

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

2 May 2012

Nordecon AS (registry code 10099962, address Pärnu mnt 158/1, 11317 Tallinn) hereby convenes an annual general meeting of shareholders, which shall be held on **28 May 2012 at 10.00 a.m. in the conference centre of Radisson Blu Hotel Olümpia, room Beta (Liivalaia 33, 10118 Tallinn).**

The list of shareholders, who are entitled to vote at the general meeting, shall be closed on 21 May 2012 at 23.59 hours.

The registration of the participants of the general meeting shall take place from 9.00 a.m. until 10.00 a.m. at the venue of the general meeting.

For registration, please submit:

- in case of a shareholder, who is a private person, a passport or ID card. The representative of the shareholder must also submit a written and currently valid power of attorney;
- in case of a shareholder, who is a legal entity, a currently valid extract from the respective register where the legal entity is registered and from which the authorisation of the legal entity's representative to represent the legal entity is evident (representation by virtue of law) and a passport or ID card or any other document of identification with a photo of the representative. If the legal entity is represented by a person who is not the legal representative of the legal entity, a written and currently valid power of attorney is also required.

Prior to the general meeting, a shareholder may notify Nordecon AS of giving a proxy or cancelling the proxy by sending a respective digitally signed notice to the e-mail address nordecon@nordecon.com or by delivering the notice in written form during working days from 10 a.m. until 4 p.m. to the address Pärnu mnt 158/1, 11317 Tallinn by 4.00 p.m. on 25 May 2012 at the latest, i.e. the last working day prior to the general meeting.

In accordance with the resolution of the council of Nordecon AS, dated 30 April 2012, the agenda of the annual general meeting is as follows:

1. Approval of the 2011 annual report and distribution of profit;
2. Election of auditor for the financial year 2012 and deciding on the remuneration of the auditor;
3. Changing the service fees of the council members.

The council of Nordecon AS makes the following proposals to the shareholders:

Item 1. Approval of the 2011 annual report and distribution of profit

1.1. To approve the 2011 annual report of Nordecon AS;

1.2. To distribute the profit of Nordecon AS as follows: net loss of the company of the financial year 2011 is EUR 5,304,000. The balance of retained earnings is EUR 10,257,000. To cover the net loss of the financial year using the retained earnings of previous periods. The balance of the retained earnings will remain undistributed. Not to pay dividends to the shareholders and not to make transfers to the statutory reserve.

Item 2. Election of auditor for the financial year 2012 and deciding on the remuneration of the auditor

Audit firm KPMG Baltics OÜ has rendered auditing service to Nordecon AS in 2011 based on the contracts signed in 2011. As per council's assessment the auditing service has been rendered in accordance with the aforementioned contract and the council has no objections to the quality of the auditing service.

The management board has carried out a procurement in spring 2011 to select an audit firm for the next 3 year period (annual periods 2011-2013) and has selected KPMG Baltics OÜ as best candidate in terms of quality and the price of the service. The auditor has confirmed as required by the corporate governance recommendations that it has no work, economic or other relations that would threaten its independence while rendering auditing service.

2.1. To elect audit firm KPMG Baltics OÜ as the auditor of Nordecon AS for the financial year 2012 and to pay for the services according to the agreement to be signed with the auditor.

Item 3. Changing the service fees of the council members

The changes in Nordecon AS group management structure during 2009-2011 and the reduction of management board members has seen the workload of Nordecon AS' chairman (Mr Toomas Luman) and vice chairman (Mr Alar Kroodo) of the council in organising the management of the company rise significantly. This requires the service fees of chairman and vice chairman to be brought in line with their actual workload. The increased effort on behalf of chairman and vice chairman requires their overall remuneration to be tied to consolidated financial results of Nordecon AS. In addition the service fees of other council members, which were set in 2006, must also be reviewed.

3.1. To set (effective from 1 January 2012) the service fee of the chairman of the council to 5 700 euros per month, the service fee of vice chairman to 2 850 euros per month and the service fees of other council members to 800 euros per month.

3.2. To provide the chairman and the vice chairman of the council with necessary means (car, mobile phone) to carry out work related tasks and to cover those expenses (effective from 1 January 2012).

3.3. To pay (effective from 1 January 2012) performance fee to chairman and vice chairman for achieving the targets set for the financial year to Nordecon AS' consolidated financial results. To set the remuneration principles in line with those used to pay performance fees to member of management board. The performance fee to the chairman and vice chairman of the council may not exceed one management board member's performance fee by 2/3 and 1/3 respectively.

The 2011 annual report of Nordecon AS and the independent auditor's report are available for review on the website of NASDAQ OMX Tallinn Stock Exchange www.nasdaqomxbaltic.com.

All documents pertaining to the annual general meeting of Nordecon AS, inter alia the draft resolutions and including the reasoning of such addition, resolutions of additional items to the meeting's agenda proposed by shareholders, the 2011 annual report, independent auditor's report, profit distribution proposal and the written report of the council regarding the annual report and any other documents and relevant information to be published under the law or related to the meeting's items are available for review starting from 2 May 2012 on the website of Nordecon AS www.nordecon.com. Questions related to the annual general meeting and its agenda can be sent to the e-mail address nordecon@nordecon.com. The questions, answers and shareholder's

propositions relating to the items on agenda will be published on the website of Nordecon AS www.nordecon.com.

A shareholder has a right to receive information on the activities of Nordecon AS from the management board at the general meeting. The management board may refuse to disclose the information if there is sufficient grounds to presume that the disclosure may adversely affect the interests of the company. If the management board refuses to disclose the information, the shareholder may demand that the general meeting decides on the lawfulness of the shareholder's request or to file within two weeks from the general meeting a petition to a court by way of proceedings on petition to compel the management board to disclose the information.

Shareholders, whose shares represent at least 1/20 of the share capital of Nordecon AS, may propose draft resolutions with respect to each item on the agenda. Proposals must be sent in writing to Nordecon AS at the address Pärnu mnt 158/1, 11317 Tallinn, at least 3 days prior to the general meeting, i.e. by 25 May 2012.

Shareholders, whose shares represent at least 1/20 of the share capital of Nordecon AS, may request that additional items be added on the agenda of the general meeting. The request must be sent in writing to Nordecon AS at the address Pärnu mnt 158/1, 11317 Tallinn, at least 15 days prior to the general meeting, i.e. by 13 May 2012.