

REMUNERATION REPORT

ABOUT REMUNERATION PAID BY CITYCON OYJ DURING THE FINANCIAL YEAR 1 JANUARY–31 DECEMBER 2017

Citycon's Remuneration Report has been drafted according to the Corporate Governance Code 2015 (www.cgfinland.fi/en) issued by the Finnish Securities Market Association. The Remuneration Report discloses remuneration and other financial benefits paid to the members of the Board of Directors as well as to the CEO and the other members of the Corporate Management Committee during the financial year 1 January–31 December 2017. For comparison, the Remuneration Report also presents

remuneration paid during the financial year preceding the reported financial year.

This Remuneration Report has been published simultaneously with Citycon Oyj's Financial Statements, the Report by the Board of Directors and the Corporate Governance Statement for 2017.



The Corporate Governance Code is available on the Securities Market Association's website at cgfinland.fi.

BOARD OF DIRECTORS' FEES

| | 2017 | | 2016 | |
|---------------------------------------------------------------|----------------|---------------|----------------|----------------|
| | Annual fees | Meeting fees | Annual fees | Meeting fees |
| Chaim Katzman, Chairman | 165,000 | – | 165,000 | – |
| Bernd Knobloch, Deputy Chairman | 70,000 | 14,000 | 70,000 | 15,000 |
| Arnold de Haan | 50,000 | 11,400 | 50,000 | 12,000 |
| Kirsi Komi | 50,000 | 12,000 | 50,000 | 13,200 |
| Rachel Lavine | 50,000 | 12,600 | 50,000 | 12,200 |
| David Lukes (as of 22 March 2017) | 55,000 | 7,800 | | |
| Andrea Orlandi* | – | – | – | – |
| Claes Ottosson | 50,000 | 11,400 | 50,000 | 11,400 |
| Per-Anders Ovin | 50,000 | 12,600 | 50,000 | 13,200 |
| Ariella Zochovitzky | 55,000 | 13,800 | 55,000 | 14,600 |
| Ronen Ashkenazi (until 16 March 2016) | – | – | – | 2,000 |
| Dor J. (Dori) Segal (as of 16 March 2016 until 22 March 2017) | – | 2,000 | 75,000 | 8,600 |
| Total | 595,000 | 97,600 | 615,000 | 113,600 |

* Andrea Orlandi has notified the company that he will not accept any annual or meeting fees payable by the company.



Citycon's Annual Report 2017 consists of four different parts. To read all the reports, please visit www.citycon.com/annual-reports.

BOARD OF DIRECTORS

The annual and meeting fees paid to the Board members for Board and Committee work in 2017 and, for comparison, corresponding information from the previous financial year are presented in the table on the left (EUR).

The Board members do not have an employment or service contract with the company. Furthermore, they do not have share-based remuneration schemes, nor are they included in the company's other incentive schemes.

CEO

Marcel Kokkeel (LL.M, born 1958) acts as Citycon's CEO since 24 March 2011.

Financial benefits paid to the CEO in 2017 and, for comparison, corresponding informa-

tion from the previous year are presented in the table below.

The Board will evaluate the achievement of the CEO's performance targets and decide on the CEO's performance bonus amount payable for the financial year 2017 during the first quarter of 2018. The CEO's performance target measures and their mutual weights for 2017, as determined by the Board, are EPRA EPS (weight 20%), net rental income growth (weight 15%), fair value development of the like-for-like properties (weight 10%), selling, general & administrative expenses (S G & A) management (weight 10%), progress of investments, divestments and developments (weight 25%) and discretionary (weight 30%). The Board may, however, at its discretion and based on its overall performance evaluation, may adjust

| CEO's benefits | 2017 | 2016 |
|------------------------------------------------------------------------------------------------|---------|---------|
| Annual salary (EUR) | 624,255 | 621,150 |
| Fringe benefits (EUR) | 14,400 | 36,236 |
| Cash bonus related to CEO's performance bonus for the previous financial year (EUR) | 231,067 | 246,000 |
| Share bonus related to CEO's performance bonus for the previous financial year (Citycon share) | 102,396 | 113,192 |

the CEO's performance bonus amount within the maximum bonus sum stipulated in the CEO's service agreement.

