prior to the end of the then current term. Pursuant to the employment agreement, Mr. Haines is entitled to a base salary of \$250,000, subject to annual review and upward adjustment, and an annual bonus between 0% and 100% of his then annual base salary, as determined in the sole discretion of our board of directors and based on Mr. Haines' performance and the performance of the Company. Mr. Haines' employment agreement provided for the grant of 30,000 Restricted Shares and 25,000 Options, each vesting in equal installments on the first three anniversaries of the grant date thereof. Mr. Haines is also entitled to participate in all of our employee benefit plans and programs on substantially the same terms and conditions as other senior executives. Mr. Haines is entitled to (i) reimbursement for reasonable business expenses; and (ii) an automobile allowance of \$750 per month.

Mr. Haines' employment agreement provides that if Mr. Haines' employment is terminated by reason of his death or Disability, he will be entitled to receive a lump sum payment equal to (i) annual salary, annual bonus and other benefits earned and accrued prior to the date of termination, (ii) (x) his annual salary and (y) an amount equal to the average of the annual bonuses awarded for the last two years immediately preceding the year of termination (if no annual bonus was awarded for the year (or two years) preceding the year of termination, a minimum bonus equal to one times 50% of Mr. Haines' then annual salary), and (iii) automobile allowance for one year. In addition to the foregoing, all outstanding unvested equity-based incentives and awards will vest and become free from restrictions and be exercisable in accordance with their terms. Additionally, if Mr. Haines' employment is terminated (A) by us without Cause after the first year of the term of the employment agreement, (B) by Mr. Haines for Good Reason after the first year of the term of the employment agreement, (C) upon non-renewal of the employment term by us, or (D) by Mr. Haines for any or no reason within the 12-month period following a Change in Control, a lump sum payment equal to (i) annual salary, annual bonus and other benefits earned and accrued prior to the date of termination, (ii) (x) two times annual salary and (y) two times the average of the annual bonuses awarded for the last two years immediately preceding the year of termination (if no annual bonus was awarded for the year (or two years) preceding the year of termination, a minimum bonus equal to two times 50% of Mr. Haines' then annual salary), and (iii) automobile allowance for one year. If Mr. Haines' employment is terminated (i) by us without Cause during the first year of the term of the employment agreement or (ii) by Mr. Haines for Good Reason during the first year of the term of the employment agreement, Mr. Haines will be entitled to receive a severance payment equal to (1) if there has been no Change in Control, (x) one times annual salary and (y) \$125,000, or (2) after a Change in Control, (x) two times annual salary and (y) \$250,000. In addition to the foregoing, all outstanding unvested equity-based incentives and awards will vest and become free from restrictions and be exercisable in accordance with their terms.

Mr. Haines has also agreed that he will not, for the period commencing on the date of the agreement and ending (i) six months following the date upon which Mr. Haines ceases to be an employee of the Company and our affiliates, compete with us, or (ii) one year following the date upon which Mr. Haines ceases to be an employee of the Company and our affiliates, (A) solicit our employees, agents or independent contractors, or (B) solicit or intentionally interfere with our customer or client relationships. Mr. Haines' employment agreement also contains customary provisions relating to confidentiality and mutual non-disparagement.

**Richard A. Baker.** On April 2, 2012, we entered into an amendment to Mr. Baker's letter agreement with us, providing for his transition from Executive Chairman to non-executive Chairman of our board of directors, effective following our 2012 Annual Meeting. The term of the amended letter agreement is through October 20, 2015, unless Mr. Baker is not reelected as one of our directors or his service as Chairman of our board of directors is discontinued by our board of directors or by Mr. Baker prior to such date.

The amendment to the letter agreement provides that Mr. Baker continued to receive the annual base salary and bonus specified in his prior letter agreement through October 19, 2012, which is the date of the expiration of the initial term of his prior agreement. The amended letter agreement provides that during the balance of the term of the amended letter agreement Mr. Baker will receive annual compensation at a rate of \$275,000. However, such compensation shall not extend beyond the date of Mr. Baker's termination as non-executive Chairman of our board directors, unless such termination results from a decision taken by our board of directors without Mr. Baker's approval to discontinue his service. Mr. Baker's base salary is subject to annual review and upward adjustment in the discretion of the Compensation Committee. Mr. Baker is eligible for an annual bonus to be determined in the sole discretion of our board of directors and based on Mr. Baker's performance and our performance. Mr. Baker is also entitled to reimbursement for reasonable business expenses and a travel allowance determined annually by the Compensation Committee together with Mr. Baker.

