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Citigroup Global Markets Japan Inc.
Citibank, N.A., Tokyo Branch

Citi Japan Policy for Customer-Oriented Business Conduct
---Current Efforts

1. <u>Pursuit of the best interests of clients</u>

Citi Japan has established the Citi Code of Conduct to ensure that the highest level of ethical standards are maintained and that customers and society are trusted.
Through workshops to develop a compliance culture and internal control as a value of Citi Japan, and training on our Code of Conduct for ethical and professional behavior, we ensure our employees understand the best interests of our clients.
We have established internal policies and procedures to ensure that significant issues, including serious customer complaints, customer disputes and other relevant matters, are promptly escalated and addressed appropriately.

2. <u>Managing conflicts of interest</u>

In order to manage conflicts of interest properly, we established Conflicts of Interest Management Directive and published Summary of Conflicts Management Policy on the Citi Japan website.
When dealing with customers, we follow the directive and identify potential conflicts of interest between clients, or between a client and Citi, and ensure proper measures are taken for them not to harm the interests of our clients.
Also, proper management of conflicts of interest is also stipulated in the Code of Conduct above. We ensure all employees understand the management of conflict of interest by holding Code of Conduct training and annual compliance training.

3. <u>Fees and other charges</u>

We established internal procedures to set fees and other charges to reflect the value of the products and services we provide to clients and also to be competitive with the market.
We are striving to make the explanation of fees, etc. appropriate and easy to understand in light of our customers' knowledge and experience.
In addition, we established various internal rules to clarify the fees when we develop new products or sell structured products to other financial institutions.

4. Clear and Understandable Disclosure of Important Information

In all interactions with our clients, we strive to provide appropriate and adequate

information regarding financial instruments and services. This includes explanations regarding the attributes, risks, relevant market trends and potential conflicts of interests, if and when they exist.
When selling structured products to other financial institutions, we endeavor to conduct appropriately by developing various internal rules pertaining to the product structuring and distribution and examining the suitability assessment framework for end investors by said financial institutions based on said rules in order to provide appropriate products to investors who are the final beneficiaries of the investment chain.
In addition, in cases where there are serious client complaints or disputes regarding the provision of important information, we will promptly escalate such matters, and we will establish internal rules to ensure appropriate escalation.

5. Provision of products and services suitable for clients

We have established and published our Solicitation Policy to fully understand the client's investment experience, investment purpose, and financial resources, and to make recommendations appropriate to the client's needs and circumstances.
In order to provide appropriate products to investors when selling structured products to other financial institutions, we endeavor to conduct appropriately by developing various internal rules pertaining to product structuring and distribution and sales and examining the suitability assessment framework for end investors by said financial institution based on said rules.

6. Motivate employees to put clients first

As mentioned above, we have established the Code of Conduct as a framework for appropriately incentivizing employees, and we fully inform them through training to comply with the highest standards of ethics and to take appropriate professional action when interacting with customers, business partners, shareholders, communities and colleagues. In addition, we have established internal rules to evaluate employee performance and to provide incentives for employees who demonstrate sound judgment and proactive risk management in their daily activities.

7. Purpose of Product Governance

In the "Citi Japan's Basic Philosophy on Product Governance," Citi Japan clarifies the purpose of product governance and ensures that each officer and employee is fully aware of the three questions of "1) Does it benefit the customer?", "2) Does it create economic and social value?", and "3) Is it a decision that is appropriate for a responsible company?" and ensures that the company provides products that meet the best interests of customers.

8. Citi Japan's Customers, Products, etc. and Product Governance System

Based on proportionality, Citi Japan prioritizes the "Complex structured notes similar to derivatives transactions" that are (1) sold directly to general investors or (2) indirectly to retail customers through a third-party distributor (as defined in the Japan Securities Dealers Association's "Rules on Solicitation of Investment and Customer Management by Association Members". Hereinafter, it is referred to as "complex structured notes") and "complex investment trusts" with similar economic natures, “Structured Loan” products sold to regional financial institutions, as well as products that are determined to require action based on ongoing assessments of changes in regulations and the social environment, for the purpose of product governance.

In addition, in order to strengthen the product governance system, Citi Japan reorganized the existing meeting body and established the Product Governance Forum. At this forum, the business division reports to the management on the status of the manufacturing, sales, and follow-up of financial products, and the management instructs the business division to make improvements as appropriate.

In order to objectively verify whether the product governance system is functioning effectively, the internal audit department etc. will verify the effectiveness of the system.

9. Provision of products that meet the best interests of customers

In order to ensure the provision of products that meet the best interests of Citi Japan’s customers, in addition to the review and approval of new products by the New Products Committee, Citi Japan thoroughly conducts preliminary reviews of the existing products based on the relevant internal policies and procedures, taking into account the "product (transaction) classification" based on the complexity and degree of risk of the product (transaction) and the "counterparty classification" based on the sophistication of the customer.

In addition, in the case of complex structured notes which Citi Japan acts as the originator of a financial product and sells the product to retail customers through a third-party distributor or directly to general investors, the manufacturing department conducts risk-return analysis as appropriate.

In order to confirm that the above procedures are functioning effectively, the manufacturing and sales department will regularly report on the status of initiatives to the Product Governance Forum.

10. Overall Manufacturing and Sales Initiatives

In the event that Citi Japan acts as the manufacturer of a financial product and sells the product to an end customer through a third-party distributor, Citi Japan conducts periodic reviews with the distributor in the formulation of the product, in accordance with the relevant internal policies and procedures, to understand the sales system and post-sales situation, such as sales commissions and complaints.

In addition, in the case of the manufacturing and sale of financial products at Citi Japan, the manufacturing and sales divisions work closely together to realize the best interests of customers in the formulation of the product as a whole in accordance with the relevant internal policies and procedures.

11. <u>Measures to be taken after the manufacturing of financial instruments</u>

As a follow-up after the manufacturing of financial products, Citi Japan works with distributors and sales departments to ascertain whether there are any complaints and the status of sales to the targeted customer base in accordance with the relevant internal policies and procedures.

In addition, in response to requests from customers, Citi Japan provides detailed follow-up after sales by providing valuation information.

In the case of complex structured notes, when Citi Japan acts as the manufacturer of a financial product and sells the product to an end customer through a third-party distributor, the manufacturing department conducts risk-return analysis as appropriate.

Even after the sale of financial products, the manufacturing department will continue to verify and improve the products based on the above.

12. <u>Provision of Easy-to-Understand information to customers</u>

When Citi Japan acts as a manufacturer of financial products and sells complex structured notes to end customers through a third-party distributor, Citi Japan works with the distributor to provide customers with easy-to-understand information regarding product features and characteristics.

In addition, when Citi Japan sells financial products to general investors as a manufacturer and seller, Citi Japan strives to provide customers with easy-to-understand information regarding product features and characteristics in accordance with the relevant internal policies and procedures, in cooperation with the manufacturing and sales divisions, and in accordance with the relevant guidelines of the Japan Securities Dealers Association (guidelines for explaining "important matters").

(As stated in the Citi Japan Policy for Customer-Oriented Business Conduct, Citi Japan does not provide Asset Management business.)