

# CITYCON

## CITYCON OYJ 2004 STOCK OPTIONS

In its meeting on 15 March 2004 the Annual General Meeting of Shareholders of Citycon Oyj (Citycon or the Company) has, in accordance with the proposal by the Board of Directors of Citycon Oyj (Board of Directors) on 12 February 2004, resolved to issue stock options to the personnel of Citycon and its subsidiaries (the Citycon Group) and to a wholly owned subsidiary of Citycon on the following terms and conditions. The terms of the share subscription has been amended as a result of a rights issue by the resolution of the Board of Directors on 24 March 2006. The stock option terms have also been amended by the resolution of the Annual General Meeting of Shareholders on 13 March 2007.

### I STOCK OPTION TERMS AND CONDITIONS

#### 1. Number of Stock Options

The total number of stock options issued shall be 3,900,000, which entitle to subscribe for a total of 4,138,290 shares in Citycon.

#### 2. Stock Options

Of the stock options 1,300,000 shall be marked with the symbol 2004A, 1,300,000 shall be marked with the symbol 2004B and 1,300,000 shall be marked with the symbol 2004C. The persons, to whom stock options shall be distributed, shall be notified in writing by Citycon about the offer of stock options. The stock options shall be distributed to the recipient when he or she has accepted the offer of Citycon. Stock option certificates shall, upon request, be delivered to the stock option owner at the start of the relevant share subscription period unless the stock options have been transferred to the book-entry securities system.

#### 3. Right to Stock Options

The stock options shall, with deviation from the shareholders' pre-emptive right to subscription, be granted to the personnel of the Citycon Group and to Veniamo-Invest Oy (Veniamo-Invest), a wholly owned subsidiary of Citycon. It is proposed that the shareholders' pre-emptive right to subscription be deviated from since the stock options are intended to form a part of the Citycon Group's incentive and commitment program for the personnel.

#### 4. Distribution of Stock Options

The Board of Directors shall decide on the distribution of stock options. Veniamo-Invest shall be granted stock options to such extent that the stock options are not distributed to the personnel of the Citycon Group. The Board of Directors of Citycon shall later on decide upon the further distribution of the stock options granted to the subsidiary, to the members of the personnel employed by or to be recruited by the Citycon Group.

Upon issue all stock options 2004B and 2004C and those stock options 2004A that shall not be distributed to the personnel, shall be granted to Veniamo-Invest. Veniamo-Invest may distribute stock

# CITYCON

options 2004A, 2004B and 2004C to the persons employed by or to be recruited by the Citycon Group by the resolution of the Board of Directors of Citycon.

## 5. Transfer of Stock Options and Obligation to Offer Stock Options

The stock options are freely transferable, when the relevant share subscription period has begun. The Company shall hold the stock options on behalf of the stock option owner until the beginning of the share subscription period. The stock option owner has the right to acquire the possession of the stock options when the relevant share subscription period begins. Should the stock option owner transfer his/her stock options, such person is obliged to inform the Company about the transfer in writing without delay. The Board of Directors may, as an exception to the above, permit the transfer of stock options also before such date.

Should a stock option owner cease to be employed by or in the service of the Group before 1 September 2008, for any other reason than the death of the employee, or the statutory retirement of the employee in compliance with the employment contract, or the retirement of the employee otherwise determined by the Company, such person shall without delay offer to Citycon or its order, free of charge, the stock options for which the share subscription period in accordance with Section II.2 had not begun at the last day of such person's employment or service. The Board of Directors can, however, in the above-mentioned cases, decide that the stock option owner is entitled to keep such stock options or a part of them, which are under offering obligation.

Regardless of whether the stock option owner has offered his/her stock options to Citycon or not, Citycon is entitled to inform the stock option owner in writing that the stock option owner has lost his/her stock options on the basis of the above-mentioned reasons. Should the stock options be transferred to the book-entry securities system, Citycon has the right, whether or not the stock options have been offered to Citycon, to request and get transferred all the stock options, for which the share subscription period had not begun, from the stock option owner's book-entry account to the book-entry account appointed by Citycon without the consent of the stock option owner. In addition, Citycon is entitled to register transfer restrictions and other restrictions concerning the stock options to the stock option owner's book-entry account without the consent of the stock option owner.

## II SHARE SUBSCRIPTION TERMS AND CONDITIONS

### 1. Right to Subscribe for New Shares

Each stock option entitles its owner to subscribe for 1.0611 shares in Citycon. As a result of the subscriptions the share capital of Citycon may be increased by a maximum of EUR 5,586,691.50 and the number of shares by a maximum of 4,138,290 new shares.

Veniamo-Invest, as a subsidiary of Citycon, shall not be entitled to subscribe shares in Citycon on the basis of the stock options.

### 2. Share Subscription and Payment

The share subscription period shall be:

- for stock option 2004A 1 September 2006 – 31 March 2009,
- for stock option 2004B 1 September 2007 – 31 March 2010 and

# CITYCON

- for stock option 2004C 1 September 2008 – 31 March 2011.