Under the amendment to the letter agreement, Mr. Baker has agreed that during the period he serves as Chairman of our board of directors, and (unless the board of directors elects not to continue Mr. Baker as Chairman without Mr. Baker's approval to discontinue his service) for a one-year period following such service, he will not become a senior executive officer of a U.S.-based, publicly traded, necessity-based, retail REIT nor will he solicit our employees, agents or independent contractors to leave their employment or other service with us. Mr. Baker's letter agreement also contains customary provisions relating to confidentiality and mutual non-disparagement. In addition, under the amendment to the letter agreement, we and Mr. Baker agreed, with effect from October 20, 2012, to terminate his commitment to first offer to us retail properties located in the United States that he may discover prior to taking any interest in such property directly or indirectly for his own account or offering such property to other persons or entities.

**Richard K. Schoebel.** Mr. Schoebel's employment agreement provides that he will serve as our Chief Operating Officer for an initial term of three years, with automatic renewal for additional one-year terms unless we give prior written notice of non-renewal at least six months prior to the end of the then current term. Pursuant to the employment agreement, Mr. Schoebel is entitled to a base salary of \$275,000, subject to annual review and upward adjustment, and an annual bonus between 0% and 100% of his then annual base salary, as determined in the sole discretion of our board of directors and based on Mr. Schoebel's performance and the performance of the Company. Mr. Schoebel's employment agreement provides for the grant of 35,000 Restricted Shares and 35,000 Options, each vesting in equal installments on the first five anniversaries of the grant date thereof. Mr. Schoebel is also entitled to participate in all of our employee benefit plans and programs on substantially the same terms and conditions as other senior executives. Mr. Schoebel is also entitled to (i) reimbursement for reasonable business expenses; (ii) an automobile allowance of \$1,500 per month; (iii) six months of living allowance of \$5,000 per month and (iv) reimbursement for up to \$20,000 in moving and travel relocation expenses actually paid or incurred by Mr. Schoebel, the unamortized portion of which Mr. Schoebel will be obligated to refund to us in the event he voluntarily terminates his employment with us during the initial 24 months of employment.

Mr. Schoebel's employment agreement provides that if Mr. Schoebel's employment is terminated by reason of his death or Disability, he will be entitled to receive a lump sum payment equal to, (i) annual salary, annual bonus and other benefits earned and accrued prior to the date of termination, (ii) (x) his annual salary and (y) an amount equal to the average of the annual bonuses awarded for the last two years immediately preceding the year of termination (if no annual bonus was awarded for the year (or two years) preceding the year of termination, a minimum bonus equal to one times 50% of Mr. Schoebel's then annual salary), and (iii) automobile allowance for one year. In addition to the foregoing, all outstanding unvested equity-based incentives and awards will vest and become free from restrictions and be exercisable in accordance with their terms. Additionally, if Mr. Schoebel's employment is terminated (A) by us without Cause, (B) by Mr. Schoebel for Good Reason, (C) upon non-renewal of the employment term by us, or (D) by Mr. Schoebel for any or no reason within the 12-month period following a Change in Control, a lump sum payment equal to (i) annual salary, annual bonus and other benefits earned and accrued prior to the date of termination, (ii) (x) two times annual salary and (y) two times the average of the annual bonuses awarded for the last two years immediately preceding the year of termination (if no annual bonus was awarded for the year (or two years) preceding the year of termination, a minimum bonus equal to two times 50% of Mr. Schoebel's then annual salary), and (iii) automobile allowance for one year. In addition to the foregoing, all outstanding unvested equity-based incentives and awards will vest and become free from restrictions and be exercisable in accordance with their terms.

Mr. Schoebel has also agreed that he will not, for the period commencing on the date of the agreement and ending (i) six months following the date upon which Mr. Schoebel ceases to be an employee of the Company and our affiliates, compete with us, or (ii) one year following the date upon which Mr. Schoebel ceases to be an employee of the Company and our affiliates, (A) solicit our employees, agents or independent contractors, or (B) solicit or intentionally interfere with our customer or client relationships. Mr. Schoebel's employment agreement also contains customary provisions relating to confidentiality and mutual non-disparagement.

**Laurie A. Sneve.** Ms. Sneve's letter agreement with us provides that she will serve as as Senior Vice President and Chief Accounting Officer of the Company. The letter agreement has no specified term and Ms. Sneve's employment with us is on an at-will basis. Ms. Sneve is entitled to a base salary of \$200,000, subject to annual review, and an annual bonus between 0% and 100% of her annual base salary, as determined by the our board of directors, in its sole discretion, based on Ms. Sneve's performance and the performance of the Company. Our letter agreement with Ms. Sneve provides that in the event of termination of Ms. Sneve's employment by us, Ms. Sneve would be entitled to a severance benefits comparable to other executives at her level in accordance with the our policies. The letter agreement provides for the grant of 15,000 shares of restricted stock and 15,000 stock options to Ms. Sneve, each vesting in equal installments on the first four anniversaries of the grant date thereof. Ms. Sneve is also entitled to participate in all of our employee benefit plans and programs on substantially the same terms and conditions as other employees. Ms. Sneve is also entitled to (i) reimbursement for reasonable business expenses, in accordance with the our policies; and (ii) an automobile allowance of \$400 per month.

