CitiFirst
PERFORMANCE

# Coupon Barrier Auto-Call Notes Based Upon the Shares of iShares® iBoxx $ High Yield Corporate Bond ETF

## Terms and Conditions

## June 20, 2016

*Structured note transactions are complex and may involve a high risk of loss. Prior to entering into a transaction, you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgment and advice from those advisors you consider necessary.*

## General Information

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| **Issuer** | Citigroup Global Markets Funding Luxembourg S.C.A. ("CGMFL") |
| **Guarantor** | Citigroup Global Markets Limited |
| **Issuance Program** | Global Medium Term Note Programme |
| **Offering** | Coupon Barrier Auto-Call Notes Based Upon the Shares of iShares® iBoxx $ High Yield Corporate Bond ETF ("Notes") |
| **Issue Size** | USD 1,000,000 |
| **Currency** | U.S. dollar ("USD") |
| **Specified Denomination** | USD 1,000 per Note |
| **Minimum Investment** | USD 1,000, and increments of USD 1,000 thereafter |
| **Issue Price** | 100% of the Specified Denomination |
| **Trade/Strike Date** | June 20, 2016 |
| **Issue Date** | June 27, 2016 |
| **Final Valuation Date** | June 20, 2019 |
| **Maturity Date** | June 27, 2019 |

**The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws, and may not be at any time offered, sold, pledged, assigned, delivered, transferred, exchanged, exercised or redeemed within the United States to or for the account or benefit of any U.S. person (as defined in Regulation S under the Securities Act ("Regulation S") or the U.S. Internal Revenue Code of 1986, as amended). The Notes are being offered and sold only in "Offshore Transactions" (as defined in Regulation S) to non-U.S. persons in reliance on Regulation S and may not be offered, sold or resold at any time within the United States or to any U.S. person.**

## The Underlying

| Name of the Underlying | Electronic Page (Bloomberg Code) | Underlying Classification | Underlying Exchange | Strike Level | Knock-In Barrier Level | Coupon Barrier Level | Exchange Ratio |
|---|---|---|---|---|---|---|---|
| IShares® iBoxx $ High Yield Corporate Bond ETF | HYG UP Equity | ETF | NYSE Arca | 83.62 | 71.077 | 71.077 | 11.9588615164 |

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| **Strike Level** | 100.00% of the Underlying Closing Level on the Strike Date |
| **Underlying Closing Level** | The official closing price of the Underlying on a particular day on the Underlying's primary exchange |
| **Final Level** | 100.00% of the Underlying Closing Level on the Final Valuation Date |

## The Payout

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| **Coupon Barrier Level** | 71.077, approximately 85.00% of the Strike Level (where applicable, rounded to two decimal places) |
| **Knock-In Barrier Level** | 71.077, approximately 85.00% of the Strike Level (where applicable, rounded to two decimal places) |
| **Exchange Ratio** | 11.9588615164, USD 1,000 *divided by* the Strike Level.<br>Any Fractional Share will be paid in cash. |
| **Coupon Payment Dates** | 5 Business Days following the relevant Coupon Valuation Date (except for the Final Valuation Date, in which case the Coupon Payment Date is the Maturity Date).<br>If the Notes are redeemed early pursuant to the Auto-Call feature, the final Coupon Payment Date shall be the corresponding Mandatory Early Redemption Date. |
| **Contingent Semi-annual Coupon Amount** | If payable, the Contingent Semi-annual Coupon Amount will be USD 41.50 or 4.15% per six-month period (corresponding to approximately 8.30% per annum) of the Specified Denomination, as described below.<br><br>If on any Coupon Valuation Date (including the Final Valuation Date) the Underlying Closing Level is equal to or greater than the Coupon Barrier Level, then investors will receive the Contingent Semi-annual Coupon Amount on the relevant Coupon Payment Date. Otherwise, investors will receive no Contingent Semi-annual Coupon Amount on the relevant Coupon Payment Date.<br><br>. |

**Coupon Valuation Dates and Coupon Payment Dates**

| Coupon Valuation Date | Coupon Payment Date |
|---|---|
| December 20, 2016 | Coupon Valuation Date + 5 Business Days |
| June 20, 2017 | Coupon Valuation Date + 5 Business Days |
| December 20, 2017 | Coupon Valuation Date + 5 Business Days |
| June 20, 2018 | Coupon Valuation Date + 5 Business Days |
| December 20, 2018 | Coupon Valuation Date + 5 Business Days |
| June 20, 2019 | Maturity Date |

