



LUXURY EXPENDITURE POLICY

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1 OVERVIEW

1.1 OBJECTIVE

The objective of this policy is to ensure that Citi maintains appropriate oversight and governance over the approvals, reporting and controls relating to expenditures of Citi funds to prevent unnecessary, excessive or luxury expenditures.

1.2 SCOPE

This policy applies to Citigroup Inc. (“Citi”), its consolidated subsidiaries and managed affiliates.

1.3 TARGET AUDIENCE

The target audience for this policy is all Citi employees, including:

- a) Citi employees with delegated authority to approve payment of operating expenses or reimbursable business expenses (RBE);
- b) Citi employees responsible for the administration of any Program described in Section 3 of this policy; and
- c) Citi managers responsible for profit and loss statements included in Citi’s financial reports.

1.4 EFFECTIVE DATE

This policy was approved by the Citi CFO and the Citi Board of Directors and will become effective on September 14, 2009. This policy was adopted in accordance with 31 CFR Part 30 “Department of the Treasury TARP Standards for Compensation and Corporate Governance” and will be posted on Citi’s external website: www.citigroup.com

1.5 ADMINISTRATION

The Citi CFO is responsible for the administration and oversight of this policy. Material amendments to this policy must be approved by the Citi CFO and the Citi Board of Directors.

2 POLICY

2.1 POLICY STATEMENTS

This policy supports Citi's existing expense policies and governance framework for managing the company's business operations in a prudent, cost-effective manner. Expense-related decisions must be made in furtherance of the company's strategic objectives, keeping in mind the best interests of the shareholders. This policy mandates the establishment of an appropriately stratified approval structure for operating expenses and RBE, periodic reporting requirements to ensure transparency and stringent monitoring and controls.

2.2 EXPENSE MANAGEMENT

Citi has adopted policies for expense management and fraud control that govern the expenditure of Citi funds for operating purposes and RBE. Every expenditure of Citi funds for operating expenses and RBE must be subject to managerial review and approval prior to payment by an individual who has been granted the appropriate level of delegated authority. Expenses incurred in the normal course of business for staff development, reasonable performance incentives, general operating expenses, RBE, or other similar reasonable expenses are not covered by this policy. Expenses that fall outside of the normal course of business require approval by the Citi CFO or a member of the Citi Operating Committee to prevent unnecessary, excessive or luxury expenditures.

Certain expenses warrant stricter controls due to the nature of the expense or the availability of a wide range of service levels and price points. The governance structures for Client Entertainment and Tickets, Meetings and Events, Aviation, Transportation Services and Office and Facility Renovations are intended to (a) provide managerial oversight; (b) limit the number of authorized approvers and (c) prevent unnecessary, excessive or luxury expenditures.

2.3 DELEGATIONS OF AUTHORITY

Delegations of Authority to approve operating expenses and RBE are granted by the Board of Directors to the CEO, and may be further delegated from the CEO to the Citi Operating Committee, senior management and other employees. Delegations of Authority must be granted at levels that are commensurate with a manager's level of seniority, subject matter expertise and at amounts that will ensure appropriate executive level review to prevent unnecessary, excessive or luxury expenditures. Delegations of Authority to the Citi CEO must be reviewed annually by the Board of Directors. Delegations of Authority from the Citi CEO to senior management must be reviewed annually by the Citi CEO and Citi CFO. Delegations of Authority may be adjusted as necessary to accommodate business needs, geographic and economic conditions, the competitive environment, changes in personnel and other industry or market considerations.

3 EXPENSE MANAGEMENT PROGRAMS

3.1 PROGRAM MANAGERS AND PROGRAM PROCEDURES

Each Program described below must be managed by a Program Manager appointed by the Citi CFO. Delegations of authority to approve expenditures within each Program must be controlled to limit the overall number of approvers and provide for consistency. Delegations of Authority for any one Program may not be used to approve an expense for another Program.

Citi has adopted procedures designed to ensure that an adequate review of expenses from a franchise perspective has occurred and that all appropriate approvals have been obtained prior to payment. Citi has implemented tracking and reporting processes that have been designed to identify and report deviations from Citi's expense policies and this policy. These procedures must be reviewed and approved by the Citi CFO and must be considered when developing risk control self assessments for the management and administration of the Program.

The Program procedures for Client Entertainment and Tickets, Meetings and Events, Aviation, Transportation Services and Office and Facility Renovations are summarized below. These procedures may be adjusted as necessary by the Citi CFO to accommodate business needs, geographic and economic conditions, the competitive environment, changes in personnel and other industry or market considerations.