#### Potential Payments upon a Change-in-Control or Termination

The following table sets forth the cash amounts, accelerated vesting and other payments and benefits that the named executive officers would be entitled to receive under various circumstances pursuant to the terms of the 2009 Equity Incentive Plan, the grant agreements made under the 2009 Equity Incentive Plan and their respective employment agreements in the event that the employment termination scenarios described above (including, following a change of control) were to have occurred on December 31, 2012. The actual amounts that would be paid on any termination of employment can only be determined at the time of any actual separation from the Company.

Name	Annual Salary (\$) <sup>(1)(3)</sup>	Bonus (\$) <sup>(1)(4)</sup>	Equity Awards (\$) <sup>(5)</sup>	Other Benefits (\$) <sup>(6)</sup>	Excise Tax Gross-Up (\$)	Total (\$)
Stuart A. Tanz	1,550,000	1,600,000	2,462,908	18,000	—	5,630,908
Michael B. Haines <sup>(1)</sup>	500,000	250,000	385,500	9,000	—	1,144,500
Richard A. Baker	—	—	246,283	—	—	246,283
Richard K. Schoebel <sup>(2)</sup>	566,500	600,000	843,821	18,000	—	2,028,321
Laurie A. Sneve	—	—	—	—	—	—
John B. Roche <sup>(7)</sup>	—	—	—	—	—	—

- (1) If Mr. Haines' employment is terminated during the first year of the term of the employment agreement by us without Cause or by Mr. Haines for Good Reason, Mr. Haines will be entitled to receive a severance payment equal to (i) if there has been no Change in Control, one times annual salary and \$125,000, or (ii) after a Change in Control, two times annual salary and \$250,000, which are the amounts presented in the Annual Salary and Bonus columns.
- (2) If the named executive officer's employment is terminated by reason of his death or Disability, he will be entitled to receive a lump sum payment equal to his annual salary and an amount equal to the average of the annual bonuses awarded for the last two years immediately preceding the year of termination rather than two times such annual salary and two times the average of such annual bonuses if his employment is terminated (i) by us without Cause, (ii) by the named executive officer for Good Reason, (iii) upon non-renewal of the employment term by us, or (iv) by the named executive officer for any or no reason within the 12 month period following a Change in Control, which are the amounts presented in the Annual Salary and Bonus columns.
- (3) Payment in respect of Annual Salary is based on two times the named executive officer's 2012 annual salary.
- (4) Payment in respect of Bonus is based on two times the named executive officer's average annual bonuses calculated based on the actual bonuses paid in 2013 for 2012 performance and in 2012 for 2011 performance, except with respect to Mr. Haines, who would receive \$250,000.
- (5) In calculating the value of equity-based awards, the presentation uses a price per share of \$12.85, the closing price of our Common Stock on the NASDAQ on the last trading day in 2012.
- (6) Includes automobile allowance for one year.
- (7) John B. Roche terminated his employment with us effective December 1, 2012.

#### **Compensation Committee Interlocks and Insider Participation**

The Compensation Committee is comprised solely of independent directors: Laura H. Pomerantz (Chair) and Edward H. Meyer. No member of the Compensation Committee is or was an employee or officer of the Company or had any relationships requiring disclosure under the rules and regulations of the Exchange Act. There are no Compensation Committee interlocks and no insider participation in compensation decisions that are required to be reported under the rules and regulations of the Exchange Act.

## SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of the outstanding shares of Common Stock ("10% Holders") to file with the SEC and NASDAQ initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Directors, executive officers and 10% Holders are required by the SEC's regulations to furnish us with copies of all Section 16(a) forms and amendments thereto filed during any given year.