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| **Mandatory Early Redemption** | The Mandatory Early Redemption Amount per Note, with respect to the Auto-Call |

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| **Amount Per Note** | Provision, will be an amount equal to:<br><br>i) The Specified Denomination per Note; plus<br><br>ii) The Contingent Semi-annual Coupon Amount of USD 41.50 or 4.15% per six-month period (corresponding to approximately 8.30% per annum) of the Specified Denomination with respect to the relevant Coupon Valuation Date.<br><br>The Mandatory Early Redemption Amount will be paid on the relevant Mandatory Early Redemption Date. Upon redemption, the Notes are automatically terminated. No further payments will be made on the Notes once they have been redeemed. |
| **Auto-Call Provision** | If on any Auto-Call Valuation Date (excluding the Final Valuation Date) the Underlying Closing Level is equal to or greater than the Auto-Call Level specified below for such Auto-Call Valuation Date, then the Notes will be redeemed, in whole but not in part, for the Mandatory Early Redemption Amount per Note payable on the related Mandatory Early Redemption Date.<br><br>(Note: Once automatically redeemed, the Notes are then terminated and no further payments will be made after the Mandatory Early Redemption Date.) |

| Auto-Call Valuation Date | Auto-Call Level | Mandatory Early Redemption Date |
|---|---|---|
| December 20, 2016 | 100.00% of the Strike Level | Auto-Call Valuation Date + 5 Business Days |
| June 20, 2017 | 100.00% of the Strike Level | Auto-Call Valuation Date + 5 Business Days |
| December 20, 2017 | 100.00% of the Strike Level | Auto-Call Valuation Date + 5 Business Days |
| June 20, 2018 | 100.00% of the Strike Level | Auto-Call Valuation Date + 5 Business Days |
| December 20, 2018 | 100.00% of the Strike Level | Auto-Call Valuation Date + 5 Business Days |

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| **Redemption Amount** | If the Notes have not been redeemed subject to the Auto-Call Provision above, the Redemption Amount per Note will be determined on the Final Valuation Date as follows and on the Maturity Date investors shall receive the following, as applicable:<br><br>(i) If on the Final Valuation Date the Underlying Closing Level is *equal to or greater than* the Knock-In Barrier Level, then the Notes will pay a cash amount equal to 100% of the amount initially invested or USD 1,000 per Note.<br><br>(ii) If on the Final Valuation Date the Underlying Closing Level is *less than* the Knock-In Barrier Level, then the Notes will pay a fixed number of shares of the Underlying equal to the Exchange Ratio.<br><br>Investors should understand that if the Final Level of the Underlying is less than the Knock-In Barrier Level, they will lose at least 15% of their initial investment and may lose more or all of their investment.<br><br>On the Maturity Date, investors may receive a Contingent Semi-annual Coupon Amount as determined according to "Contingent Semi-annual Coupon Amount" above. |

## Additional Information

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| **Disrupted Days, Market Disruption** | Certain events may prevent the Calculation Agent from calculating the Underlying |

