

CITI MARKETS AND SECURITIES SERVICES

TARGET MARKET AND DISTRIBUTION STRATEGY for financial instruments and investment services provided in circumstances where Directive 2014/65/EU (MiFID II) and related regulations apply

1. MiFID II Product Governance

Where Citi Markets and Securities Services (a business within Citi's Institutional Clients Group) acting through a MiFID II regulated firm (including Citigroup Global Markets Limited, Citibank, N.A., London Branch and Citibank Europe plc, UK branch, collectively and individually, "**we**" or "**us**") manufactures or distributes financial instruments falling within the scope of MiFID II ("**Financial Instruments**") or related services, we have certain product governance obligations under Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) ("**MiFID II**") and related regulations.

2. Citi Markets and Securities Services as a Manufacturer

As a manufacturer of Financial Instruments we have certain obligations under MiFID II, including a requirement to identify a target market for the Financial Instruments we manufacture.

We manufacture a range of Financial Instruments which are intended to be transacted with, or distributed to, professional clients and eligible counterparties. Unless we specifically communicate to you in writing that a particular Financial Product has been manufactured with retail clients in mind, the Financial Products manufactured by us are not designed for retail clients.

The table set out below contains the details of the target market that we have identified for the Financial Instruments manufactured by us.

Over-the-counter (OTC) derivatives are standalone bilateral contracts. Therefore, they are not capable of onward distribution. Where you enter into an OTC derivative transaction with us, and subsequently back-to-back, replicate or repackage the economics of that transaction with another counterparty, Citi will be the manufacturer of the first OTC transaction between you and us (even in circumstances where you approach us with an idea for the relevant transaction). However, you will be the manufacturer of the second transaction with your client / counterparty. You must define your own target market in relation to any transactions you originate for your clients in circumstances where MiFID II is applicable.

3. Citi Markets and Securities Services as a Distributor

As a distributor of Financial Instruments we have certain obligations under MiFID II, including a requirement to identify a target market for the Financial Instruments we distribute.

We distribute Financial Instruments which have been manufactured either by us or by third parties.

Where we distribute Financial Instruments and/or related services to you, we will do so on the basis that you fall within the target market that we have identified for the relevant Financial Instruments in the table set out below.

4. Onward Distribution

To the extent you are not the end investor in any distribution chain for a particular Financial Instrument, you will define your own target market for the relevant Financial Instrument having regard to your knowledge of your own client base.

Since we do not possess sufficient information in order to assess whether all purchasers of Financial Instruments manufactured and/or distributed by us fall within the relevant target market, you should take into account the target market identified by us (as disclosed in the table below) and confirm in each case that the relevant Financial Instrument meets your investment needs and objectives or those of your underlying clients as the case may be.

We may, from time to time, ask you to confirm that you have not made any sales of Citi manufactured Financial Instruments outside the intended target market and are not aware of any such onward sales by your counterparties.

5. Your Knowledge and Understanding

In dealing with you as a professional client or eligible counterparty, we are entitled to assume that you fully understand the risks and potential adverse consequences, including potential unlimited losses of the relevant Financial Instrument and that, in choosing to transact with us:

- a) you have chosen a Financial Instrument manufactured and/or distributed by us from among other financial instruments and/or related services available to you in the market generally;
- b) you have carried out independent analysis in relation to the Financial Instrument and its potential outcomes to the extent that you have deemed necessary;
- c) you have had the opportunity to request such information from us as you consider necessary or appropriate in connection with your decision to enter into or purchase the Financial Instrument and/or related services; and
- d) you understand both the risks associated with the Financial Instrument and the market factors which may cause the Financial Instrument to underperform (compared to other investments or strategies) or to result in losses for you.

Target Market for Financial Instruments manufactured and/or distributed by Citi

The target market for Financial Instruments manufactured and/or distributed by Citi Markets and Securities Services (“Citi”) is set out in the table below.

In the event that Citi defines a different target market for a particular Financial Instrument or structured deposit, that in each case is intended to be distributed (or related services) the particular target market will be separately communicated to you in writing.

Based on an assessment of the relevant facts and circumstances, Citi may transact or distribute Financial Instruments, structured deposits (or related services) outside the target market set out in the table below and/or define a different target market.

Client Type	Products	Target Market Assessment
Eligible counterparties and per-se professional clients	All Financial Instruments manufactured and/or distributed by Citi, unless specified otherwise.	<ul style="list-style-type: none"> • Knowledge and experience: Clients who have knowledge and experience of the relevant category of Financial Instruments or sufficient knowledge of the product features and risks of the relevant Financial Instrument.
Elective professional clients	All Financial Instruments manufactured and/or distributed by Citi, except non-generic and/or complex transactions, which may have high, unpredictable or asymmetric market risk, including, by way of example, transactions with non-linear payouts or terminations, non-principal protected structured notes or deposits (including principal-protected structured notes or deposits where maturity is sufficiently long that loss of coupons is as severe a threat as risk to principal), transactions with multipliers or exponents, CPPI and similar transactions with leveraging/deleveraging features, transactions where the payout formula is particularly complex, transactions related to complex algorithmic indexes or other complex underlying asset classes and principal-linked range accrual transactions.	<ul style="list-style-type: none"> • Financial situation with a focus on the ability to bear loss: Clients who have the capacity to incur a loss equal to the worst-case return of the relevant Financial Instrument. e.g., in the case of an option or other fully capital-at-risk product, the ability to lose the full amount of their initial investment. Certain Financial Instruments may require the ability to lose more than the initial amount paid by the counterparty/client. • Risk tolerance and compatibility of the risk / reward profile: Clients should confirm that the risk/reward profile of the Financial Instrument is compatible with their risk appetite. Depending on the particular Financial Instrument, clients may need to be: <ul style="list-style-type: none"> ○ willing to lose more than the initial amount paid; ○ willing to accept large fluctuations in price and returns; and ○ willing to accept concentrated (non-diversified) risk. • Clients’ objectives and needs: Clients pursuing an investment or hedging strategy which is compatible with the terms of the Financial Instrument, including with respect to market risk, currency, liquidity, volatility and duration. • Negative target market: Retail clients (as defined in MiFID II), unless otherwise specified in connection with a particular Financial Instrument. • Distribution strategy: Institutional counterparties on a non-advised basis.

Client Type	Products	Target Market Assessment
<p>All clients, including retail clients</p>	<p>Ordinary shares; and fixed or floating rate bonds (without embedded derivatives or structured features), including (i) Global Depositary Notes and (ii) non-deliverable and deliverable bonds issued by supranational issuers.</p>	<ul style="list-style-type: none"> • Knowledge and experience: Clients with basic capital markets knowledge or experience about shares or bonds, as the case may be, and the jurisdictions relevant to these shares or bonds. • Financial situation with a focus on the ability to bear loss: Clients who are able to bear losses of up to 100% of their invested capital. • Risk tolerance and compatibility of the risk/reward profile: due to the volatility of stock markets, financial indices and benchmarks and the specific risks of investing in individual shares and bonds, clients should have a medium to high-risk tolerance. Clients should be willing to accept price fluctuations in exchange for the opportunity of higher returns as compared to less risky investments such as insured deposits. • Clients' objectives and needs: clients who seek capital growth or potential dividend/coupon returns. Mass-market shares and bonds that are very liquid and easily disposable can be suitable for any investment horizon. • Negative-target market: Clients who: <ul style="list-style-type: none"> ○ are looking for full capital protection or full repayment of the amount invested; or ○ are fully risk averse/have no risk tolerance. • Distribution channel: All distribution channels.