Based on the review of copies of the Section 16(a) reports and amendments thereto furnished to us and/or written representations from our directors, executive officers and 10% Holders that no other reports were required to be filed, we believe that for the year ended December 31, 2012 our directors, executive officers and 10% Holders complied with all Section 16(a) filing requirements applicable to them, except that Form 4s, filed in respect of Common Stock withheld by us to satisfy the tax withholding obligation of the reporting person in connection with shares of restricted Common Stock that vested, were filed 50 days late by Richard A. Baker with respect to the disposition of 5,242 shares of Common Stock and by John B. Roche with respect to the disposition of 6,036 shares of Common Stock. These late filings were due to an administrative error.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On February 1, 2013, NRDC exercised 8,000,000 warrants, exercisable for our Common Stock at an exercise price of \$12.00 per share (the "Private Warrants"). William L. Mack, Robert C. Baker, Richard A. Baker and Lee S. Neibart, are the sole members and managers of NRDC. Richard A. Baker and Lee S. Neibart are directors of our Company and Robert C. Baker is Richard A. Baker's father. The Private Warrants were purchased by NRDC pursuant to that certain Warrant Agreement dated as of October 17, 2007 (as supplemented and amended by the Supplement & Amendment to the Warrant Agreement dated as of October 20, 2009, the "Warrant Agreement") in connection with the consummation of our initial public offering. The Private Warrants were exercised on a cashless basis (the "Cashless Exercise"). In connection with the Cashless Exercise, we issued 688,500 shares to NRDC, with an aggregate value of approximately \$9.0 million, or \$13.13 per share, based on a formula set forth in the Warrant Agreement. Other than this transaction, since the beginning of our last fiscal year, we have not been a party to any transaction or proposed transaction with any related person who is (i) one of our directors or executive officers, (ii) a director nominee, (iii) a beneficial owner of more than 5% of Common Stock or (iv) any member of the immediate family of any of the foregoing persons that involves an amount exceeding \$120,000 and in which any such related person had or will have a direct or indirect material interest.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information as of the Record Date regarding the beneficial ownership of Common Stock by (i) each person known to us to be the beneficial owner of 5% or more of the outstanding Common Stock, (ii) the named executive officers, (iii) our directors and director nominees and (iv) all of our directors, director nominees and executive officers as a group.

<b>Name and Business Address<sup>(1)</sup></b>	<b>Common Stock Beneficially Owned</b>			<b>Percent of Class</b>
	<b>Shares<sup>(2)(3)</sup></b>	<b>Shares Subject to Options or Warrants<sup>(4)</sup></b>	<b>Total</b>	
<b>Directors and Officers</b>				
Richard A. Baker	742,441 <sup>(5)</sup>	50,000	792,441	1.28%
Michael B. Haines	33,066	—	33,066	*
Michael J. Indiveri	30,000	—	30,000	*
Edward H. Meyer	30,000	—	30,000	*
Lee S. Neibart	693,500 <sup>(5)</sup>	—	693,500	1.12%
Charles J. Persico	30,000	—	30,000	*
Laura H. Pomerantz	30,000	—	30,000	*
Richard K. Schoebel	99,978	44,334	144,312	*
Laurie A. Sneve	15,000	—	15,000	*
Stuart A. Tanz	862,869	100,000	962,869	1.55%
Eric S. Zorn	28,000	—	28,000	*
<b>All directors and executive officers as a group (11 persons)</b>	<b>2,594,854</b>	<b>194,334</b>	<b>2,789,188</b>	<b>4.50%</b>
<b>5% or more beneficial owners</b>				
AEW Capital Management, L.P. <sup>(6)</sup>				
AEW Capital Management, Inc.				
World Trade Center East, Two Seaport Lane Boston, MA 02110	2,251,000	—	2,251,000	5.54%
Blackrock Inc. <sup>(7)</sup>				
40 East 52nd Street New York, NY 10022	2,995,698	—	2,995,698	5.66%
BMO Financial Corp. <sup>(8)</sup>				
111 W. Monroe Street Chicago, IL 60690	3,799,165	—	3,799,165	7.18%
Brian Taylor <sup>(9)</sup>				
Pine River Capital Management L.P.				
601 Carlson Parkway, Suite 330 Minnetonka, MN 55305	4,690,839	—	4,690,839	8.1%
Deephaven, Inc. <sup>(10)</sup>				
14601 27 <sup>th</sup> Ave. N, Suite 102 Plymouth, MN 55447	—	5,184,200	5,184,200	9.8%
Glenhill Advisors, LLC <sup>(11)</sup>				
Glenn J. Krevlin				
Glenhill Capital Management, LLC				
Glenhill Capital Advisors, LLC				
Glenhill Capital Overseas Master Fund, LP				
600 Fifth Avenue, 11th Floor New York, NY 10020	1,712,742	2,600,000	4,312,742	7.8%
Invesco Ltd. - Bermuda <sup>(12)</sup>				
1555 Peachtree Street NE Atlanta, GA 30309	6,701,010	—	6,701,010	12.7%
The Vanguard Group, Inc. <sup>(13)</sup>				
100 Vanguard Blvd. Malvern, PA 19355	6,039,280	—	6,039,280	11.41%
Vanguard Specialized Funds – Vanguard REIT Index Fund <sup>(14)</sup>				
100 Vanguard Blvd. Malvern, PA 19355	3,388,265	—	3,388,265	6.4%
Walleye Trading, LLC <sup>(15)</sup>				
Walleye Trading Advisors, LLC				
14601 27 <sup>th</sup> Ave. N, Suite 102 Plymouth, MN 55447	—	3,539,082	3,539,082	6.69%

(\*) Represents less than 1% of issued and outstanding shares of Common Stock.

