

**Proposals by Citycon's Board of Directors' for the Annual General Meeting**  
(Agenda items 9, 11–17)

**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 2016 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 as follows.

Based on this authorization the maximum amount of dividend to be distributed shall not exceed EUR 0.01 per share and the maximum amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.12 per share.

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>
31 March 2017	24 March 2017
30 June 2017	22 June 2017
29 September 2017	22 September 2017
29 December 2017	14 December 2017

The dividend and/or equity repayment based on a 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 for the dividend and/or equity repayment.

**Resolution on the Remuneration of Members of the Board of Directors**  
(agenda item 11)

The Board of Directors proposes on the recommendation of the Nomination and Remuneration Committee that 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.

In addition, 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. The Chairman of the Board shall be paid no meeting fees.

The members of the Board of Directors shall be compensated 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 ten.

**Election of 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, Kirsi Komi, Rachel Lavine, Andrea Orlandi, Claes Ottosson, Per-Anders Ovin and Ariella Zochovitzky be re-elected, and that David R. Lukes 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. Of the current Board members, Dor J. Segal will leave the Board of Directors.

All candidates have given their consent to the election.

All candidates have been presented on the company's website [www.citycon.com/agm2017](http://www.citycon.com/agm2017). 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 according to the auditor's invoice.

**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 Mikko Ryttilahti, APA would act as the auditor with principal responsibility.

The Audit and Governance Committee has prepared its recommendation in accordance with the EU Audit Regulation (537/2014) and organized a selection procedure. The Committee has assessed the received offers against predefined selection criteria. In addition to the knowledge, competences and overall competitiveness, the Committee has considered the quality and expense risk related to a change of the auditor and, on the other hand, the integrity of the auditor.

As a secondary choice the Audit and Governance Committee of the Board of Directors has recommended Deloitte & Touche Ltd, a firm of authorized public accountants. Deloitte & Touche Ltd has notified that Ari Hakkola would act as the auditor with principal responsibility.

The Audit and Governance Committee hereby confirms that its recommendation is free from influence by a third party and that no clause of the kind referred to in paragraph 6 of the Article 16 of the EU Audit Regulation has been imposed upon it.

**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 16)

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 Finnish Companies Act by one or several decisions as follows.

The amount of shares to be issued shall not exceed 85 million shares, which corresponds to approximately 9.55 percent of all the current shares in the company. 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 2018.

**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 17)

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 amount of own shares to be repurchased and/or accepted as pledge shall not exceed 50 million shares, which corresponds to approximately 5.61 per cent of all the current 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 otherwise at a price 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 using, inter alia, 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 2018.