

# REMUNERATION REPORT

## ABOUT REMUNERATION PAID BY CITYCON OYJ DURING THE FINANCIAL YEAR 1 JANUARY–31 DECEMBER 2018

Citycon's Remuneration Report has been drafted according to the Finnish Corporate Governance Code 2015 ([www.cgfinland.fi/en](http://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 2018. 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 2018.



The Corporate Governance Code is available on the Securities Market Association's website at [cgfinland.fi](http://cgfinland.fi).

### BOARD OF DIRECTORS' FEES

	2018		2017	
	Annual fees	Meeting fees	Annual fees	Meeting fees
Chaim Katzman	165,000	-	165,000	-
Bernd Knobloch	70,000	13,200	70,000	14,000
Arnold de Haan	50,000	14,400	50,000	11,400
David Lukes	55,000	9,800	55,000	7,800
Andrea Orlandi*	-	-	-	-
Per-Anders Ovin	50,000	11,400	50,000	12,600
Ofer Stark (as of 20 March 2018)	50,000	9,000	-	-
Ariella Zochovitzky	55,000	13,200	55,000	13,800
Kirsi Komi (until 27 October 2018)	32,808	10,200	50,000	12,000
Rachel Lavine (until 20 March 2018)	-	2,400	50,000	12,600
Claes Ottosson (until 20 March 2018)	-	3,000	50,000	11,400
Dor J. (Dori) Segal (until 22 March 2017)	-	-	-	2,000
<b>Total</b>	<b>527,808</b>	<b>86,600</b>	<b>595,000</b>	<b>97,600</b>

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



Citycon's Annual Report 2018 consists of three different parts. To read all the reports, please visit [www.citycon.com/annual-reports](http://www.citycon.com/annual-reports).

### BOARD OF DIRECTORS

The annual and meeting fees paid to the Board members for Board and Committee work in 2018 and, for comparison, corresponding information from the previous financial year are presented in the table on the left (EUR).

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

### CEO

Marcel Kokkeel (LL.M, born 1958) acted as Citycon's CEO since 24 March 2011 until 31 December 2018. On 2 January 2019 F. Scott Ball started as CEO of Citycon.

Financial benefits paid to the CEO in 2018 and, for comparison, corresponding information from the previous year are listed in the table below (EUR).

CEO's benefits	2018	2017
Annual salary (EUR)	627,377	624,255
Fringe benefits (EUR)	15,667	14,400
Cash bonus related to CEO's performance bonus for the previous financial year (EUR)	217,500	231,067
Share bonus related to CEO's performance bonus for the previous financial year (Citycon share)	114,565	102,396

As a rule, Citycon's Board evaluates the achievement of the CEO's performance targets and decide on the CEO's performance bonus amount payable for each financial year during the first quarter of the following calendar year. However, for 2018 the CEO's performance bonus was determined in connection with a mutual termination agreement signed between the company and the CEO on 2 November 2018. According to the agreement, Mr. Kokkeel shall be paid a bonus for the financial year 2018 amounting to EUR 435,000. The performance bonus shall be paid 50% in cash and 50% in company's shares and is payable in March 2019.

In 2018, the CEO was paid 5,583 shares (plus the cash proportion required for covering taxes and employment related expenses) on the basis of the performance period 2015–2017 of the company's performance share plan 2015. The CEO's allocations of shares (i) on the basis of the performance periods 2016–2018 and 2017–2019 of the

performance share plan 2015 was 219,974 for each period, i.e. a total maximum of 439,948 shares; (ii) on the basis of the matching period 2018–2019 of the matching share plan 2018–2020 a total of 65,250 shares; and (iii) on the basis of the restricted share plan 2015 100,000 shares vesting on 05/2019.

In connection with the signing of the mutual termination agreement between the company and the CEO on 2 November 2018, the CEO was treated as a good leaver allowing him to keep all share allocations under the long-term incentive plans. At the same time the vesting date for the restricted shares was advanced from 02/2020 to 05/2019.

The CEO did not have any individual pension arrangements.

### MEMBERS OF THE CORPORATE MANAGEMENT COMMITTEE

In 2018, 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; and Tom Lisiecki, Chief Development Officer.

Financial benefits paid to the members of the Corporate Management Committee in 2018 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 2018, the members of the Corporate Management Committee were paid 8,495 shares (plus the cash proportion required for covering taxes and employment related expenses) on the basis of the performance period 2015–2017 of the company's performance share plan 2015, and rewards corresponding to the value of a total of 25,000 shares on basis of the restricted share plan 2015. The members of the Corporate Management Committee's allocations of shares (i) on the basis of the performance period 2016–2018 of the performance share plan 2015 is a maximum total of 420,438 shares and on the basis of the performance period 2017–2019 a maximum total of 434,052 shares; (ii) on the basis of the matching period 2018–2019 of the matching share plan 2018–2020 a total of 47,739 shares; and (iii)

on basis of the restricted share plan 2015 a total of 175,000 shares vesting between 05/2019 and 02/2020.

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

### STOCK OPTION PLAN 2011

Citycon's stock option plan 2011 expired on 31 March 2018. No shares were subscribed with the stock-options.

#### Benefits of the members of the Corporate Management Committee (excluding the CEO)

	2018	2017*
Annual salaries and severance compensation	1,073,868	1,209,310
Fringe benefits	76,754	153,029
Performance bonuses for the previous financial year	422,642	435,947

\* In 2017, 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; Tom Lisiecki, Chief Development Officer (as of 3 July 2017); and Marianne Håkonsen, Vice President, Marketing and Branding.