

Citi Japan Policy for Customer-Oriented Business Conduct

Citi's mission is to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress. Our core activities are safeguarding assets, lending money, making payments, and accessing the capital markets on behalf of our clients. We have 200 years of experience helping our clients meet the world's toughest challenges and embrace its greatest opportunities. We are Citi, the global bank – an institution connecting millions of people across hundreds of countries and cities.

In Japan, Citi serves governmental institutions, financial institutions, multinational corporations and institutional investors from Citigroup Global Markets Japan Inc. and Citibank, N.A., Tokyo Branch (collectively "Citi Japan"). Citi Japan has a long and proud history of serving these clients across a broad range of products and services, including corporate and investment banking, markets, securities services, capital markets origination, treasury and trade solutions, commercial banking and research. We aim to deliver highly innovative products and services through an unrivalled global network to support the growth of our clients. Below is the summary of the client-oriented business that Citi Japan conducts.

1. The best interest of clients

We strive to earn and maintain both our clients' and the public's trust by constantly adhering to the highest ethical standards. We are dedicated to enhancing our culture of compliance and control by building on our values and adhering to the high standards of ethical and professional behavior we set for ourselves. These high ethical standards include our obligation to act responsibly and prudently manage risk by promptly escalating potentially significant issues, such as significant customer complaints, disputes or improvement suggestions from customers. We have also established various policies and procedures and conduct regular training so that our employees understand what is expected of them. We also ask our employees to ensure that all of their decisions pass the following three tests contained in our Mission and Value Proposition:

- Whether they are in our clients' interests;
- Do they create economic value; and
- Are they always systematically responsible

Citi's Mission and Value Proposition is stated in our [Code of Conduct](#).

2. Managing conflicts of interest

We manage conflicts of interest in accordance with the principles set out in the Citi Japan Conflicts Management Policy, which is available on the Citi Japan website. Transactions with potential conflicts of interest between clients, or between a client and Citi, must be identified and are subject to a rigorous conflicts management process in order to eliminate conflicts of interest.

Click [here](#) to access Citi Japan's Conflicts Management Policy.

3. Fees and other charges

We 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 strive to ensure that the explanation of fees and other charges will be appropriate and easy to understand in light of clients' knowledge and experience.

4. Provision of important information easy-to-understand to clients

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, selection rationale based on appropriate client attributes, needs and intention and potential conflicts of interests, if and when they exist. When we propose a product to a customer, we endeavor to provide the customer with an explanation of the details of the product and the associated risks and other relevant matters which are appropriate in light of the customer's knowledge and experiences. We seek to ensure that our clients are well informed and able to understand and make full use of our products and services based on their own informed decision making.

Since we do not trade with individual clients directly, we currently do not employ the Important Information Sheet.

5. Provision of products and services suitable for clients

Customer's trust is the top priority. In accordance with the Citi Solicitation Policy, we endeavor to solicit optimum investments to customers based on adequate understandings of their investment experiences, investment purposes and financial capabilities. We also solicit reasonable investments by complying with applicable laws and regulations.

Click [here](#) to access Citigroup Global Markets Japan Inc.'s Solicitation Policy.

Click [here](#) to access Citibank, N.A., Tokyo Branch's Solicitation Policy.

6. Motivate employees to put clients first

Our Code of Conduct lays the foundation for the principles by which our employees interact with our clients and other stakeholders. Citi employees are expected to demonstrate their commitment to the highest standards of ethical and professional behavior in their dealings with our clients, business colleagues, shareholders, communities and each other.

Based on Citi Compensation Philosophy, we seek to recognize employees who demonstrate sound judgment and proactively manage risk in their daily business. For information on objectives of Citi's performance management process, consult Citi's Compensation Philosophy.

Click [here](#) to access Citi's Code of Conduct.

Click [here](#) to access Citi's Compensation Philosophy.

7. Scope for Supplementary Principle related to product governance

As a financial business involved in the structuring of financial products, Citi Japan recognizes the importance of product governance (governance to ensure the provision of products that meet the best interests of customers) from the perspective of customer-oriented business operations, and providing the products that meet the best interests of our customers based on the supplementary principle related to product governance.

Click [here](#) to access Citi Japan's Basic Philosophy on Product Governance.

Given our operating scope and business model provided by Citi Japan, we believe that the scope of application of the Supplementary Principles regarding product governance is as follows:

- [Basic Principle] Supplementary Principle 1
- [Framework Building] Supplementary Principle 2
- [Response at the time of structuring financial products] Supplementary Principle 3
- [Response after the structuring financial products] Supplementary Principle 3
- [Provision of information easy-to-understand to clients] Supplementary Principle 5

Noting that Citi Japan does not provide Asset Management business hence excluding description of (1)