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| **Events and Adjustments** | Closing Level on any Coupon Valuation Date or Auto-Call Valuation Date or calculating the amount, if any, that the Issuer will pay to you at maturity of the Notes. These events may include disruptions, suspensions or material limitation(s) of trading in the Underlying or the markets as a whole. Any such occurrence is referred to as a "Disrupted Day" or "Market Disruption Event". The Calculation Agent, in its sole discretion, determines whether or not any such Disrupted Day or Market Disruption Event has occurred. Additional provisions regarding Disrupted Days, Market Disruption Events, corporate actions and related adjustments are more fully set out in the Pricing Supplement and the Offering Circular. |
| **Prospectus for the Underlying** | In addition to these terms and conditions, you should read the prospectus for the Underlying, which can be accessed via the below hyperlink. The hyperlink below is a hyperlink to the SPDR® S&P 500® ETF Trust registration statement, which includes the most recent prospectus for the Underlying. https://www.ishares.com/us/literature/prospectus/p-ishares-iboxx-high-yield-corporate-bond-etf-2-28.pdf |
| **Fractional Shares** | In lieu of any Fractional Share that you would otherwise receive in respect of any Note you hold, at maturity you will receive an amount in cash equal to the value of such Fractional Share (based on the Underlying Closing Level on the Final Valuation Date). The number of full underlying shares and any cash in lieu of a Fractional Share that you receive at maturity will be calculated per Denomination. |
| **Form of Note** | One or more Global Registered certificates deposited with, or on behalf of Euroclear / Clearstream in a minimum denomination of USD 1,000, and increments of USD 1,000 thereafter, pursuant to Regulation S in registered form (TEFRA does not apply) from the Issuer's Global Medium Term Note Programme, as described in the Offering Circular, dated December 23, 2015, and any supplements thereto (collectively, the "Offering Circular").<br>The Notes have not been and will not be registered under the Securities Act. |
| **Dealer** | Citigroup Global Markets Limited ("CGML") |
| **Distribution Agent** | Citigroup Global Markets Inc. ("CGMI") |
| **Calculation Agent** | Citigroup Global Markets Inc. ("CGMI") All calculations and determinations shall be made by the Calculation Agent acting in a commercially reasonable manner. |
| **Business Days** | London and New York City |
| **Business Day Convention for Payments** | If a scheduled date for payment is not a Business Day, payment will be made on the next following Business Day. No interest will accrue if payment is delayed for this reason. |
| **Listing** | The Notes will not be listed. |
| **ISIN** | XS1273379773 |
| **Clearing and Settlement** | Euroclear/Clearstream Luxembourg. |
| **Fees and Other Compensation** | Investors should be aware that any Distribution Agent and its affiliates, and other third parties that may be involved in this transaction, may make or receive a fee, commission or other compensation in connection with the purchase and sale of the Notes. Additionally, it is possible that CGML and its affiliates may profit from hedging activity related to this offering, even if the value of the Notes declines. The pricing for this transaction includes compensation to CGML and its affiliates involved in the transaction for providing such product(s) and service(s) to investors. Investors must note that the market value of the Notes will be net of such fees and other compensation. Early termination of the Notes by holders of the Notes may also involve payment by such holders of these fees and other compensation, as well as any early sale transaction fee that may be imposed by the Distribution Agent. The distribution fee payable to the Distribution Agent in connection with the purchase and sale of the Notes will be included in the Pricing Supplement. |
| **Liquidity and Early Sale Risk** | CGML, as part of its activities as a broker and dealer in fixed income and equity securities and related products, intends to make a secondary market in relation to the |

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| | Notes and to provide an indicative bid price on a daily basis. Any indicative prices provided by CGML shall be determined in CGML's sole discretion taking into account prevailing market conditions and shall not be a representation by CGML that any instrument can be purchased or sold at such prices (or at all). Notwithstanding the above, CGML may suspend or terminate making a market and providing indicative prices without notice, at any time and for any reason. Consequently, there may be no market for the Notes and investors should not assume that such a market will exist. Accordingly, an investor must be prepared to hold the Notes until the Maturity Date. Where a market does exist, to the extent that an investor wants to sell the Notes, the price may, or may not, be at a discount from the outstanding principal amount. |
| **Governing Law** | English law |
| **Documentation** | Additional terms and conditions of the Notes are contained in the Offering Circular, which has been drafted by CGML or an affiliate. Capitalized terms used in this term sheet, and not defined here, are as defined in the Offering Circular.<br>This term sheet contains terms that are indicative only and are subject to amendment and completion. The final terms of these Notes will be set out in the Pricing Supplement document, which, together with the Offering Circular, contain all of the terms and conditions of the Notes. A copy of the Offering Circular is available upon request. |
| **Offer and Transfer Restrictions** | The Notes are being offered only outside the United States in compliance with Regulation S under the Securities Act.<br>The Notes may not be legally or beneficially owned by U.S. Persons at any time. Each holder and each beneficial owner of a Note hereby represents, as a condition to purchasing or owning the Note or any beneficial interest therein, that neither it nor any person for whose account or benefit the Note is being purchased is located in the United States, is a U.S. Person or was solicited to purchase the Note while present in the United States. Each holder and each beneficial owner of a Note hereby agrees not to offer, sell or deliver any of the Notes, at any time, directly or indirectly in the United States or to any U.S. Person. The term "U.S. Person" has the meaning ascribed to it in Regulation S under the Securities Act. |
| **Suitability** | Investors should determine whether an investment in the Notes is appropriate to their particular circumstances and should consult with their own independent financial, legal, regulatory, capital, accounting, business and tax advisors to determine the consequences of an investment in the Notes and to arrive at their own evaluation of the investment. |
| **Legal and Regulatory** | This is not a public offer of Notes. No documentation relating to or detailing the terms of the Notes has been filed, registered with or approved by any authority in any jurisdiction and no action has been taken in any country or jurisdiction that would permit a public offering of the Notes. Noteholders and prospective purchasers will be deemed to represent that they have complied with and will comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes.<br>In certain circumstances investors may need to execute either a Selling Activity Letter or an Investor Letter in connection with this security to confirm whether the security is being distributed or not and the basis of such distribution. |
| **Certain Tax Considerations** | You should consult your tax advisor regarding all aspects of the U.S. federal withholding, income and estate tax consequences of an investment in the Notes and any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction. The Issuer, Dealer and Distribution Agent and/or their respective affiliates are not tax advisors and do not provide tax advice. Responsibility for any tax implications of an investment in the Notes rests entirely with the Investor. Investors should note that the tax treatment of the Notes may differ from jurisdiction to jurisdiction. |

