

**Notice to the Annual General Meeting of Citycon Oyj**

The shareholders of Citycon Oyj are hereby invited to the Annual General Meeting to be held on Wednesday, 13 March 2019 at 12.00 noon at Finnkino Iso Omena (Scape Premium hall), at the address Piispansilta 11, Espoo, Finland. The reception of participants who have registered for the meeting and the distribution of voting tickets will commence at 11.00 a.m.

**A. Matters on the Agenda of the General Meeting****1. Opening of the Meeting****2. Calling the Meeting to Order****3. Election of Persons to Scrutinize the Minutes and to Supervise the Counting of Votes****4. Recording the Legality of the Meeting****5. Recording the Attendance and Adopting the List of Votes****6. Presentation of the Financial Statements and the Report of the Board of Directors for the Year 2018**

- Review by the CEO

**7. Presentation of the Auditor's Report****8. Adoption of the Financial Statements****9. 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**

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.

<b>Preliminary payment date</b>	<b>Preliminary record date</b>
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.

#### **10. Resolution on the Discharge of the Members of the Board of Directors and the CEO from Liability**

##### **11. Resolution on the Remuneration of the Members of the Board of Directors**

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.

##### **12. Resolution on the Number of Members of the Board of Directors**

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.

##### **13. Election of the Members of the Board of Directors**

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](http://citycon.com/agm2019). In addition, information on the proposed new member of the Board of Directors is available at the end of this notice.

#### 14. Resolution on the Remuneration of the Auditor

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.

#### 15. Election of the Auditor

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 Ryttilähti would act as the auditor with principal responsibility.

#### 16. 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

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.

#### **17. Authorizing the Board of Directors to Decide on the Issuance of Shares as well as the Issuance of Special Rights Entitling to Shares**

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.

## **18. Authorizing the Board of Directors to Decide on the Repurchase and/or on the Acceptance as Pledge of the Company's Own Shares**

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.

## **19. Closing of the Meeting**

### **B. Documents of the General Meeting**

Citycon Oyj's Financial Statements, the Report of the Board of Directors and the Auditor's Report, the proposals for the decisions on the agenda of the Annual General Meeting, and this notice are available on the company's website [citycon.com/agm2019](http://citycon.com/agm2019) not later than 20 February 2019. Said documents will also be available at the venue of the meeting. Minutes of the Annual General Meeting will be available on the aforementioned website as of 27 March 2019 at the latest.

### **C. Instructions for the Participants in the General Meeting**

#### **1. Shareholders registered in the shareholders' register**

Each shareholder, who is registered in the company's shareholders' register maintained by Euroclear Finland Ltd on Friday, 1 March 2019 has the right to participate in the general meeting. A shareholder, whose shares are registered on his/her personal Finnish book-entry account, is registered in the company's shareholders' register.

A shareholder, who is registered in the company's shareholders' register and wants to participate in the general meeting, shall register for the meeting by giving a prior notice of participation not later than 8 March 2019 at 4.00 p.m. The notice has to be received by the company before the end of the registration period. Such notice can be given

- on the company's website [citycon.com/agm2019](http://citycon.com/agm2019),

- by e-mail to [legal@citycon.com](mailto:legal@citycon.com),
- by telephone +358 20 766 4400 from Mondays to Fridays between 9.00 a.m. and 4.00 p.m., or
- by mail addressed to Citycon Oyj, AGM, Suomenlahdentie 1, FI-02230 Espoo, Finland.

In connection with the registration, a shareholder is requested to notify his/her name, personal identification number or business-ID, telephone number as well as the name of a possible assistant or proxy representative, and the personal identification number of the proxy representative. The personal data given to Citycon Oyj is used only in connection with the general meeting and with the processing of related registrations.

The shareholder, his/her authorized representative or proxy representative shall, where necessary, be able to prove his/her identity and/or right of representation.

## **2. Holders of nominee registered shares**

A holder of nominee registered shares has the right to participate in the general meeting by virtue of such shares, based on which (s)he on the record date of the general meeting, i.e. on 1 March 2019, would be entitled to be registered in the company's shareholders' register maintained by Euroclear Finland Ltd. In addition, the right to participate in the general meeting requires that the shareholder has, on the basis of such shares, been temporarily registered in the shareholders' register maintained by Euroclear Finland Ltd not later than 8 March 2019 at 10.00 a.m. As regards nominee registered shares this constitutes due registration for the general meeting.

A holder of nominee registered shares is advised to request without delay necessary instructions regarding the temporary registration in the company's shareholders' register, the issuing of proxy documents and registration for the general meeting from his/her custodian bank. The account management organization of the custodian bank shall register a holder of nominee registered shares, who wants to participate in the general meeting, to be temporarily entered in the company's shareholders' register at the latest by the time stated above. Further information on these matters can also be found on the company's website [citycon.com/agm2019](http://citycon.com/agm2019).

## **3. Proxy representative and proxy documents**

A shareholder may participate in the general meeting and exercise his/her rights at the meeting by way of proxy representation. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the general meeting. When a shareholder participates in the general meeting by means of several proxy representatives representing the shareholder with shares at different securities accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration for the general meeting. Proxy templates are available on the company's website [citycon.com/agm2019](http://citycon.com/agm2019).

Possible proxy documents are requested to be submitted to the company by the end of the registration period.

## **4. Further instructions/information**

Pursuant to Chapter 5, Section 25 of the Companies Act, a shareholder who is present at the general meeting has the right to request information with respect to the matters to be considered at the meeting.

Further information on matters pertaining to general meeting and on shareholder's rights is available on the company's website [citycon.com/general-meeting](http://citycon.com/general-meeting).

On the date of publication of this notice, 15 February 2019, Citycon Oyj has 889,992,628 shares and votes.

**Information on the proposed new member of the Board of Directors**

Alexandre Koifman

Born 1953

French and Swiss citizen

Main occupation: Managing Director, Efficient Frontiers Investing SA.