

Proposals by Citycon's Board of Directors' for the Annual General Meeting

(Agenda items 9, 11-18)

Resolution on the Use of the Profit Shown on the Balance Sheet as well as Authorization of the Board of Directors to Decide on the Distribution of Dividend and Assets from the Invested Unrestricted Equity Fund

(agenda item 9)

The Board of Directors proposes that based on the balance sheet to be adopted for the financial period ended on 31 December 2018, no dividend is distributed by a resolution of the Annual General Meeting.

Nonetheless, the Board of Directors proposes that the Board of Directors be authorized to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund in the manner set forth below.

Based on this authorization, the maximum total amount of dividend to be distributed shall not exceed EUR 8,899,926.28 and the maximum total amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 106,799,115.36. Based on the current total number of issued shares in the company, the authorization would equal to a maximum of EUR 0.01 per share in dividend and a maximum of EUR 0.12 per share in equity repayment, and after the completion of the reverse share split and the related redemption and cancellation of the company's shares as set out in item 16 below, if the general meeting approves the reverse share split in the proportion proposed in the said item, a maximum of approximately EUR 0.05 per share in dividend and a maximum of approximately EUR 0.60 per share in equity repayment

The authorization is valid until the opening of the next Annual General Meeting.

Unless the Board of Directors decides otherwise for a justified reason, the authorization will be used to distribute dividend and/or equity repayment four times during the period of validity of the authorization. In this case, the Board of Directors will make separate resolutions on each distribution of the dividend and/or equity repayment so that the preliminary record and payment dates will be as stated below. Citycon shall make separate announcements of such Board resolutions.

Preliminary payment date	Preliminary record date
29 March 2019	22 March 2019
28 June 2019	21 June 2019
30 September 2019	23 September 2019
30 December 2019	19 December 2019

The dividend and/or equity repayment based on the resolution of the Board of Directors will be paid to a shareholder registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the record date of the dividend and/or equity repayment.

For the sake of clarity, it is noted that if the general meeting does not approve the reverse share split set out in item 16 below or if the general meeting resolves to approve the reverse share split applying other reverse split ratio than the one proposed in the said item, this does not have an effect on the maximum aggregate amounts of dividend and equity repayment subject to the authorization as proposed above. However, in the event the general meeting does not approve the reverse share split proposed by the Board of Directors, the preliminary record date of the first distribution of dividend and/or equity repayment shall, in deviation from the above table, be 15 March 2019. In other respects, the authorization shall remain unchanged.

Resolution on the Remuneration of the Members of the Board of Directors

(agenda item 11)

CITYCON OYJ

Iso Omena

Visiting address: Piispanilta 21, FI-02230 Espoo, Finland

Mailing address: Suomenlahdentie 1, FI-02230 Espoo, Finland

Business ID: 0699505-3

www.citycon.com

The Board of Directors proposes on the recommendation of the Nomination and Remuneration Committee that the remuneration of members of the Board of Directors would remain the same and the Chairman of the Board of Directors be paid an annual fee of EUR 160,000, the Deputy Chairmen EUR 70,000 and the ordinary members of the Board EUR 50,000. The Chairmen of the Board of Directors' Committees would be paid an additional annual fee of EUR 5,000.

It is proposed that the Chairmen of the meetings of the Board's Committees shall be paid a meeting fee of EUR 800 and other Board and Committee members EUR 600 per meeting, with the exception of the Chairman of the Board, who shall be paid no meeting fees.

The members of the Board of Directors shall be compensated for accrued travel and lodging expenses as well as other potential costs related to Board and Committee work.

Resolution on the Number of Members of the Board of Directors

(agenda item 12)

The Board of Directors proposes on the recommendation of the Nomination and Remuneration Committee that the number of members of the Board of Directors shall be nine.

