

CitiFirst



MINIS | INSTALMENTS | SELF-FUNDING INSTALMENTS | TURBOS | TRADING WARRANTS

CitiFirst Single Stock MINIs

Investment Product: Not a Deposit | Not Insured | No Bank Guarantee | May Lose Value

Product Disclosure Statement

KOA, KOB, KOC, KOD, KOE, KOF, KOG, KOP, KOQ, KOR, KOS, KOT, KOU, KOV, KOW, KOX, KOY, KOZ, MOP, MOQ and MOR Series

Dated 18 May 2021



Important information about CitiFirst MINIs

This document is a Combined Financial Services Guide and Product Disclosure Statement for the purposes of Part 7.9 of the Corporations Act and the Corporations Regulations, relating to a class of warrants called MINIs, and has been issued by Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 and AFSL 240992) (Citi), a participant of ASX.

This PDS is dated 18 May 2021.

This PDS is not required to be and will not be lodged with ASIC. ASIC takes no responsibility for the contents of this PDS or the CitiFirst MINIs. Citi will notify ASIC that this PDS is in use in accordance with section 1015D of the Corporations Act.

This PDS complies with Schedule 10 to the Operating Rules as varied or waived by ASX. ASX takes no responsibility for the contents of this PDS or the CitiFirst MINIs.

Information in this PDS may change from time to time. Where those changes are not materially adverse to Holders, Citi may provide that information on its website www.citifirst.com.au. Citi will provide Holders with a paper copy of that information, free of charge, on request.

THIS DOCUMENT IS NOT INVESTMENT ADVICE

This is an important document and should be read in its entirety before any decision is made to apply for or acquire the CitiFirst MINIs. The information provided in this PDS is not financial product advice and has been prepared without taking into account your personal investment objectives or financial situation. Accordingly, nothing in this PDS is a recommendation by Citi, its associates or any other person to invest in CitiFirst MINIs or in the Securities that make up an Underlying Parcel. YOU SHOULD CONTACT YOUR STOCKBROKER OR OTHER PROFESSIONAL FINANCIAL ADVISER BEFORE MAKING ANY DECISION TO INVEST IN CITIFIRST MINIS, AND TAKE INTO ACCOUNT YOUR OWN PERSONAL INVESTMENT OBJECTIVES AND FINANCIAL SITUATION.

ASX Booklets

The ASX publishes a number of booklets in relation to warrants, which can be downloaded free of charge from the ASX website. Investors are encouraged to read these booklets and the information that is available on the ASX website in relation to MINIs and warrants, to understand their characteristics, the terms and conditions under which MINIs are issued and the operation of the warrants market in general.

Overseas Distribution

Neither CitiFirst MINIs nor this PDS have been or will be registered in any jurisdiction outside of Australia. The offer of CitiFirst MINIs under this PDS is only made to Australian residents located in Australia. The distribution of this PDS in jurisdictions outside Australia may be restricted by law. Persons who obtain this PDS in jurisdictions outside Australia should seek advice on and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer or an invitation in any place outside Australia where, or to any person to whom, it would be unlawful to make such an offer or invitation. Neither CitiFirst MINIs nor this PDS will be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to, or for the account of, or the benefit of, US Persons. On the exercise of a CitiFirst MINI the Holder represents and warrants that the CitiFirst MINI is neither directly nor indirectly held in favour of a US Person.

Disclaimer

CitiFirst MINIs and any securities recommended, offered, or sold by Citi: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations or liabilities of any insured depository institution (including Citibank, N.A.); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. CitiFirst MINIs do not represent a deposit or other liability of Citigroup Pty Limited or Citibank, N.A. (Sydney Branch) and these entities do not stand in any way behind the capital value and/or performance of CitiFirst MINIs. Citi is not subject to regulatory supervision by APRA.

Representations

No person is authorised by Citi to give any information or to make any representation not contained in this PDS. Any information or representation not contained in this PDS must not be relied upon as having been authorised by or on behalf of Citi. Nothing in this PDS is, or may be relied upon as, a representation as to the future performance of CitiFirst MINIs or the Underlying Parcels.

Cooling-off Period

There is no cooling-off period when you buy or sell CitiFirst MINIs issued under this PDS.

Electronic Documents

A copy of this PDS is available online at www.citifirst.com.au.

If this PDS is accessed electronically, it must be downloaded in its entirety. A paper copy of this PDS will be provided, free of charge, on request. A copy of this PDS is also available on the ASX website.

