

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 Studio II meeting room of the conference centre of Park Inn by Radisson Central, Narva mnt 7C, Tallinn on 15 May 2012 at 9.00 am.

The agenda of the annual general meeting:

1. Approval of the annual report for 2011

The supervisory board proposes that the shareholders approve the annual report for 2011.

2. Resolution on the allocation of profit

The supervisory board proposes that the shareholders transfer the net loss for the year ended 31 December 2011 of 3,381,662 euros to retained earnings.

3. Election of a member of the supervisory board

A member of the supervisory board of Arco Vara AS, Aare Tark, has submitted an application for stepping down from the supervisory board. To date, Arco Vara AS has received no proposals for a candidate of a new member of the supervisory board.

4. Appointment of the auditor

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 yldkoosolek@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 1 May

2012 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 12 May 2012 at the latest. Shareholder requests and proposals have to be submitted by email to yldkoosolek@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 8 May 2012 as at 23:59.

Registration of attendees begins on 15 May 2012 at 8:45 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 yldkoosolek@arcovara.ee on 12 May 2012 at the latest.

In the stock exchange announcement of 30 March 2012 Arco Vara stated that the notice of the annual general meeting would be published in a national daily newspaper on 20 April 2012.

Due to technical reasons, the notice of the annual general meeting including the exact time, location and agenda will be published in Postimees a day later, i.e. on 21 April 2012.

Yours sincerely

Management Board of Arco Vara AS