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| | This section summarizes certain generally applicable U.S. federal withholding and income tax consequences to Non-U.S. Holders, as defined in the Offering Circular (the "Offering Document"), in respect of the Notes. Except as discussed in the Offering Document under "United States Federal Tax Considerations—Tax Consequences to Non-U.S. Holders," including the discussion regarding FATCA, amounts paid to a Non-U.S. Holder on a Note and gain realized by a Non-U.S. Holder on the taxable disposition of a Note generally will not be subject to U.S. federal withholding or income tax. Special rules apply to certain Non-U.S. Holders, including Non-U.S. Holders that are engaged in a trade or business in the United States or that are individuals present in the United States for 183 days or more in the taxable year of disposition.<br>In certain circumstances that constitute a Section 871(m) Event, as defined in the Offering Document, an Early Redemption Event may occur, in which case the Notes will be redeemed as more fully set out in the Pricing Supplement.<br>**If U.S. federal withholding tax applies to a payment on a Note as a result of the application of FATCA (and in certain other cases described in the Offering Document), the Issuer will not be required to pay additional amounts in respect of amounts withheld.**<br>**Please review the accompanying Offering Document and the Pricing Supplement for more information regarding the U.S. federal income tax consequences of an investment in the Notes.** |

## Risk Factors

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| **May Result in a Loss of Principal** | The Notes do not guarantee the return of any principal amount at maturity. Instead, if the Notes have not been automatically redeemed prior to maturity and if the Final Level of the Underlying is less than the Knock-In Barrier Level, then investors will receive a number of shares of the Underlying, which will be worth less, and possibly significantly less, than 85.00% of the amount initially invested and may be zero. Consequently, investors may lose some or all of the amount invested. The Notes will be repaid at maturity by payment of the Redemption Amount, regardless of whether this amount is less than the Issue Price.<br>The Notes are not principal protected and are only suitable for sophisticated investors who are willing to take the risks and can absorb a partial or complete loss of their initial investment. The Notes are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving no semi-annual interest over the entire 3-year term and in exchange for the possibility of an automatic early redemption prior to maturity. Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in the Notes. |
| **No Contingent Semi-annual Coupon Payment if the Underlying Closing Level Is Below the Coupon Barrier Level** | If, on any Coupon Valuation Date, the Underlying Closing Level is less than the Coupon Barrier Level, investors will receive no Contingent Semi-annual Coupon Amount on the related Coupon Payment Date. In such circumstances investors will not be compensated for the effects of inflation and other factors relating to the value of money over time. It is possible that the Underlying Closing Level could remain below the Coupon Barrier Level for extended periods of time or even throughout the entire 3-year term of the Notes so that you will receive few or no Contingent Semi-annual Coupon Amounts. If you do not earn sufficient Contingent Semi-annual Coupon Amounts over the term of the Notes, the overall return on the Notes may be less than the amount that would be paid on a conventional debt security of the Issuer of comparable maturity. |
| **The Contingent Semi-annual Coupon Amounts, if any, Are Based Only on the Underlying Closing** | Whether the Contingent Semi-annual Coupon Amount will be paid on any Coupon Payment Date will be determined at the end of the relevant semi-annual period based on the Underlying Closing Level on the relevant semi-annual Coupon Valuation Date. |