Glossary

Section 10 contains definitions of certain terms used in this PDS.

About CitiFirst

CitiFirst MINIs are issued by Citi. CitiFirst is the brand name for Citi's suite of investment and trading products. CitiFirst Opportunity investments in Australia cover a broad selection of ASX quoted Warrants including:

- Instalments
- Self Funding Instalments
- MINIs
- Turbos
- Trading Warrants

Citi is a wholly owned subsidiary of Citigroup Inc. and a member of the Citigroup Inc. group of companies (**Group**). Citigroup Inc. is a leading global financial services company, and has more than 200 million customer accounts and does business in more than 100 countries, providing customers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage and wealth management. Citi is not an authorised deposit taking institution under the *Banking Act 1959* (Cth) and is not regulated by the Australian Prudential Regulation Authority.

The Group has been in the Asia Pacific region for more than one hundred years and today provides more services in more markets for more clients than any other financial institution.

The Group established a presence in Australia in 1971 and in New Zealand in 1982. In 1984, the Group's securities and investment banking business commenced operations in Australia and in 1985, Citibank Pty Limited (now Citigroup Pty Limited) became the first foreign bank to be granted an Australian banking license. Today, the Group provides financial services to more than 1 million consumers and over 900 corporate clients in Australia and New Zealand.

When you buy CitiFirst MINIs you have the comfort of knowing you are dealing with one of the largest financial services companies in the world. In addition, because CitiFirst MINIs are quoted on the ASX, Citi, as issuer of the CitiFirst MINIs, is required to comply with Operating Rules and CitiFirst MINIs trade within a regulated and transparent market.

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Term Sheet

MINI Longs

Series	Underlying Parcel	Issue Date	Initial Strike Price	Initial Stop Loss Trigger Level	Required Number	Issue Size ¹
A2MKOC	THE A2 MILK COMPANY LIMITED	18 May 2021	3.75	4.50	1	3.21mm
A2MKOE	THE A2 MILK COMPANY LIMITED	18 May 2021	3.33	4.00	1	3.21mm
A2MKOF	THE A2 MILK COMPANY LIMITED	18 May 2021	2.50	3.00	1	3.21mm
AGLKOA	AGL ENERGY LIMITED.	18 May 2021	4.54	5.22	1	1.46mm
AMPKOA	AMP LIMITED	18 May 2021	0.35	0.40	1	5.82mm
ANZKOB	AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	18 May 2021	16.96	19.00	1	5.06mm
ANZKOD	AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	18 May 2021	15.18	17.00	1	5.06mm
APTKOC	AFTERPAY LIMITED	18 May 2021	38.40	48.00	1	250,000
APTKOE	AFTERPAY LIMITED	18 May 2021	60.80	76.00	1	250,000
APXKOB	APPEN LIMITED	18 May 2021	6.09	7.00	1	670,000
APXKOE	APPEN LIMITED	18 May 2021	4.35	5.00	1	670,000
BHPKOB	BHP GROUP LIMITED	18 May 2021	41.64	47.47	1	4.96mm
BHPKOG	BHP GROUP LIMITED	18 May 2021	41.11	46.87	1	4.96mm
BINKOC	BINGO INDUSTRIES LIMITED	18 May 2021	2.02	2.32	1	2.68mm
BXBKOC	BRAMBLES LIMITED	18 May 2021	6.09	7.00	1	3.69mm
CBAKOB	COMMONWEALTH BANK OF AUSTRALIA.	18 May 2021	78.13	87.51	1	2.37mm
CIMKOC	CIMIC GROUP LIMITED	18 May 2021	15.05	17.31	1	260,000
CPUKOA	COMPUTERSHARE LIMITED.	18 May 2021	11.03	12.69	1	1.18mm
CTDKOA	CORPORATE TRAVEL	18 May 2021	8.68	10.85	1	247,000