- (1) The business address of each director and named executive officer is c/o Retail Opportunity Investments Corp., 8905 Towne Centre Drive Suite 108, San Diego, California 92122
- (2) Each director and named executive officer has sole voting and investment power with respect to these shares, except that 15,000 shares of Common Stock are held by Perco Management Defined Benefit Pension Trust, of which Jules Levy is Trustee and Mr. Persico is the sole beneficiary.
- (3) Includes unvested Restricted Shares granted to the named executive officers and directors as follows: Mr. Baker – 10,833 Restricted Shares subject to time-based vesting; Mr. Haines – 30,000 Restricted Shares subject to time-based vesting; Ms. Sneve – 15,000 Restricted Shares subject to time-based vesting; Mr. Tanz – 133,334 Restricted Shares subject to time-based vesting; Mr. Schoebel – 53,166 Restricted Shares subject to time-based vesting; Mr. Indiveri – 3,666 Restricted Shares; Mr. Meyer – 3,666 Restricted Shares; Mr. Neibart – 3,666 Restricted Shares; Mr. Persico – 3,666 Restricted Shares; Ms. Pomerantz – 3,666 Restricted Shares; Mr. Zorn – 28,000 Restricted Shares. Excludes unvested Restricted Shares granted to the named executive officers as follows: Mr. Baker – 10,833 Restricted Shares subject to performance-based vesting; Mr. Tanz – 133,334 Restricted Shares subject to performance-based vesting; and Mr. Schoebel – 39,166 Restricted Shares subject to performance-based vesting.
- (4) For purposes of this table, a person is deemed to be the beneficial owner of shares of Common Stock if that person has the right to acquire such shares within 60 days of the Record Date by the exercise of any Options or warrants. Options or warrants held by a person are deemed to have been exercised for the purpose of computing the percentage of outstanding shares of Common Stock beneficially owned by such person, but shall not be deemed to have been exchanged or exercised for the purpose of computing the percentage of outstanding shares of Common Stock beneficially owned by any other person.
- (5) Includes 688,500 shares held by NRDC Capital Management, LLC. William L. Mack, Robert C. Baker, Richard A. Baker and Lee S. Neibart are the sole members and managers of NRDC Capital Management, LLC.
- (6) On their Schedule 13G filed with the SEC on February 14, 2013, AEW Capital Management, L.P. and AEW Capital Management, Inc. report sole voting power with respect to 2,010,300 shares of Common Stock beneficially owned by them and sole dispositive power with respect to 2,251,000 shares of Common Stock beneficially owned by them. The Schedule 13G reports a beneficial ownership percentage of shares of Common Stock of 5.54%.
- (7) On its Schedule 13G filed with the SEC on February 4, 2013, Blackrock Inc. reports sole power to direct the vote and disposition of 2,995,698 shares of Common Stock. The Schedule 13G (Amendment No. 1) reports a beneficial ownership percentage of shares of Common Stock of 5.66%.
- (8) On its Schedule 13G filed with the SEC on January 31, 2013, BMO Financial Corp. reports sole voting and dispositive powers with respect to 13,184 shares of Common Stock it, shared voting and dispositive powers with respect to 12,863 shares of Common Stock beneficially and aggregate beneficial ownership of 3,799,165 shares of Common Stock. The Schedule 13G reports a beneficial ownership percentage of shares of Common Stock of 7.179%.
- (9) On their Schedule 13G (Amendment No. 2) filed with the SEC on February 4, 2013, Brian Taylor, Pine River Capital Management L.P. ("Pine River") and Pine River Master Fund Ltd. ("Pine River Master") report that Brian Taylor and Pine River have the shared power to direct the vote and disposition of 4,690,839 shares of Common Stock, Pine River Master has the shared power to direct the vote and disposition of 4,167,435 shares of Common Stock and Nisswa has the shared power to direct the vote and disposition of 4,167,435 shares of Common Stock. The Schedule 13G (Amendment No. 1) reports a beneficial ownership percentage of shares of Common Stock of 8.1%.