The share subscription shall take place at the head office of Citycon or possibly at another location to be determined later. The subscriber shall transfer the respective stock option certificates with which he/she subscribes shares to Citycon, or in case the stock options have been transferred to the book-entry securities system, the stock options with which shares have been subscribed shall be deleted from the subscriber's book-entry account. Payment for shares subscribed shall be effected upon subscription to the bank account appointed by Citycon. Citycon shall decide on all measures concerning the share subscription.

## 3. Share Subscription Price

The share subscription price shall be:

- for stock option 2004A the trade volume weighted average quotation of the Citycon share on the Helsinki Exchanges between 1 April and 30 April 2004 with an addition of twenty (20) percent,
- for stock option 2004B the trade volume weighted average quotation of the Citycon share on the Helsinki Exchanges between 1 April and 30 April 2005 with an addition of twenty (20) percent, and
- for stock option 2004C the trade volume weighted average quotation of the Citycon share on the Helsinki Exchanges between 1 April and 30 April 2006 with an addition of twenty (20) percent.

Pursuant to the decision taken by the Board of Directors on 24 March 2006, the per-share subscription price with the 2004A stock options is EUR 2.2336 and with the 2004B stock options EUR 2.6766. In connection with a share subscription, the total number of shares subscribed by a stock option holder will be rounded downwards to full shares. The total subscription price will be calculated based on the rounded number of shares and rounded to the nearest euro cent.

From the share subscription price of stock options shall, as per the dividend record date, be deducted half of the amount of the dividend decided after the beginning of the period for determination of the share subscription price but before share subscription. The share subscription price shall nevertheless always amount to at least EUR 1.35. The share subscription price will be recorded under the invested non-restricted equity fund.

## 4. Registration of Shares

Shares subscribed for and fully paid shall be registered in the book-entry account of the subscriber.

## 5. Shareholder Rights

Dividend rights of the shares and other shareholder rights shall commence when the increase of the share capital has been entered into the Trade Register.

## 6. Share Issues, Convertible Bonds and Stock Options before Share Subscription

# CITYCON

Should Citycon, before the share subscription, increase its share capital through an issue of new shares, or issue of new convertible bonds or stock options, a stock option owner shall have the same right as or an equal right to that of a shareholder. Equality is reached in the manner determined by the Board of Directors by adjusting the number of shares available for subscription, the share subscription price or both of these.

Should Citycon, before the share subscription, increase its share capital by way of a bonus issue, the subscription ratio shall be amended so that the ratio to the share capital of shares to be subscribed by virtue of stock options remains unchanged. If the number of shares that can be subscribed for by virtue of one stock option should be a fraction, the fractional part shall be taken into account by reducing the subscription price.

## 7. Rights in Certain Cases

If Citycon reduces its share capital before the share subscription, the subscription right accorded by the terms and conditions of the stock options shall be adjusted accordingly as specified in the resolution to reduce the share capital.

If Citycon is placed in liquidation before the share subscription, the stock option owner shall be given an opportunity to exercise his subscription right before the liquidation begins within a period of time determined by the Board of Directors.

If Citycon resolves to merge in another company as Citycon being acquired or in a company to be formed in a combination merger, or if Citycon resolves to be divided, the stock option owner shall, before the merger or division, be given the right to subscribe for the shares with his/her stock options within a period of time determined by the Board of Directors. After such date no subscription right shall exist. In the above situations the stock option owner has no right to require that Citycon redeems the stock options from him/her for market value.

If Citycon, after the beginning of the share subscription period, resolves to acquire its own shares by an offer made to all shareholders, the stock option owners shall be made an equivalent offer. In other cases acquisition of Citycon's own shares does not require Citycon to take any action in relation to the stock options.

In case, before the end of the share subscription period, a situation, as referred to in Chapter 14 Section 19 of the Finnish Companies Act, in which a shareholder possesses over 90% of the shares of Citycon and therefore has the right and obligation to redeem the shares of the remaining shareholders, or a situation, as referred to in Chapter 6 Section 6 of the Finnish Securities Market Act, arise, the stock option owners shall be entitled to use their right of subscription by virtue of the stock options within a period of time determined by the Board of Directors.

If the nominal value of the share is changed while the share capital remains unchanged, the share subscription terms and conditions of the stock options shall be amended so that the total nominal value of the shares available for subscription and the total share subscription price remain the same.

Converting Citycon from a public company into a private company shall not affect the terms and conditions of the stock options.

# CITYCON

## III OTHER MATTERS

The laws of Finland shall be applied to these terms and conditions. Disputes arising in relation to the stock options shall be settled by arbitration in accordance with the Arbitration Rules of the Central Chamber of Commerce.

The Board of Directors may decide on the transfer of the stock options to the book-entry securities system at a later date and on the resulting technical amendments to these terms and conditions, including those amendments and specifications to the terms and conditions, which are not considered crucial. Other matters related to the stock options are decided on by the Board of Directors. The stock option documentation is kept available for inspection at the head office of Citycon.

Citycon is entitled to withdraw the stock options, which have not been transferred, or with which shares have not been subscribed for, free of charge, if the stock option owner acts against these terms and conditions, or against regulations given by Citycon on the basis of these terms and conditions, or against applicable law, or against regulations by authorities.

These terms and conditions have been made in Finnish and English. In case of any discrepancy between the Finnish and English terms and conditions, the Finnish terms and conditions are decisive.