Series	Underlying Parcel	Issue Date	Initial Strike Price	Initial Stop Loss Trigger Level	Required Number	Issue Size ¹
	MANAGEMENT LIMITED					
FLTKOB	FLIGHT CENTRE TRAVEL GROUP LIMITED	18 May 2021	6.09	7.00	1	320,000
IPLKOC	INCITEC PIVOT LIMITED	18 May 2021	1.04	1.20	1	6.14mm
KGNKOA	KOGAN.COM LTD	18 May 2021	6.96	8.00	1	1.2mm
KGNKOB	KOGAN.COM LTD	18 May 2021	5.65	6.50	1	1.2mm
KGNKOC	KOGAN.COM LTD	18 May 2021	4.35	5.00	1	1.2mm
MP1KOC	MEGAPORT LIMITED	18 May 2021	6.52	7.50	1	810,000
NABKOC	NATIONAL AUSTRALIA BANK LIMITED	18 May 2021	14.29	16.00	1	3.94mm
NABKOE	NATIONAL AUSTRALIA BANK LIMITED	18 May 2021	17.86	20.00	1	3.94mm
NEAKOC	NEARMAP LTD	18 May 2021	0.80	1.00	1	3.62mm
NEAKOD	NEARMAP LTD	18 May 2021	0.64	0.80	1	3.62mm
NWHKOB	NRW HOLDINGS LIMITED	18 May 2021	0.87	1.00	1	2.87mm
RBLKOA	REDBUBBLE LIMITED	18 May 2021	2.50	3.00	1	3.38mm
RBLKOB	REDBUBBLE LIMITED	18 May 2021	2.08	2.50	1	3.38mm
RBLKOC	REDBUBBLE LIMITED	18 May 2021	1.75	2.10	1	3.38mm
RBLKOD	REDBUBBLE LIMITED	18 May 2021	1.50	1.80	1	3.38mm
RIOKOA	RIO TINTO LIMITED	18 May 2021	97.93	111.64	1	1.49mm
RSGKOD	RESOLUTE MINING LIMITED	18 May 2021	0.28	0.35	1	3.2mm
RSGKOE	RESOLUTE MINING LIMITED	18 May 2021	0.20	0.25	1	3.2mm
TPGKOA	TPG TELECOM LIMITED.	18 May 2021	3.04	3.50	1	780,000
TPGKOE	TPG TELECOM LIMITED.	18 May 2021	2.61	3.00	1	780,000

Series	Underlying Parcel	Issue Date	Initial Strike Price	Initial Stop Loss Trigger Level	Required Number	Issue Size ¹
TPGKOF	TPG TELECOM LIMITED.	18 May 2021	2.17	2.50	1	780,000
WEBKOB	WEBJET LIMITED	18 May 2021	2.24	2.58	1	370,000
WGXKOA	WESTGOLD RESOURCES LIMITED.	18 May 2021	0.89	1.07	1	2.01mm
WHCKOF	WHITEHAVEN COAL LIMITED	18 May 2021	0.70	0.87	1	3.3mm
Z1PKOC	ZIP CO LIMITED.	18 May 2021	2.64	3.30	1	5mm

Note 1: mm means million

MINI Shorts

Series	Underlying Parcel	Issue Date	Initial Strike Price	Initial Stop Loss Trigger Level	Required Number	Issue Size ¹
BHPKOX	BHP GROUP LIMITED	18 May 2021	63.50	54.61	1	4.96mm
BHPKOZ	BHP GROUP LIMITED	18 May 2021	75.58	65.00	1	4.96mm
BHPMOP	BHP GROUP LIMITED	18 May 2021	81.40	70.00	1	4.96mm
BLDKOS	BORAL LIMITED.	18 May 2021	8.22	6.99	1	3.62mm
BSLKOR	BLUESCOPE STEEL LIMITED	18 May 2021	30.48	24.38	1	2.13mm
BSLKOT	BLUESCOPE STEEL LIMITED	18 May 2021	31.35	25.08	1	2.13mm
BSLKOU	BLUESCOPE STEEL LIMITED	18 May 2021	37.50	30.00	1	2.13mm
CBAKOP	COMMONWEALTH BANK OF AUSTRALIA.	18 May 2021	123.66	108.82	1	2.37mm
CBAKOY	COMMONWEALTH BANK OF AUSTRALIA.	18 May 2021	125.00	110.00	1	2.37mm
COHKOP	COCHLEAR LIMITED	18 May 2021	305.72	259.86	1	140,000
CWNKOS	CROWN RESORTS LIMITED	18 May 2021	18.26	15.52	1	1.47mm
FMGKOZ	FORTESCUE METALS GROUP LTD	18 May 2021	35.84	30.46	1	7.53mm
FMGMOP	FORTESCUE METALS GROUP LTD	18 May 2021	36.72	31.21	1	7.53mm
FMGMOQ	FORTESCUE METALS GROUP LTD	18 May 2021	38.82	33.00	1	7.53mm
FMGMOR	FORTESCUE METALS GROUP LTD	18 May 2021	41.18	35.00	1	7.53mm
IAGKOS	INSURANCE AUSTRALIA GROUP LIMITED	18 May 2021	7.65	6.50	1	4.05mm
IAGKOT	INSURANCE AUSTRALIA GROUP LIMITED	18 May 2021	8.82	7.50	1	4.05mm
IGOKOS	IGO LIMITED	18 May 2021	13.35	10.01	1	730,000
ILUKOP	ILUKA RESOURCES LIMITED	18 May 2021	13.21	10.57	1	1.67mm