Related to the company's stock option plan 2011, the CEO has 1,000,000 stock options 2011A-D(I), 250,000 stock options in each sub-category. A share ownership obligation, under which the CEO is obliged to acquire the company's shares with 25% of the gross stock option income gained from the exercised stock options, is incorporated into the stock options granted to the CEO. The acquisition obligation will expire once the CEO owns the company's shares worth his 12 months' gross salary. Such shares must be held as long as the service contract is in force.

The CEO may be granted a maximum of 219,974 shares on the basis of the performance periods 2015–2017, 2016–2018 and 2017–2019 of the performance share plan 2015, i.e. a total maximum of 659,922 shares.

The CEO does not have any individual pension arrangements.

MEMBERS OF THE CORPORATE MANAGEMENT COMMITTEE

In 2017, in addition to the CEO, Citycon's Corporate Management Committee consisted of Eero Sihvonen, Executive Vice President and CFO; Anu Tuomola, General Counsel and Head of Legal Affairs; Jurn Hoeksema, Chief Operating Officer; Tom Lisiecki, Chief Development Officer (as of 3 July 2017); and Marianne Håkonsen, Vice President, Marketing and Branding (until 31 December 2017).

Financial benefits paid to the members of the Corporate Management Committee in 2017 and, for comparison, corresponding information from the previous year, are presented in the table below (EUR).

The performance bonus amounts paid to the members of the Corporate Management Committee have been based on the Group's and business units' profit and personal performances of the members.

In relation to the company's stock option plan 2011, the members of the Corporate Management Committee have the

stock options presented in the table below.

A share ownership obligation, under which the members of the Corporate Management Committee are obliged to acquire the company's shares with 25% of the gross stock option income gained from the exercised stock options, is incorporated into the stock options granted to the members. The acquisition obligation will expire once the member owns the company's shares worth 12 months of his or her gross salary. Such shares must be held as long as the employment contract is in force.

The members of the Corporate Management Committee may be granted a maximum total of 334,678 shares on the basis of the performance period 2015–2017 of the performance share plan 2015; a maximum total of 420,438 shares on the basis of the performance period 2016–2018; and a maximum total of 434,052 shares on the basis of the performance period 2017–2019.

In 2017, the members of the Corporate Management Committee were paid rewards

corresponding to the value of a total of 12,854 shares on basis of the restricted share plan 2015. In addition, the members of the Corporate Management Committee have been allocated a total of 225,000 shares on basis of the restricted share plan 2015. The shares are vesting between 07/2018 and 02/2020.

Members of the Corporate Management Committee do not have any individual pension arrangements.

SUBSCRIPTION ON THE BASIS OF THE STOCK OPTION PLAN 2011

The stock options issued under the stock option plan 2011 have not been exercised for share subscription (31 January 2018).

| Benefits of the members of the Corporate Management Committee (excluding the CEO) | 2017 | 2016* |
|-----------------------------------------------------------------------------------|-----------|-----------|
| Annual salaries and severance compensation | 1,209,310 | 1,031,776 |
| Fringe benefits | 153,029 | 130,450 |
| Performance bonuses for the previous financial year | 435,947 | 449,156 |

* In 2016, in addition to the CEO, the Corporate Management Committee consisted of Eero Sihvonen, Executive Vice President and CFO; Anu Tuomola, General Counsel and Head of Legal Affairs; Jurn Hoeksema, Chief Operating Officer; Nils Styf, Chief Investment Officer (until 31 August 2016); and Marianne Håkonsen, Vice President, Marketing and Branding.

| Stock option plan 2011 | 2011A(I-III) | 2011B(I-III) | 2011C(I-III) | 2011D(I-III) |
|-------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| CEO | 250,000 | 250,000 | 250,000 | 250,000 |
| Members of the Corporate Management Committee (excluding the CEO) | 262,500 | 262,500 | 262,500 | 262,500 |