



MiFID II Product Governance

Citi's MiFID II Product Approval Process

Pursuant to certain Product Governance obligations set out in MiFID II¹, Citi as a “Manufacturer” of structured deposits and financial instruments, including structured products, is required to make available certain information to you as a “Distributor” of our products, including all appropriate information on the product approval process.

A summary of the Product Approval Process is documented below.

Citi will consider whether a proposed new product, service or complex transaction manufactured or provided by Citi (or by third parties for distribution to Citi clients), or new business line or expansion of existing business line (each a “Covered Initiative”) triggers a referral to the New Product Approval Committee (“NPAC”) under Citi’s related policies.

The purpose of the related Citi policy is to ensure Citi undertakes a transparent, consistent, rigorous, documented and auditable review and approval process for the identification and evaluation of significant risks to Citi and its clients in relation to each Covered Initiative.

The purpose of NPAC and the objectives of the related standards are to ensure that significant risks, including reputation, conduct, and franchise risks, in a new product, new service, complex transaction or certain modifications to existing products:

- are identified and evaluated from every relevant perspective;
- are determined to be appropriate for Citi and its clients;
- are properly recorded for risk aggregation purposes; and
- are effectively controlled and have all accountabilities in place.

In addition, Citi will consider whether the manufacturing, sale and distribution of retail investment products or services triggers a referral to the Distribution Product Approval Committee (“DPAC”), under Citi’s related policies and standards. The policy includes standards which relate to the distribution by Citi, or by third parties to Citi clients, of a product manufactured by Citi.

Retail Investment Products or Services offered by a Citi Retail Distribution Business and Citi Manufactured Investment Products created by a Citi Manufacturing Business must be covered by a Product Program that is sponsored by the business, unless excluded or exempted by approval in accordance with the related policy.

All Retail Investment Products and Services and Citi Manufactured Investment Products that are not sufficiently covered by, and within the parameters of, a duly approved Product Program must be reviewed and approved in a transparent, documented and auditable process by DPAC, in accordance with the relevant standards.

The objectives of these Standards are to:

- Review and approve new products and services manufactured and/or distributed directly or indirectly by Citi to Individual Investors via a transparent, documented, and auditable process.
- Offer products and services that meet Individual Investor needs and Citi standards as to quality and appropriateness for the client segments to which they are addressed and Citi’s responsibilities as distributor and/ or manufacturer; and
- Provide a consistent and rigorous process for the identification and evaluation of material risks to Individual Investors and to Citi, including franchise and reputational risks, attendant to the manufacturing and/or offering of a new product or service or of an existing product or service that has become subject to a material change.

Should you require any further information, please contact your Citi Sales Representative.

¹ Directive 2014/65 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“MiFID II”) and in particular, the relevant product governance roles and responsibilities pursuant to Art. 9 and Art. 10 of the Commission Delegated Directive (EU 2017/593) dated 7 April 2016 (the “MiFID 2 Delegated Directive”) and including the amendments pursuant to Commission Delegated Directive (EU 2021/1269) on sustainability.