3.2 CLIENT ENTERTAINMENT AND TICKETS

Client Entertainment is governed by the Citi Code of Conduct and Citi's expense policies. Client entertainment must support a legitimate business purpose. The amount that may be reimbursed to employees for client entertainment must be subject to a daily maximum per individual. This daily maximum may be adjusted as necessary by the Citi CFO to accommodate business needs, geographic and economic conditions, the competitive environment and other industry or market considerations. A Citi employee must be present at client entertainment events. Details regarding the expenditure and the nature of the business discussed must be provided as a condition to reimbursement.

Tickets for sporting or other events used for client entertainment must be managed to minimize costs through bulk purchasing and effective inventory control. Only a limited number of individuals have specific delegated authority to approve ticket purchases. The list of authorized approvers and their respective delegations of authority may be adjusted as necessary by the Citi CFO to accommodate business needs, geographic and economic conditions, the competitive environment and other industry or market considerations.

3.3 MEETINGS AND EVENTS

Meetings and events must have a legitimate business purpose. Business meetings, conferences, employee and client events for which the total event cost exceeds a specified dollar threshold are reviewed to ensure cost effective delivery, appropriate selection of venue and other services provided. The purpose of this review is to ensure that meetings and events are cost effective and designed to effectively support Citi's business objectives.

The dollar threshold for this meeting and event review may be adjusted by the Citi CFO as necessary to accommodate business needs, geographic and economic conditions, the competitive environment and other industry or market considerations.

3.4 AVIATION

The use of Citi's corporate aircraft for business travel requires written approval by a member of Citi's Operating Committee and the Director of Citi Aviation.

Chartered aircraft may only be used for business travel if commercial flights are not reasonably available or if required for security, confidentiality or other reasons. The use of chartered aircraft requires written approval by a member of Citi's Operating Committee, the Citi CFO and the Director of Citi Aviation.

Personal use of Citi's corporate aircraft by the Citi CEO must be subject to a written reimbursement agreement. Personal use by any other Citi executive is not permitted except in an emergency situation and only upon written approval by the Citi CEO.

Purchases and sales of corporate aircraft require approval of the Board of Directors.

3.5 TRANSPORTATION SERVICES

Business travel must be booked in a manner that ensures best pricing with Citi's preferred providers. Employees must use Citi's preferred providers for ground transportation. Private cars or car services may be used for business travel when public transportation is not reasonably available or if required for security, confidentiality or other reasons. Personal use of private cars or car services must be reimbursed to the company. All RBE submissions must be reviewed by the employee's supervisor for appropriateness and compliance with Citi's expense policies.

3.6 OFFICE AND FACILITY RENOVATIONS

Citi Realty Services manages approvals for office and facility renovations for efficiency and cost control. Project approvals are based on business rationale and cost effectiveness. Larger projects with a higher cost require a more senior level of approval than smaller projects with a lower cost.

Delegations of Authority are reviewed annually by the Board of Directors, the Citi CEO and the Citi CFO and may be adjusted as necessary to accommodate business needs, geographic and economic conditions, the competitive environment and other industry or market considerations.

Renovations of offices used by members of the Citi Operating Committee must be reviewed and approved by the Board of Directors.

In any country or business where Citi Realty Services does not manage approvals for office and facility renovations, senior management must maintain alternative processes designed to ensure effective and appropriate approval processes, expense controls and reporting consistent with this policy and Citi's expense policies.

4 CONTROLS

4.1 CENTRALIZED PAYMENT PROCESSING

Citi Operations & Technology operates a global web based payment processing system for operating expenses and RBE. Expenses may not be paid without the appropriate approvals.

RBE and invoices for payment submitted by members of the Citi Operating Committee must undergo an independent compliance review and must be approved for payment by the Citi CFO or another senior executive designated by the Citi CEO.

In any country or business where the global web-based payment processing system has not been implemented, senior management must maintain alternative processes or systems designed to ensure effective and appropriate approval processes, expense controls and reporting consistent with this policy and Citi's expense policies.

4.2 CERTIFICATION

The Citi CEO and Citi CFO must certify annually that in any instance where the approval of an expense is required from the Board of Directors, a member of Citi's Operating Committee or an executive officer whose compensation is required to be disclosed in Citi's proxy statement, that such approval has been properly obtained.

4.3 EXCEPTIONS

Requests for exceptions to this policy must be submitted in writing and may only be approved by the Citi CFO. Exceptions shall be reported to the Citi CEO and the Board of Directors as appropriate.

4.4 POLICY VIOLATIONS

Violations of this policy must be promptly reported and escalated through the appropriate channels to the Citi CFO and shall be reported to the Citi CEO and the Board of Directors as appropriate. Failure to comply with the provisions of this policy or the Program procedures described above may result in disciplinary action, up to and including immediate termination of employment.