Election of the Members of the Board of Directors

(agenda item 13)

The Board of Directors proposes on the recommendation of the Nomination and Remuneration Committee that of the current members of the Board of Directors Chaim Katzman, Bernd Knobloch, Arnold de Haan, David Lukes, Andrea Orlandi, Per-Anders Ovin, Ofer Stark and Ariella Zochovitzky be re-elected, and that Alexandre Koifman be elected as a new member to the Board of Directors. The members of the Board of Directors will be elected for a term that will continue until the close of the next Annual General Meeting.

All candidates have given their consent to the election.

All candidates for the Board of Directors have been presented on the company's website citycon.com/agm2019. In addition, information on the proposed new member of the Board of Directors is available at the end of this notice.

Resolution on the Remuneration of the Auditor

(agenda item 14)

The Board of Directors proposes on the recommendation of the Audit and Governance Committee that the audit fee be paid in accordance with the auditor's invoice approved by the company.

Election of the Auditor

(agenda item 15)

On the recommendation of the Audit and Governance Committee, the Board of Directors proposes that the company's present auditor Ernst & Young Oy, a firm of authorized public accountants, be re-elected as the auditor. Ernst & Young Oy has announced that APA Mikko Ryttilahti would act as the auditor with principal responsibility.

Proposal of the Board of Directors to carry out a reverse share split pursuant to Chapter 15, Section 9 of the Companies Act and thereto related redemption of shares in deviation from the proportional shareholdings of the shareholders

(agenda item 16)

The Board of Directors proposes that the general meeting resolve that the number of shares in the company be reduced without reducing the share capital by merging each five shares in the company to one share by means of the procedure provided in Chapter 15, Section 9 of the Limited Liability

Companies Act (624/2006, as amended, the “**Companies Act**”). The purpose of merging the shares is to facilitate trade in the company’s shares by increasing the value of an individual share as well as to increase flexibility in connection with a possible distribution of funds. The Board of Directors thus holds that merging the shares is in the interest of the company and all of its shareholders and that the company therefore has a weighty financial reason for the reverse share split and the related redemption of shares. The reverse share split does not affect the company’s equity.

The Board of Directors proposes that the reverse share split be carried out by redeeming without compensation, in deviation from the proportional shareholdings of shareholders as set out in the Chapter 15, Section 9 of the Companies Act, from every shareholder a number of shares corresponding to the result of multiplying the number of shares on each book-entry account on the reverse split date by a coefficient of 4/5, i.e. for each existing five shares, four shares will be redeemed. The number of shares owned by each shareholder will be determined separately for each book-entry account. In order to avoid share fractions, the number of shares redeemed from each shareholder will, if necessary, be rounded up to the nearest whole share.

The fractions of shares redeemed due to the rounding-up will be paid to the respective shareholders in cash as detailed below. If a shareholder owns less than five shares, all of the shares owned by the shareholder in the company will be redeemed. In such an event, the shares will be sold on behalf of the shareholder and the proceeds from the sale will be paid to the shareholder in the same way as the proceeds acquired from the sale of the fractions of shares redeemed due to the rounding-up. In other respects, the redemption will be carried out without compensation.

The shares redeemed without compensation as part of the reverse share split will be cancelled immediately in connection with the redemption, with the exception of the aforementioned fractions of shares redeemed due to the rounding-up. Taking into account the cancellation of the company’s shares prior to the reverse share split as described below, based on the situation on the date of this notice to the general meeting, the total amount of shares to be redeemed without compensation and cancelled immediately is a maximum of 711,994,100, excluding the fractions of shares redeemed due to the rounding-up.

The fractions of shares to be redeemed due to the rounding-up will be merged and sold without delay on the Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) securities exchange on behalf of the respective shareholders. The proceeds acquired from the sale will be paid to the shareholders in proportion to the difference between the number of shares redeemed from each shareholder and the number of shares that would be redeemed without the rounding-up. Interest will be paid on the proceeds for the period between the redemption and the time of payment of the proceeds pursuant to the applicable reference rate within the meaning of Section 12 of the Interest Act (633/1982, as amended).