- (10) On its Schedule 13G (Amendment No. 2) filed with the SEC on February 12, 2013, Deephaven Inc. reports sole voting and dispositive power of 5,184,200 shares of Common Stock (as a result of its sole power to vote and direct the vote of 5,184,200 warrants exercisable to purchase 5,184,200 shares of Common Stock). The Schedule 13G (Amendment No. 1) reports an aggregate beneficial ownership percentage of shares of Common Stock of 9.8%. However, the terms of the warrants restrict its exercise and limit beneficial ownership of the shares issuable upon their exercise to the extent such exercise would cause the holder to Beneficially Own or Constructively Own, within the meaning of our Charter, in excess of the Common Stock Ownership Limit or Excepted Holder Limit, as defined in our Charter.
- (11) On their Schedule 13G (Amendment No. 6) filed with the SEC on February 14, 2013, Glenhill Advisors, LLC, Glenn J. Krevlin, Glenhill Capital Management, LLC, Glenhill Capital Advisors, LLC and Glenhill Capital Overseas Master Fund, LP report Glenhill Advisors, LLC, Glenn J. Krevlin have sole voting and dispositive powers, and Glenhill Capital Advisors, LLC and Glenhill Capital Management, LLC have shared voting and dispositive powers, with respect to 4,312,742 shares of Common Stock (consisting of 1,712,742 shares of Common Stock and warrants to purchase 2,600,000 shares of Common Stock) and Glenhill Capital Overseas Master Fund, LP has shared voting and dispositive powers with respect to 4,056,960 shares of Common Stock (consisting of 1,456,960 shares of Common Stock and warrants to purchase 2,600,000 shares of Common Stock). Glenn J. Krevlin is the managing member and control person of Glenhill Advisors, LLC. Glenhill Advisors, LLC is the managing member of Glenhill Capital Management, LLC. Glenhill Capital Advisors, LLC is the investment manager of Glenhill Capital Overseas Master Fund, LP and Glenhill Long Equities Master Fund, LP, each a security holder of the Issuer. Glenhill Advisors, LLC is the managing member of Glenhill Capital Management, LLC. Glenhill Capital Management, LLC is the sole shareholder of Glenhill Capital Overseas GP, Ltd., which is the general partner of Glenhill Capital Overseas Master Fund, LP. Glenhill Capital Management, LLC is the managing member of Glenhill Long Equities GP, LLC, which is the general partner of Glenhill Long Equities Master Fund, LP. The Schedule 13G (Amendment No. 6) reports an aggregate beneficial ownership percentage of shares of Common Stock of 7.8%.
- (12) On its Schedule 13G (Amendment No. 3) filed with the SEC on February 8, 2013, Invesco Ltd. reports Invesco Advisers, Inc. and Invesco PowerShares Capital Management, each a subsidiary of Invesco Ltd., is the investment adviser which holds shares of the security being reported. Invesco Advisers, Inc. held sole voting power with respect to 5,553,334 shares of Common Stock beneficially owned by it, shared voting power with respect to 66,541 shares of Common Stock, sole dispositive power with respect to 6,653,020 shares of Common Stock, shared dispositive power with respect to 47,990 shares of Common Stock and aggregate beneficial ownership of 6,701,010 shares of Common Stock. The Schedule 13G (Amendment No. 3) reports a beneficial ownership percentage of shares of Common Stock of 12.7%.
- (13) On its Schedule 13G (Amendment No. 3) filed with the SEC on February 7, 2013, The Vanguard Group, Inc. reports sole voting power with respect to 74,754 shares of Common Stock, sole dispositive power with respect to 5,967,126 shares of Common, shared dispositive power with respect to 72,154 shares of Common Stock and aggregate beneficial ownership of 6,039,280 shares of Common Stock. The Schedule 13G reports a beneficial ownership percentage of shares of Common Stock of 11.41%.
- (14) On its Schedule 13G (Amendment No. 3) filed with the SEC on February 14, 2013, Vanguard Specialized Funds – Vanguard REIT Index Fund reports sole voting and dispositive power with respect to 3,388,265 shares of Common Stock beneficially owned by it. The Schedule 13G reports a beneficial ownership percentage of shares of Common Stock of 6.4%.

