

Citigroup Global Markets Inc.

HEDGING OF GUARANTEED EQUITY PROGRAM TRADES

The following details certain of the terms and conditions regarding the execution of guaranteed equities program trades. These portfolio transactions are executed at a price guaranteed by Citi at the time the order is accepted.

Following a client's request for a bid on a guaranteed price equity program trade, and after Citi commits to a price, Citi may engage in hedging activity. This is consistent with market practice and is done to hedge Citi's potential exposure to offset the risk of such commitment. These hedging activities may impact market prices and accordingly affect the price of some or, all the securities in the program basket. Citi endeavors to conduct these hedging activities in a manner designed to limit market impact. In addition, trading unrelated to a client's order may coincidentally impact the market prices of the securities a client may be buying or selling.

Citi may establish its hedge at a better price than the guaranteed price the client will receive. In that case, Citi will keep the resulting profit as its compensation for the risk assumed in providing a guaranteed price.

Where law or regulation prevents Citi from trading a name or all the names in a basket, that name will be excluded from the basket order. For example, if a Reg SHO circuit-breaker has triggered for a security included in the client basket, and the client is requesting that Citi guarantee the close, Citi may remove the affected symbol from your basket. Similarly, it is possible that a security restricted for regulatory reasons may not be traded by Citi as principal in that case, the affected security will be excluded from the portfolio.