Series	Underlying Parcel	Issue Date	Initial Strike Price	Initial Stop Loss Trigger Level	Required Number	Issue Size ¹
JHXKOS	JAMES HARDIE INDUSTRIES PLC	18 May 2021	60.05	51.04	1	1.09mm
MGRKOR	MIRVAC GROUP	18 May 2021	5.88	5.00	1	10mm
MP1KOP	MEGAPORT LIMITED	18 May 2021	17.65	15.00	1	810,000
MP1KOQ	MEGAPORT LIMITED	18 May 2021	21.18	18.00	1	810,000
MP1KOR	MEGAPORT LIMITED	18 May 2021	23.53	20.00	1	810,000
MQGKOY	MACQUARIE GROUP LIMITED	18 May 2021	258.28	219.54	1	680,000
NCMKOW	NEWCREST MINING LIMITED	18 May 2021	41.32	35.12	1	2.14mm
NCMKOX	NEWCREST MINING LIMITED	18 May 2021	42.49	36.12	1	2.14mm
NSTKOP	NORTHERN STAR RESOURCES LTD	18 May 2021	17.14	13.71	1	2.49mm
OZLKOQ	OZ MINERALS LIMITED	18 May 2021	33.41	28.40	1	1.59mm
OZLKOT	OZ MINERALS LIMITED	18 May 2021	34.35	29.20	1	1.59mm
QBCKOQ	QBE INSURANCE GROUP LIMITED	18 May 2021	15.41	13.10	1	4.13mm
RIOKOS	RIO TINTO LIMITED	18 May 2021	197.67	170.00	1	1.49mm
SGMKOR	SIMS LIMITED	18 May 2021	22.74	19.33	1	840,000
SHLKOR	SONIC HEALTHCARE LIMITED	18 May 2021	49.00	41.65	1	930,000
WBCKOQ	WESTPAC BANKING CORPORATION	18 May 2021	33.82	29.76	1	4.62mm
WBCKOV	WESTPAC BANKING CORPORATION	18 May 2021	35.18	30.96	1	4.62mm
WESKOR	WESFARMERS LIMITED	18 May 2021	86.96	73.92	1	1.73mm
XROKOP	XERO LIMITED	18 May 2021	185.00	148.00	1	440,000
XROKOQ	XERO LIMITED	18 May 2021	237.50	190.00	1	440,000
XROKOR	XERO LIMITED	18 May 2021	262.50	210.00	1	440,000

Note 1: mm means million

SECTION 1 – KEY INFORMATION

This Section 1 provides a brief description only of CitiFirst MINIs. The terms of issue of CitiFirst MINIs and the rights and obligations of Holders and Citi are governed by the Terms of Issue, as set out in Section 9. Investors should read this entire PDS, in particular the Terms of Issue, prior to making any decision to invest. The Terms of Issue prevail to the extent of any inconsistency with any other part of this PDS.

1.1 WHAT IS A WARRANT?

Warrants are financial products that are traded on a financial market such as the ASX. A warrant is a derivative, and as such, derives its value from an underlying instrument. The underlying instrument can be a security or securities, an index, a commodity or a currency. The underlying instrument for CitiFirst MINIs is referred to as the Underlying Parcel.

The warrants issued under this PDS are known as CitiFirst MINIs, and they differ from regular, or “vanilla” equity put and call warrants. Details of the type of warrants issued under this PDS are discussed in more detail below.

1.2 WHAT ARE MINIS?

MINIs are ASX-quoted warrants which provide Holders with a leveraged exposure to the Underlying Parcel.