- (15) On their Schedule 13G filed with the SEC on February 14, 2013, Walleye Trading, LLC and Walleye Trading Advisors, LLC report beneficial ownership of 3,539,082 shares of Common Stock (as a result of their shared power to vote and direct the vote of 3,539,082 warrants exercisable to purchase 3,539,082 shares of Common Stock). The Schedule 13G reports a beneficial ownership percentage of shares of Common Stock of 6.69%.

## OTHER MATTERS

Our board of directors knows of no other business to be presented at the Annual Meeting. The proxies for the Annual Meeting confer discretionary authority on the persons named therein as proxy holders to vote on any matter proposed by stockholders for consideration at the Annual Meeting. As to any other business which may properly come before the Annual Meeting, the persons named as proxy holders on your proxy card will vote the shares of Common Stock represented by properly submitted proxies in their discretion.

## SUBMISSION OF STOCKHOLDER PROPOSALS

Any stockholder intending to present a proposal at our 2014 Annual Meeting of Stockholders and have the proposal included in the proxy statement and proxy card for such meeting (pursuant to Rule 14a-8 of the Exchange Act) must, in addition to complying with the applicable laws and regulations governing submissions of such proposals, submit the proposal in writing to us no later than January 1, 2014, and must otherwise be in compliance with the requirements of the SEC's proxy rules.

Our stockholders of record who comply with the advanced notice procedures set forth in our Bylaws and outlined under this "Submission of Stockholder Proposals" section may nominate director candidates for election to our board of directors. Stockholder nominations of director candidates at our annual meeting of stockholders must be received by our secretary not earlier than the 150th day nor later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of this Proxy Statement; provided, however, that in connection with our first annual meeting or in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to the date of such annual meeting, as originally convened, or the tenth day following the day on which public announcement of the date of such meeting is first made. The public announcement of a postponement or adjournment of an annual meeting will not commence a new time period for the giving of a stockholder's notice as described above. Accordingly, to submit a director candidate for consideration for nomination at our 2014 Annual Meeting of Stockholders, stockholders must submit the recommendation, in writing, by January 1, 2014, but in no event earlier than December 2, 2013. The written notice must set forth the information required by our Bylaws. The advanced notice procedures set forth in our Bylaws do not affect the right of stockholders to request the inclusion of proposals in our proxy statement pursuant to SEC rules.

Any such nomination or proposal should be sent to Stuart A. Tanz, our President and Chief Executive Officer, at Retail Opportunity Investments Corp., 8905 Towne Center Drive, Suite 108, San Diego, California 92122 and, to the extent applicable, must include the information required by our Bylaws.

Our board of directors and our management know of no other matters or business to be presented for consideration at the Annual Meeting. If, however, any other matters properly come before the Annual Meeting or any adjournments or postponements thereof, it is the intention of the persons named in the enclosed proxy to vote such proxy in accordance with their discretion on any such matters. The persons named in the enclosed proxy may also, if they deem it advisable, vote such proxy to adjourn the Annual Meeting from time to time.

## HOUSEHOLDING OF PROXY MATERIALS

The SEC permits companies and intermediaries (such as banks and brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single set of proxy materials (i.e., the proxy statement and annual report) addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

A number of brokers with account holders who are our stockholders will be "householding" our proxy materials. A single set of proxy materials may be delivered to multiple stockholders sharing the same address unless contrary instructions have been received from the impacted stockholders. Once a stockholder has received notice from its broker that they will be "householding" communications to such stockholder's address, "householding" will continue until such stockholder revokes consent to "householding" or is notified otherwise. If, at any time, a stockholder no longer wishes to participate in "householding" and would prefer to receive a separate set of our proxy materials, such stockholder should so notify us by directing written requests to: Retail Opportunity Investments Corp., 8905 Towne Centre Drive, Suite 108, San Diego, California 92122, Attn: Michael B. Haines, our Chief Financial Officer; or by calling investor relations at 858-255-4913. In addition, if so requested, we will also undertake to promptly deliver a separate set of proxy materials to any stockholder for whom such proxy materials were subject to "householding." Stockholders who currently receive multiple copies of our proxy materials at their address and would like to request "householding" of their communications should contact us, as specified above, or their respective brokers.

## MISCELLANEOUS

We are bearing all costs associated with the solicitation of proxies in connection with the Annual Meeting. This solicitation is being made primarily through the internet and by mail, but may also be made by our directors, executive officers and employees by telephone, telegraph, facsimile transmission, electronic transmission, internet, mail or personal interview. No additional compensation will be given to our directors, executive officers or employees for this solicitation. We will request brokers and nominees who hold shares of Common Stock in their names to furnish proxy materials to beneficial owners of such shares and will reimburse such brokers and nominees for their reasonable expenses incurred in forwarding solicitation materials to such beneficial owners.

A COPY OF OUR ANNUAL REPORT ON FORM 10-K (FILED WITH THE SEC AND NASDAQ), WHICH CONTAINS ADDITIONAL INFORMATION ABOUT US, IS AVAILABLE FREE OF CHARGE TO ANY STOCKHOLDER UPON WRITTEN REQUEST. REQUESTS SHOULD BE DIRECTED TO MICHAEL B. HAINES, OUR CHIEF FINANCIAL OFFICER, AT RETAIL OPPORTUNITY INVESTMENTS CORP., 8905 TOWNE CENTRE DRIVE, SUITE 108, SAN DIEGO, CALIFORNIA 92122.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "Stuart A. Tanz". The signature is written in a cursive, flowing style.