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| **Levels on the Related Coupon Valuation Dates** | As a result, you will not know whether you will receive the Contingent Semi-annual Coupon Amount on any Coupon Payment Date until near the end of the relevant semi-annual period. Moreover, because the Contingent Semi-annual Coupon Amount is based solely on the Underlying Closing Level on semi-annual Coupon Valuation Dates, if the Underlying Closing Level on any Coupon Valuation Date is below the Coupon Barrier Level, you will receive no Contingent Semi-annual Coupon Amount for the related semi-annual period even if the price of the Underlying was higher on other days during that semi-annual period. |
| **Your Redemption Amount Depends on the Underlying Closing Level on a Single Day** | Because your Redemption Amount depends on the Underlying Closing Level solely on the Final Valuation Date, you are subject to the risk that the Underlying Closing Level on that day may be lower, and possibly significantly lower, than on one or more other dates during the term of the Notes. If you had invested directly in the Underlying or in another instrument linked to the Underlying that you could sell for full value at a time selected by you, or if the Redemption Amount were based on an average of closing prices of the Underlying, you might have achieved better returns. |
| **The Notes Will Not Be Listed on an Exchange and You May Not Be Able to Sell Them Prior to Maturity** | The Notes will not be listed on any exchange. Therefore, there may be little or no secondary market for the Notes. CGML intends to make a secondary market in relation to the Notes and to provide an indicative bid price on a daily basis. Any indicative bid prices provided by CGML shall be determined in CGML's sole discretion, taking into account prevailing market conditions, and shall not be a representation by CGML that any instrument can be purchased or sold at such prices (or at all). Notwithstanding the above, CGML may suspend or terminate making a market and providing indicative bid prices without notice, at any time and for any reason. Consequently, there may be no market for the Notes and investors should not assume that such a market will exist. Accordingly, an investor must be prepared to hold the Notes until the Maturity Date. Where a market does exist, to the extent that an investor wants to sell the Notes, the price may, or may not, be at a discount from the Specified Denomination. |
| **The Inclusion of Underwriting Fees and Projected Profit from Hedging in the Issue Price is Likely to Adversely Affect Secondary Market Prices** | Assuming no change in market conditions or other relevant factors, the price, if any, at which CGML may be willing to purchase the Notes in secondary market transactions will likely be lower than the Issue Price because the Issue Price includes, and secondary market prices are likely to exclude, underwriting fees and the cost of hedging our obligations under the Notes. The cost of hedging includes the projected profit that our affiliates may realize in consideration for assuming the risks inherent in managing the hedging transactions. Any secondary market price is also likely to be reduced by the costs of unwinding the related hedging transactions. Any secondary market prices may differ from values determined by pricing models used by CGML as a result of dealer discounts, mark-ups or other transaction costs. |
| **The Calculation Agent, Which is an Affiliate of Ours, Will Make Important Determinations with Respect to the Notes** | If certain events occur, such as market disruption events, Citibank N.A. New York, as calculation agent, will be required to make certain judgments that could significantly affect your payment at maturity. In making these judgments, the calculation agent's interests as an affiliate of ours could be adverse to your interests as a holder of the Notes. |
| **Secondary Market Price Risk** | Investors in these Notes should have prior experience with products featuring embedded derivatives, or should take steps to familiarize themselves with these products. The value of the Notes will be increased or decreased by the performance of the Underlying over the life of the Notes. In addition, the value of the Notes prior to maturity will be influenced by many unpredictable factors, including, but not limited to, the level and shape of the relevant yield curve(s), levels of illiquidity and volatility of the Underlying and the markets and the implied future direction of these, disruptions in the credit markets, time to maturity, interest rates in the markets, the credit-worthiness of the Issuer, hedging risks and economic, political, regulatory and other factors. There can be no assurance as to the future value of the Underlying. It is not possible to predict the aggregate effect of all or any combination of these factors. |