The key commercial terms of CitiFirst MINIs offered under the PDS are outlined in the Term Sheet above, including whether they are a MINI Long or MINI Short, the relevant Underlying Parcel, Required Number, Initial Strike Price, Initial Stop Loss Trigger Level, and ASX codes for each Series, each of which may be adjusted in accordance with the provisions of the Terms of Issue.

A CitiFirst MINI can be acquired for just part of the cost of the Underlying Parcel. Despite paying less upfront to acquire the CitiFirst MINI, holders of CitiFirst MINIs fully participate in price movements of that Underlying Parcel on a one-to-one basis. In other words, holders of CitiFirst MINIs have a delta one exposure to Underlying Parcel Price changes. However, if the Required Number for a CitiFirst MINI (identified in the Term Sheet) is greater than 1, the value of the MINI will not move on a one-to-one basis, but will move in proportion with the Required Number for price movements of the Underlying Parcel.

The price of a CitiFirst MINI is affected by and determined having regard to two factors: the price of the Underlying Parcel and the Strike Price, (as illustrated in Sections 1.3 and 1.4 below). As the CitiFirst MINI price is just affected by these two factors, the pricing of CitiFirst MINIs is transparent and straightforward.

The CitiFirst MINI has a Stop Loss Trigger Event feature and provides leverage on a limited recourse basis. As a result, regardless of Underlying Parcel Price and Strike Price changes, the price of a CitiFirst MINI cannot be negative and a Holder cannot lose more than their initial purchase price. The Stop Loss Trigger Event feature is explained in Section 1.5 below.

There are two types of CitiFirst MINIs:

- a MINI Long - the price of a MINI Long increases if the price of the Underlying Parcel increases; and
- a MINI Short - the price of a MINI Short increases if the price of the Underlying Parcel decreases.

A Holder may select a MINI Long or a MINI Short depending on their view on movements in the Underlying Parcel and the market.

In this PDS, “CitiFirst MINI” refers to both a MINI Long and a MINI Short, unless expressly stated otherwise. The meanings of some terms appearing in this PDS are explained in Section 10 “Definitions and Interpretation” and references to a “Section” are references to a section of this PDS.

Hedging

Holders should note that any hedging arrangements that Citi may enter into in connection with the CitiFirst MINIs are entirely at Citi’s discretion. Citi is under no obligation to enter into hedging arrangements in relation to the CitiFirst MINIs.

Leverage

Typically, the level of gearing for CitiFirst MINIs referred to in this PDS is between 50% and 80% of the price of the Underlying Parcel as at the time the CitiFirst MINI is issued. After a CitiFirst MINI is issued, the level of gearing may vary depending on a number of factors including the price of the Underlying Parcel.

To determine the percentage gearing level of a CitiFirst MINI at any point in time, divide the price of the Underlying Parcel by the Strike Price and multiply by 100. The Strike Price represents the level of leverage incorporated in the CitiFirst MINI from time to time.

If you acquire a CitiFirst MINI there are no credit checks or loan documents to complete, no collateral requirements and no margin calls.

Cost of leverage

The leverage incorporated in a CitiFirst MINI comes at a cost, known as:

- the MINI Long Funding Amount for MINI Longs; and
- the MINI Short Funding Amount for MINI Shorts.

These leverage costs are only incurred if a Holder holds their CitiFirst MINI overnight (rather than buying and selling the CitiFirst MINI in the same day). These leverage costs will not require any physical payment by the Holder, but will be added to the Strike Price before trading opens on the ASX each day.

- By adding the MINI Long Funding Amount to the Strike Price, the value of a MINI Long is decreased slightly.
- By adding the MINI Short Funding Amount to the Strike Price, the value of a MINI Short is increased slightly (all other things being equal).

The concept and calculation of the MINI Long Funding Amount and MINI Short Funding Amount is explained further in Section 1.3 below.

Traded on ASX

As at the date of this PDS, an application has been made but approval has not yet been given for the CitiFirst MINIs referred to in this PDS to be admitted to trading status pursuant to the Operating Rules. Once officially quoted, CitiFirst MINIs will offer an investment product which can be bought and sold on ASX, just like ordinary shares, although the market for CitiFirst MINIs may be less or more liquid than the market for Underlying Parcels.

Exercising a CitiFirst MINI

Holders can exercise their CitiFirst MINI and receive a cash payment. Please refer to Section 1.6 for further details on exercising a CitiFirst MINI.

