

# General Meeting of Arco Vara AS

## NOTICE OF THE ANNUAL GENERAL MEETING, ITS AGENDA AND PROPOSED RESOLUTIONS

Dear shareholder of Arco Vara AS

Notice is hereby given that the annual general meeting of Arco Vara AS (registry number 10261718; registered office at Jõe 2B, Tallinn) will be held in the Bolero meeting room of Sokos Hotel Viru, Viru Square 4 on 5 June 2014 at 10.00 am.

The agenda of the annual general meeting:

### 1. Approval of the annual report for 2013

The supervisory board proposes to the shareholders:

- to approve the annual report for 2013;
- to transfer the net profit for the year ended on 31 December 2013 of 3 427 165 EUR to retained earnings.

### 2. Raising Share Capital

The supervisory board proposes to the shareholders:

to approve the issuance of new shares of Arco Vara AS on the following terms and conditions:

- Arco Vara AS (the „Company“) will issue 3,5 million new share with the nominal value of 0,7 EUR increasing the share capital by 2 450 000 EUR, therefore the new share capital of the Company will be 5 769 194,9 EUR;
- the Company will issue common shares;
- all the existing shareholders of the Company will have the pre-emptive right to to subscribe for the new shares in accordance with § 345 of the Commercial Code. Only the shareholders who are in the list of the Company's shareholders by 19 June 2014 at 23.59. The pre-emptive right can be executed during the subscription period, which commences on 6 June at 9.00 a.m and terminates on 20 June 2014 at 5.00 p.m;

- by issuing the new shares the pre-emptive right of subscription for the new shares derived from legislative acts will be granted to the shareholders and in case the amount of shares owned by a shareholder does not give the right to subscribe for the whole number of shares the amount of shares will be rounded up;
- the subscription period for the shares issued by the Company will commence on 6 June at 9.00 a.m and terminates on 20 June 2014 at 5.00 p.m;
- payment for the subscribed shares will be made by monetary contribution at the time of subscription;
- the nominal value of the shares is 0,7 EUR and issuance price of the new shares will be 1 EUR, therefore the amount of premium will be 0,3 EUR;
- the issued shares shall grant the right to dividends from the financial year the share capital was increased ;
- in case the amount of shares subscribed for during the subscription period will exceed the volume of the planned share capital increase, the Management Board of the Company will have the right to cancel the oversubscribed shares in accordance with § 3461 (2) of the Commercial Code. During allocation the Management Board of the Company will grant the existing shareholders their pre-emptive right for subscription derived from legislative acts and follow the principle of equal treatment of shareholders;
- in case the amount of shares subscribed for during the subscription period is under the volume of the planned share capital increase, the Management Board of the Company will have the right to cancel the shares that were not subscribed for during the subscription period. The Management Board will have the right to exercise this right during 15 days after the end of the subscription period;
- by issuing new shares the Company wishes to improve its capitalization. Proceeds of the share issue will be used for investing in residential real estate development projects.

### 3. Appointment of Auditor

The Manager proposes the shareholders to appoint one auditor for one year (until the next ordinary shareholders general meeting) and appoint AS PricewaterhouseCoopers as such auditor. To pay the auditor the fee for auditing the company's economic activities during

marketing year 2014 according to the future agreement between the company and AS Pricewaterhouse Coopers.

The materials of the annual general meeting will be available on the website of Arco Vara AS at <http://www.arcorealestate.com/en/investor-info/general> and in the registered office of Arco Vara AS at Jõe 2B, Tallinn on business days from 9 am to 5 pm.

Questions regarding the agenda items may be sent by email to [info@arcovara.ee](mailto:info@arcovara.ee). The questions together with the answers will be published on the website of Arco Vara AS. All shareholders have a lawful right to obtain information from the management board about the operation of the company. Shareholders whose shares represent at least one twentieth of the share capital of Arco Vara AS may request that additional items be added to the agenda provided they submit their request at least 15 days before the general meeting, i.e. by 21 May 2014 at the latest, and they may propose a resolution on any or all agenda items, provided they submit the proposal at least three days before the general meeting, i.e. by 2 June 2013 at the latest. Shareholder requests and proposals have to be submitted by email to [info@arcovara.ee](mailto:info@arcovara.ee) and they will be published in line with legal requirements.