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| | The Notes may trade differently from the Underlying, and changes in the price of the Underlying may not result in comparable changes in the market value of the Notes. Changes to any of these factors, remaining life to maturity and the credit quality of the Issuer will affect secondary market prices for these Notes, if any.<br>If the Notes return less than 100% of the amount initially invested, investors will have lost some or all of the amount invested and will have foregone any profit that may have been earned on a fixed income investment or bank deposit of a like amount and a like duration. |
| **Early Redemption Risk** | The appreciation potential of the Notes is limited by the Auto-Call provision, which may limit the term of the Notes to as short as approximately 12 months. If the Notes are redeemed prior to maturity, an investor may not be able to reinvest at comparable terms. In addition, the automatic redemption feature is likely to limit the market value of the Notes.<br>The Notes are subject to early redemption in certain circumstances, such as illegality and for tax reasons. In addition, there may be an early redemption of the Notes in other circumstances, as determined by the Calculation Agent or as otherwise specified, in accordance with the terms of the Notes (please see the Offering Circular for further details). In such circumstances, the Notes may be redeemed prior to the Maturity Date for substantially less than their original purchase price and may not pay any accrued interest. |
| **Underperformance Risk** | The return on the Notes, if any, may not reflect the full performance of the Underlying. Specifically, the return on the Notes, if any, will not reflect the return investors would realize if they actually owned the Underlying or the stock comprising the Underlying, if applicable (including any dividends payable on such stock, if applicable). |
| **Our Offering of the Notes is Not a Recommendation of the Underlying** | The fact that we are offering the Notes does not mean that we believe that investing in an instrument linked to the Underlying is likely to achieve favorable returns. In fact, as we are part of a global financial institution, our affiliates may have positions (including short positions) in the stocks that constitute the Underlying or instruments related to the Underlying or such stocks, and may publish research or express opinions, that in each case are inconsistent with an investment linked to the Underlying. These and other activities of our affiliates may affect the level of the Underlying in a way that has a negative impact on your interests as a holder of the Notes. |
| **Factors Affecting the Underlying** | Investors should be familiar with exchange-traded funds and exchange-traded fund shares and with investments in global equity markets generally. The Notes are subject to the risks of an investment in stocks generally and the Underlying, in particular, including the risk that the general level of stock prices may decline. Investors should understand that global economic, financial and political developments, among other things, may have a material effect on the performance of the Underlying. Although the Underlying has a trading history, historical performance of the Underlying does not indicate or guarantee the future performance of the Underlying and it is impossible to predict whether the price of the Underlying will fall or rise during the term of the Notes. The Notes will give rise to obligations of the Issuer and will not give rise to obligations of the issuer of the Underlying. Trading prices of the Underlying will be influenced by political, economic, financial, market and other factors. It is impossible to predict what effect these factors will have on the price of the Underlying and thus, the return on the Notes.<br>Exchange Traded Funds attempt to track the performance of a specific sector. The Underlying described herein may not be covered by Citi's research department, and may never be in the future. Since the performance of the Underlying described herein is closely related to the performance of the underlying index on which it is based, it is important that investors understand the index's characteristics before investing. |
| **Credit Risk** | Investors in these Notes assume the full credit risk of the Issuer and Guarantor, and |