Stuart A. Tanz  
President and Chief Executive Officer

San Diego, California  
April 1, 2013

**PROXY**

**RETAIL OPPORTUNITY INVESTMENTS CORP.  
2013 Meeting of Stockholders – May 1, 2013, 2:00 p.m., Eastern Time**

**Offices of Clifford Chance US LLP  
31 West 52nd St.  
New York, New York 10019**

**THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS OF THE COMPANY**

The undersigned hereby appoints Stuart A. Tanz and Michael B. Haines, or either of them, with power to act without the other and with power of substitution, as proxies and attorneys-in-fact and hereby authorizes them to attend the Annual Meeting of Stockholders (the "Meeting") of the Retail Opportunity Investments Corp. (the "Company") to be held on May 1, 2013, at 2:00 p.m., Eastern Time, at the offices of Clifford Chance US LLP, 31 West 52nd Street, New York, New York 10019, and any postponement or adjournment thereof, to cast on its behalf all votes that the undersigned is entitled to cast at the Meeting and to otherwise represent the undersigned at the Meeting with all powers which the undersigned would possess if present at the Meeting. By signing this proxy, the undersigned acknowledges receipt of the Notice of Annual Meeting and of the accompanying Proxy Statement, the terms of which are incorporated by reference herein.

**THIS PROXY WILL BE VOTED AS DIRECTED, OR IF THIS PROXY IS EXECUTED BUT NO DIRECTION IS INDICATED, WILL BE VOTED "FOR" THE ELECTION OF EACH OF THE NOMINEES NAMED IN THE PROXY STATEMENT AND "FOR" ITEMS 2 AND 3.**

**(continued and to be marked, dated and signed, on the other side)**

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**▲ PLEASE DETACH ALONG PERFORATED LINE AND MAIL IN THE ENVELOPE PROVIDED. ▲**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held May 1, 2013, at 2:00 p.m., Eastern Time. The Proxy Statement and our 2012 Annual Report to Stockholders are available at: <http://www.viewproxy.com/roireit/2013>**

THE COMPANY'S BOARD OF DIRECTORS RECOMMENDS YOU VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES LISTED BELOW AND "FOR" ITEMS 2 AND 3.

Please mark your vote as indicated in this example

1. ELECTION OF DIRECTORS

Nominees:

- |                        |                       |                          |                          |                          |
|------------------------|-----------------------|--------------------------|--------------------------|--------------------------|
| 01 Richard A. Baker    | 05 Charles J. Parsico | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 02 Michael J. Indiveri | 06 Laura H. Pomerantz |                          |                          |                          |
| 03 Edward H. Meyer     | 07 Stuart A. Tanz     |                          |                          |                          |
| 04 Lee S. Neibart      | 08 Eric S. Zorn       |                          |                          |                          |

FOR ALL WITHHELD FOR ALL \*EXCEPTIONS

2. Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the year ended December 31, 2013.
3. Approval, on an advisory basis, of the compensation of the Company's named executive officers as described in the 2013 Proxy Statement.

FOR AGAINST ABSTAIN

(INSTRUCTIONS: To withhold authority to vote for any individual nominee, mark the "Exceptions" box above and write that nominee's name in the space provided.)

\*Exceptions

\_\_\_\_\_

I plan on attending the meeting

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED "FOR" THE ELECTION OF EACH OF THE NOMINEES LISTED ABOVE, "FOR" ITEMS 2 AND 3 AND IN THE DISCRETION OF THE PROXY HOLDERS ON ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

DO NOT PRINT IN THIS AREA  
(Shareholder Name & Address Data)

Date \_\_\_\_\_

Signature \_\_\_\_\_

NOTE: This proxy should be marked, dated and signed by each shareholder exactly as such shareholder's name appears hereon, and returned promptly in the enclosed envelope. When shares are held jointly, each holder should sign. When signing as an executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If the signer is a partnership, please sign in the partnership name by authorized person.

Address Change? Mark Box:  And indicate changes in space above

CONTROL NUMBER

➔

▲ PLEASE DETACH ALONG PERFORATED LINE AND MAIL IN THE ENVELOPE PROVIDED. ▲

CONTROL NUMBER

➔



**MAIL**  
Vote Your Proxy by Mail:

Mark, sign, and date your proxy card, then detach it, and return it in the postage-paid envelope provided.