The reverse split date, on the basis of which the shareholders’ right to proceeds acquired from the sale of shares redeemed due to the rounding-up is determined, is 15 March 2019. The reverse share split will be executed in the book-entry system after the close of trading on the reverse split date. The cancellation of shares and the new total number of shares in the company will be evidenced in the Trade Register on or about 18 March 2019 at the latest. Trading with the new total number of the company’s shares will commence on Nasdaq Helsinki with a new ISIN code on or about 18 March 2019. Proceeds acquired from the shares sold due to the rounding-up will be paid to shareholders entitled thereto on or about 25 March 2019. If necessary, the trading with the company’s share on Nasdaq Helsinki shall be temporarily interrupted in order to perform necessary technical measures in the trading facility after the reverse split date.

Before carrying out the reverse share split, the company will, if necessary, cancel such number of its shares that the total number of issued shares in the company will be divisible by five before the reverse share split. Based on the total number of issued shares in the company as on the date of this notice to the general meeting, the company has resolved to cancel three of its shares at the request of a shareholder. This cancellation and thereto-related reduction in the total number of shares in the Company will be filed for registration without delay.

If the general meeting approves the reverse share split, the Board of Directors will amend the company's share-based incentive schemes in such manner that the reverse share split will be taken into account therein in the proportion mentioned above in this item.

If implemented, the arrangement will not require any measures from shareholders.

Authorizing the Board of Directors to Decide on the Issuance of Shares as well as the Issuance of Special Rights Entitling to Shares
(agenda item 17)

The Board of Directors proposes that the Board of Directors be authorized to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act by one or several decisions in the manner described below.

The number of shares to be issued shall not exceed 17 million shares, which would correspond to approximately 9.55 percent of all registered shares in the company after the redemption and cancellation of shares has been completed in the manner described in item 16 above. Shares potentially issued by virtue of the special rights entitling to shares are included in the aforesaid maximum number of shares.

The Board of Directors decides on all the conditions of the issuance of shares and special rights entitling to shares. The authorization concerns both the issuance of new shares as well as the transfer of own shares held by the company. The issuance of shares and special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights by way of a directed issue.

The authorization is valid until the close of next Annual General Meeting, however, no longer than until 30 June 2020, and it revokes all earlier share issue authorizations as well as authorizations to issue special rights entitling to shares.

In the event the general meeting does not approve the reverse share split pursuant to the proposal of the Board of Directors, the number of shares covered by the authorization shall be increased so that the authorization shall apply to a total maximum of 85 million shares.

In the event the general meeting resolves to approve the reverse share split applying other reverse split ratio than the one proposed by the Board of Directors, the authorization shall be amended so that it corresponds to a number of shares that is approximately equal to a maximum of 9.55 per cent of the total number of registered shares after the reverse share split.

Authorizing the Board of Directors to Decide on the Repurchase and/or on the Acceptance as Pledge of the Company's Own Shares
(agenda item 18)

The Board of Directors proposes that the Board of Directors be authorized to decide on the repurchase and/or on the acceptance as pledge of the company's own shares in one or several tranches as follows.

The number of own shares to be repurchased and/or accepted as pledge shall not exceed 10 million shares, which would correspond to approximately 5.62 per cent of all registered shares in the company after the redemption and cancellation of shares has been completed in the manner described in item 16 above. The company or its subsidiaries do not currently own shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorization.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or at a price otherwise formed on the market.

The Board of Directors decides how own shares will be repurchased and/or accepted as pledge. Own shares can be repurchased for instance by using derivatives. Own shares can be repurchased

otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

The authorization is valid until the close of next Annual General Meeting, however, no longer than until 30 June 2020, and it revokes all earlier authorizations to repurchase and/or accept as pledge the company's own shares.

In the event the general meeting does not approve the reverse share split pursuant to the proposal of the Board of Directors, the number of shares covered by the authorization shall be increased so that the authorization shall apply to a total maximum of 50 million shares.

In the event the general meeting resolves to approve the reverse share split applying other reverse split ratio than the one proposed by the Board of Directors, the authorization shall be amended so that it corresponds to a number of shares that is approximately equal to a maximum of 5.62 per cent of the total number of registered shares after the reverse share split.