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| | any actual or anticipated decline in their credit ratings and credit spreads is likely to adversely affect the market value of the Notes. These Notes are not deposits of Citibank, N.A. or any of its affiliates. Any payment due on these Notes is guaranteed only to the extent of the Issuer's and Guarantor's credit-worthiness. Credit ratings reflect the independent opinion of the relevant rating agencies as to the ability of the Issuer to make payments of principal and interest. These ratings are not a guarantee of credit quality or a recommendation to buy, sell or hold securities. These ratings do not take into consideration any risks associated with fluctuations in the market value of this instrument, or where factors other than the Issuer's or Guarantor's credit quality determine the level of principal and interest payments. Each rating agency may reduce or withdraw its ratings of the Issuer and Guarantor at any time in the future if, in its judgment, circumstances warrant a change. No rating agency is obligated to maintain its ratings at their current levels. If a rating agency reduces or withdraws its rating of the Issuer or Guarantor, the liquidity and market value of the Notes are likely to be adversely affected.<br>Investors should note that in accordance with the Offering Circular, the Issuer and/or the Guarantor may, without the consent of the investors, be substituted by another company, which is, on the date of the substitution, in the opinion of the Issuer or the Guarantor, as the case may be, of at least equivalent standing and creditworthiness to the Issuer or the Guarantor, as the case may be, subject to certain conditions as set forth in the Offering Circular. |
| **Risk of Corporate Events That May Have a Diluting Effect on the Value of the Underlying** | If an event occurs which in the opinion of the Calculation Agent may have a diluting or concentrative effect on the value of the Underlying, the Calculation Agent will have discretion to make changes to the terms of the Notes to account for any such effect; and such changes may affect the value of the Notes. If the Calculation Agent determines that the event will not have a diluting or concentrative effect on the value of the Underlying, the Calculation Agent will not adjust the terms of the Notes. |
| **Leverage Risk** | Borrowing to fund the purchase of the Notes (leveraging) can have a significant negative impact on the value of and return on the investment. Any hypothetical examples provided herein of potential performance of the Notes do not take into account the effect of any leveraging. Investors considering leveraging the Notes should obtain further detailed information as to the applicable risks from the leverage provider. If the investor obtains leverage for the investment, the investor should make sure it has sufficient liquid assets to meet the margin requirements in the event of market movements adverse to the investor's position. In such case, if the investor does not make the margin payments, then the investor’s investment in the Notes may be liquidated with little or no notice. |
| **Liquidity Risk** | The Notes will not be traded on an organized exchange. The Dealer will make a secondary market in the Notes on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. The liquidity of the Notes reflects the liquidity of the stocks comprising the Underlying and even whilst there may be a secondary market in the Notes it may not be liquid enough to facilitate a sale by the holder. |
| **Compounding of Risks** | Due to the inter-linked nature of financial markets, an investment in the Notes involves risks and should only be made after assessing the direction, timing and magnitude of potential future market changes (e.g., in the value of the reference securities, indices, commodities, interest rates etc.), as well as the terms and conditions of the Notes. More than one risk factor may have simultaneous effects with regard to the Notes such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Notes. |
| **Conflicts of Interest** | The Issuer and/or its affiliates play a variety of roles in connection with the issuance of |

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| | the Notes, including acting as Calculation Agent and hedging the Issuer's obligations under the Notes. In connection with the hedging of its obligations under the Notes, the Issuer expects to hedge its obligations under the Notes through one or more of its affiliates. This hedging activity will likely involve trading in instruments, such as options, swaps or futures, based upon the Underlying. In performing these duties, the economic interests of the Issuer and its affiliates are potentially adverse to your interests as a Note holder. Furthermore, the Dealer and/or other of our affiliates, may act as principal or agent in similar transactions or in transactions with respect to instruments underlying a proposed transaction. Accordingly, the Firm may actively trade these Notes for its own account and those of its customers and, at any time, may have a long or short position in the Notes or derivatives related hereto. This information is furnished on the understanding that the Firm is not undertaking to manage money or act as a fiduciary with respect to your account.<br>The Calculation Agent, an affiliate of the Issuer, will make determinations with respect to the Notes. Specifically, the Calculation Agent will determine the Strike Level and the Final Level, and will calculate the investor's Redemption Amount. |
| **No Reliance** | Each holder of the Notes may not rely on the Issuer, the Dealers, any Citi entity and any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes. |

**Important Notice**

Offering and Transfer Restrictions

The securities or transactions described herein have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or any state securities law. The securities will be offered and sold outside the United States in reliance on Regulation S of the Securities Act. The securities may not be legally or beneficially owned by U.S. Persons at any time. Each holder and each beneficial owner of the securities hereby represents, as a condition to purchasing or owning the securities or any beneficial interest therein, that neither it nor any person for whose account or benefit the securities are being purchased is located in the United States, is a U.S. Person or was solicited to purchase the securities while present in the United States. Each holder and each beneficial owner of the securities hereby agrees not to offer, sell or deliver any of the securities, at any time, directly or indirectly in the United States or to any U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Disclaimer

We are sending you this term sheet and are willing to negotiate a transaction with you because of our understanding that (1) you have sufficient knowledge, experience, and professional advice to make your own evaluation of the merits and risks of a transaction of this type and (2) you are not relying on us nor on any of our affiliates for information, advice or recommendations of any sort except for the accuracy of specific factual information about the terms of the transaction.

