

# Special general meeting of Arco Vara AS

## NOTICE CALLING EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS; AGENDA AND DRAFT RESOLUTIONS

Dear shareholder of Arco Vara AS,

An extraordinary general meeting of the shareholders of Arco Vara AS (registry code 10261718; seat at Jõe 2B, Tallinn) will be held at 9 am on 10 February 2012 in Tallinn, at Paadi 5, Clarion Hotel Euroopa (Ida-Euroopa A hall).

Baltplast OÜ, a shareholder of Arco Vara AS holding 18.9% of the share capital of Arco Vara AS, requests that an extraordinary general meeting of the shareholders of Arco Vara AS be called with the following agenda and has submitted the following draft resolutions:

Removal of the supervisory board members of Arco Vara AS, Mr Ragnar Meitern, Mr Aare Tark and Mr Kalev Tanner, and election of new members of the supervisory board.

- To remove Mr Ragnar Meitern, Mr Aare Tark and Mr Kalev Tanner from the supervisory board of Arco Vara AS.
- To elect Mr Toomas Tool, Mr Aivar Pilv and Mr Stefan David Balkin as members of the supervisory board of Arco Vara AS.

On 18 January 2012, the supervisory board of Arco Vara AS has resolved to approve the following agenda for the extraordinary general meeting of the shareholders:

Removal of the supervisory board members of Arco Vara AS, Mr Ragnar Meitern, Mr Aare Tark and Mr Kalev Tanner, and election of new members of the supervisory board.

As for the reasons for its proposal to change the composition of the supervisory board, Baltplast OÜ first pointed out that there has been a rapid decline in the financial performance of Arco Vara AS since the end of 2007 and that the Arco Vara group should be managed in a more reasonable and effective manner; it also noted that Baltplast OÜ as the majority shareholder of Arco Vara AS has been unable to be directly involved in the management of Arco Vara AS so far.

Materials relating to the extraordinary general meeting of the shareholders of Arco Vara AS are available on the website of Arco Vara AS at <http://www.arcorealestate.com/investorile> or at the office of Arco Vara AS in Tallinn, at Jõe 2B, from 9 am to 5 pm on business days.

Questions concerning the items on the agenda can be asked by an email to [yldkoosolek@arcovara.ee](mailto:yldkoosolek@arcovara.ee). The questions and answers will be posted on the website of Arco Vara AS. A shareholder is entitled to receive information on the activities of Arco Vara AS from the management board at the general meeting pursuant to law. The shareholders whose shares represent at least one-twentieth of the share capital of Arco Vara AS may request that additional items be included on the agenda if they submit such a request at least 15 days before the date of the general meeting, i.e. on 26 January 2012 at the latest; they may also submit draft resolutions concerning each item on the agenda if they submit such resolutions at least three days before the date of the general meeting, i.e. on 7 February 2012 at the latest. All requests and proposals of the shareholders should be submitted by an email to [yldkoosolek@arcovara.ee](mailto:yldkoosolek@arcovara.ee) and they will be made public pursuant to the procedure provided by law.

The list of the shareholders entitled vote at the meeting will be closed as at seven days before the general meeting, i.e. at 11.59 pm on 3 February 2012.

Registration for the extraordinary general meeting will start at 8.45 am on 10 February 2012. For registration, please bring an identification document with you; representatives of shareholders should also bring a written authorisation document or other documents proving their right of representation. A shareholder may inform Arco Vara AS of the appointment of a representative or of withdrawal of authorisation granted to a representative before the general meeting by sending a digitally signed notice to the email address [yldkoosolek@arcovara.ee](mailto:yldkoosolek@arcovara.ee) on 7 February 2012 at the latest.

Yours sincerely,

The management board of Arco Vara AS