

Special general meeting of Arco Vara AS

NOTICE OF AN EXTRAORDINARY GENERAL MEETING, THE AGENDA OF THE MEETING AND A DRAFT RESOLUTION

Dear shareholder of Arco Vara AS

Notice is hereby given that an extraordinary general meeting of Arco Vara AS (registry number 10261718; registered office at Jõe 2B, Tallinn) will be held in the conference centre of the Park Inn by Radisson Central hotel, Narva mnt 7c, Tallinn on 30 July 2012 at 9.00 am.

Arco Vara AS's shareholder OÜ HM Investeeringud, who holds 20.04% of the share capital of Arco Vara AS, has requested that an extraordinary general meeting of Arco Vara AS be called and has proposed the following agenda and draft resolution:

“Election of two additional members to the supervisory board of Arco Vara AS

To elect Margus Kangro and Aivar Pihlak as members of the supervisory board of Arco Vara AS. The new members will assume their powers as of the adoption of the resolution of the general meeting.”

The materials of the extraordinary 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 propose resolutions on the agenda item, provided they submit the proposals at least three days before the general meeting, i.e. by 27 July 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 23 July 2012 as at 23.59.

Registration of attendees begins on 30 July 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 27 July 2012 at the latest.

Yours sincerely

Management Board of Arco Vara AS