The terms herein are intended for discussion purposes only and are subject to the final expression of the terms of the transaction set forth in the definitive agreement and/or confirmation, and do not constitute an offer to sell or solicitation to buy any security. Projections of potential risk or return are illustrative and should not be taken as limitations of the maximum possible loss or gain. Although the information contained herein is believed to be reliable, we make no representation as to the accuracy or completeness of any information contained herein or otherwise provided by us. We are not acting as your advisor or agent. This term sheet does not purport to identify all the risks (direct or indirect) or other material considerations, which may be associated with you entering into the proposed transaction. Prior to entering into any proposed transaction, you should determine, without reliance upon us or our affiliates, the economic risks and merits, as well as the legal, tax, and accounting characterizations and consequences of the transaction and independently determine that you are able to assume these risks. Some of these risks may include without limitation (a) the potential for loss if the Notes are not principal protected, (b) the limited appreciation of the Notes upon a mandatory call versus the potential appreciation of the underlying, (c) the return of the Notes may be lower than a comparable fixed rate debt security of Citigroup Inc. or any of its affiliates, (d) the lack of periodic payments, (e) the lack of liquidity as the Notes will not be listed on any exchange and any secondary market that may develop may not be liquid, (f) any potential resale value of the Notes may be substantially less than your initial investment, (g) the Dealer, Distribution Agent, and other affiliates thereof may receive compensation under the Notes which may create certain conflicts of interest, and (h) the payment of the obligations under the Notes are subject to the credit risk of Citigroup Inc.

In this regard, by acceptance of these materials, you acknowledge that you have been advised that (a) we are not in the business of providing legal, tax or accounting advice, (b) you understand that there may be legal, tax or accounting risks associated with the transaction, (c) you should receive legal, tax and accounting advice from advisors with appropriate expertise to assess relevant risks, and (d) if applicable, you should apprise senior management in your organization as to the legal, tax and accounting advice, and risks associated with this transaction and our disclaimers as to these matters. We, and/or our affiliates, may act as principal or agent in similar transactions or in transactions with respect to instruments underlying a proposed transaction. This document and its contents are the proprietary information and products of our firm and may not be reproduced or otherwise disseminated in whole or in part without this institution's written consent unless required to by judicial or administrative proceeding.

Notwithstanding any other express or implied agreement to the contrary, the Issuer, the Dealer, the Calculation Agent, and each recipient hereof and each of their employees, representatives, and other agents may disclose, immediately upon commencement of discussions, to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to any of them relating to such tax treatment and tax structure, except where confidentiality is reasonably necessary to comply with U.S. federal or state securities laws. For purposes of this paragraph, the terms "tax", "tax treatment", "tax structure", and "tax benefit" are defined under Treasury Regulation § 1.6011-4(c).

CGML/CGMI and/or its affiliates (together, the "Firm") are not tax advisors. The tax implications of an investment in the securities described herein should be verified by independent tax counsel before proceeding with any such investment.

If this term sheet contains information from external sources, please note that although such information has been obtained from sources that the Firm believes to be reliable, we do not guarantee its accuracy, and such information may be incomplete or condensed. Any prices used herein are historical or indicative and may not be available when your order is entered. Commissions and other transaction costs may not be considered in this material. Past performance is not indicative of future results. Any opinions and estimates included in this material constitute our judgment as of this date and are subject to change without notice.

In the case of securities described in an offering document to be produced in connection with this term sheet, the information contained herein is qualified in its entirety by such offering document. Any decision to purchase the securities described herein should therefore be based upon the information set forth therein. In the case of an offering document with a section headed "Investment Considerations" or equivalent, please refer to that section for a discussion of certain factors to be considered in connection with an investment in the securities described herein.

The Firm may make a market in the securities described herein. Accordingly, the Firm may actively trade the Notes for its own account and those of its customers and, at any time, may have a long or short position in the Notes or derivatives related hereto. This material is furnished on the understanding that the Firm is not undertaking to manage money or act as a fiduciary with respect to your account.

Any tax discussion herein was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed on the taxpayer. Any such tax discussion was written to support the promotion or marketing of the Notes to be issued pursuant to the Pricing Supplement. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.