The Underlying Parcel

The Securities that make up the Underlying Parcels of CitiFirst MINIs are securities admitted to trading on the ASX. This includes both ordinary shares in the capital of companies and units of listed trusts.

The ASX codes for the relevant Underlying Parcels appear in the Term Sheet as the first 3 letters of the ASX code for the CitiFirst MINI. More information on the Underlying Parcels and how to access further information in relation to the Underlying Parcels can be found in Section 3.

Investors should understand that where the Underlying Parcels are admitted to trading on more than one exchange, under the Terms of Issue the market price of the Underlying Parcels will always be determined by reference to the market price of the Underlying Parcel on ASX and will never be determined by reference to the market price of the Underlying Parcel on any other exchange (such as Chi-X).

Buying CitiFirst MINIs

CitiFirst MINIs are a form of warrant quoted on the ASX. The amount paid by a Holder to purchase a CitiFirst MINI is the Purchase Price, which is only a portion of the cost required to acquire the equivalent Underlying Parcel. The Purchase Price will be paid when you place an order with your broker.

CitiFirst MINIs provide Holders with a delta-one or one-to-one exposure (provided that the Required Number is 1) to movements in the price of an Underlying Parcel.

- MINI Longs provide leveraged exposure to the Underlying Parcel in rising markets and may be suitable for investors who believe that the price of the Underlying Parcel will increase.
- MINI Shorts provide leveraged exposure to the Underlying Parcel in falling markets and may be suitable for investors who believe that the price of the Underlying Parcel will fall.

1.3 HOW IS A CITIFIRST MINI PURCHASE PRICE CALCULATED?

A CitiFirst MINI may only be purchased on the ASX, by using a broker.

The Purchase Price for a CitiFirst MINI varies each day and equals the difference between the Underlying Parcel Price and the Strike Price, but the Purchase Price cannot be negative. The formulae to determine the Purchase Price is shown below.

For a MINI Long:

Purchase Price = Underlying Parcel Price – Strike Price

For a MINI Short:

Purchase Price = Strike Price – Underlying Parcel Price

The Strike Price reflects the level of leverage incorporated in the CitiFirst MINI at any point in time.

- For a MINI Long, the Strike Price reflects the leverage that Citi provides to fund the CitiFirst MINI's exposure to the Underlying Parcel.
- For a MINI Short, the Strike Price reflects the leverage that you provide and which Citi "pays for".

When you invest in a CitiFirst MINI you can choose your desired level of leverage by choosing between the different Strike Prices for CitiFirst MINIs. Generally, the level of leverage for a CitiFirst MINI is between 50% and 80% when issued, but the level of leverage will vary after the Issue Date as:

- the Underlying Parcel Price moves; and
- the Strike Price is increased by the addition of the MINI Long Funding Amount for MINI Longs or the MINI Short Funding Amount for MINI Shorts.

MINI Long Funding Amount and MINI Short Funding Amount

The leverage incorporated in a CitiFirst MINI comes at a cost for either:

- the Holder (for a MINI Long); or
- Citi (for a MINI Short).

This leverage cost is only incurred where a CitiFirst MINI is held overnight, rather than traded intraday (that is, bought and sold in the same day). If you dispose of your CitiFirst MINI on ASX before the close of trading on a particular day, then you will not incur this leverage cost for that day. If you don't want to incur any leverage costs at all, you must dispose of your CitiFirst MINIs before the close of trading on the day that you acquired the CitiFirst MINIs.

Where a CitiFirst MINI is held overnight:

- the Strike Price for a MINI Long is increased by that day's leverage cost and that results in the Strike Price for a MINI Long increasing by the MINI Long Funding Amount; and
- and the Strike Price for a MINI Short is increased by the MINI Short Funding Amount (where the MINI Short Funding Amount is a positive amount) or decreased by the MINI Short Funding Amount (where the MINI Short Funding Amount is a negative amount, because the interest rate is a negative percentage).

All other things being equal:

- an overnight increase in the Strike Price will result in a reduction in the price of a MINI Long and an increase in the leverage of the MINI Long which is economically equivalent to the Holder paying Citi the MINI Long Funding Amount; and
- in the case of a MINI Short:
 - an overnight increase in the Strike Price (where the MINI Short Funding Amount is a positive amount) will result in an overnight increase in the price of a MINI Short and an increase to the Strike Price of a MINI Short which is economically equivalent to Citi paying the Short Funding Amount to the Holder; and
 - an overnight decrease in the Strike Price (where the MINI Short Funding Amount is a negative amount) will result in an overnight decrease in the price of a MINI Short and a decrease to the Strike Price of a MINI Short which is economically equivalent to the Holder paying Citi the Short Funding Amount.