The list of shareholders eligible to vote will be prepared seven days before the general meeting, i.e. on 29 May 2013 as at 23:59.

Registration of attendees begins on 5 June 2014 at 9:45 am. For registration, please bring an identity document. A proxy must have a written proxy document or other documents verifying the right to act as a proxy. A shareholder may notify Arco Vara AS before the meeting of the appointment of a proxy or the revocation of a proxy appointment by sending relevant digitally signed notice to [info@arcovara.ee](mailto:info@arcovara.ee) on 4 June 2014 at the latest.

The notice of the annual general meeting including the exact time, location and agenda will be published in Postimees on 14 May 2014.

Yours sincerely

Management Board of Arco Vara AS

Additional information:

- Notice on revocation of a power of attorney
- Power of attorney for voting at annual general meeting

- Annual report of 2013

**CORRECTION: 05.06.2014: Annual General Meeting of Arco Vara AS**

In the notice condition no 4 of the issuance of new shares of Arco Vara AS was corrected. In case the amount of shares owned by a shareholder does not give the right to subscribe for a whole number of shares the amount of shares will be rounded down.

Follows the corrected notice:

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**2. Raising Share Capital**

The Supervisory Board proposes to the shareholders:

to approve the issuance of new shares of Arco Vara AS on the following terms and conditions:

1) Arco Vara AS (the „Company“) will issue 3,5 million new shares with the nominal value of 0,7 EUR increasing the share capital by 2450 000 EUR, therefore the new share capital of the Company will be 5769194,9 EUR;

2)the Company will issue common shares;

3)all the existing shareholders of the Company will have the pre-emptive right to subscribe for the new shares in accordance with § 345 of the Commercial Code. This will only apply to the shareholders who are in the list of the Company's shareholders on 19 June 2014 at 23.59. The pre-emptive right can be exercised during the subscription period, which commences on 6 June at 9.00 a.m and terminates on 20 June 2014 at 5.00 p.m local Estonian time;

4)by issuing the new shares the pre-emptive right of subscription for the new shares derived from legislative acts will be granted to the shareholders and in case the amount of shares owned by a shareholder does not give the right to subscribe for a whole number of shares the amount of shares will be rounded down;

5)the subscription period for the shares issued by the Company will commence on 6 June at 9.00 a.m and terminate on 20 June 2014 at 5.00 p.m local Estonian time;

6)payment for the subscribed shares will be made by monetary contribution at the time of subscription;

7)the nominal value of each of the shares is 0.7 EUR and issuance price of each new shares will be 1 EUR, therefore the amount of premium will be 0.3 EUR per share;

8)the issued shares shall grant the right to dividends from the financial year the share capital was increased;

9)in case the amount of shares subscribed for during the subscription period will exceed the volume of the planned share capital increase, the Management Board of the Company will have the right to cancel the oversubscribed shares in accordance with § 3461(2) of the Commercial Code. During allocation the Management Board of the Company will grant the existing shareholders their pre-emptive right for subscription derived from legislative acts and follow the principle of equal treatment of shareholders;

10)in case the amount of shares subscribed for during the subscription period is below the volume of the planned share capital increase, the Management Board of the Company will have the right to cancel the shares that were not subscribed for during the subscription period. The Management Board will have the right to exercise this right for 15 days after the end of the subscription period;

11)by issuing new shares the Company wishes to improve its capitalization. Proceeds of the share issue will be used for investing in residential real estate development projects.

### 3. Appointment of Auditor

The Manager proposes the shareholders:

to appoint one auditor for one year (until the next ordinary shareholders general meeting) and appoint AS PricewaterhouseCoopers as such auditor. To pay the auditor the fee for auditing the company's economic activities during marketing year 2014 according to the future agreement between the company and AS Pricewaterhouse Coopers.

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Yours sincerely

Management Board of Arco Vara AS

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