The following examples are provided for illustrative purposes only and are not an indication, projection or forecast by Citi of the performance of any Underlying Parcel or any CitiFirst MINI, which may be significantly different to the examples below.

Examples

- **MINI Long**
Underlying Parcel Price: \$20
Day 1 Strike Price: \$10
Interest Rate: 7.0% p.a.
MINI Long Funding Amount per day: \$0.0019 (Interest rate of 7.0% p.a. x Strike Price of \$10 x 1/365)
Value of MINI Long and Purchase Price: Underlying Parcel Price – Strike Price
 \$20 - \$10

\$10

On Day 1, an investor buys a MINI Long for \$10, and holds the MINI Long overnight.

On Day 2, the MINI Long Funding Amount is added to the Strike Price:

Day 2 Strike Price:

Day 1 Strike Price + MINI Long Funding Amount

\$10 + \$0.0019

\$10.0019

New Value of MINI Long and new Purchase Price: Underlying Parcel Price – Strike Price

\$20 - \$10.0019

\$9.9981

In this example the Holder chooses to hold the MINI Long overnight. The value of the MINI Long decreases overnight as the MINI Long Funding Amount is added to the Strike Price.

If, on day 2, a new investor purchases the MINI Long, the new investor would pay the new Purchase Price of \$9.9981.

- If that investor bought and sold the MINI Long on day 2, that investor would not incur the MINI Long Funding Amount for day 2.
- If the investor bought on day 2 and sold on day 3 then the new investor would incur a MINI Long Funding Amount in respect of day 2 and the new investor would be affected by the Purchase Price decrease and Strike Price increase at the end of day 2.

- **MINI Short**

Underlying Parcel Price:

\$20

Day 1 Strike Price:

\$30

Interest Rate:

-1.5% p.a. (ie a negative percentage Interest Rate)

MINI Short Funding Amount per day:

-\$0.0012 (-1.5% p.a. x Strike Price of \$30 x 1/365)

Value of MINI Short and Purchase Price:

Strike Price - Underlying Parcel Price

\$30 - \$20

\$10

On Day 1, an investor buys a MINI Short for \$10, and holds the MINI Short overnight.

On Day 2, the MINI Short Funding Amount is added to the Strike Price.

Day 2 Strike Price:

Day 1 Strike Price + MINI Short Funding Amount

\$30 - \$0.0012

\$29.9988

New Value of MINI Short and new Purchase Price: Strike Price - Underlying Parcel Price

\$29.9988 - \$20

\$9.9988

In this example the Holder chooses to hold the MINI Short overnight. The value of the MINI Short decreases overnight as the MINI Short Funding Amount is added to the Strike Price.

If, on day 2, a new investor purchases the MINI Short, the new investor would pay the new Purchase Price of \$9.9988.

- If that investor bought and sold the MINI Short on day 2, that investor would not incur the MINI Short Funding Amount for day 2.
- If the investor bought on day 2 and sold on day 3 then the new investor would incur a MINI Short Funding Amount in respect of day 2 as the investor would be affected by the decrease in the Strike Price at the end of day 3.

The examples above show how one day's MINI Long Funding Amount or MINI Short Funding Amount is added to the Strike Price to give effect to the leverage cost. The ASX closes over the weekend, on public holidays and other non-Trading Days. When trading resumes on the ASX after a holiday or after the weekend, the Strike Price reported by Citi for that day will incorporate and be increased by more than one day's MINI Long Funding Amounts or MINI Short Funding Amounts, because CitiFirst MINIs incur a leverage cost for each day of the year. Generally, when the market re-opens on a Monday, the Strike Price will be increased by three days' of leverage costs added to it.

This means that the leverage cost is not smoothly applied to CitiFirst MINIs each day, and these fluctuations in Strike Price will generally be reflected in fluctuations in the Purchase Price.

The Term Sheet identifies the Initial Strike Prices for CitiFirst MINIs, which are the strike prices for CitiFirst MINIs on the Issue Date.

In addition to adding MINI Long Funding Amounts and MINI Short Funding Amounts to the Strike Price, Citi may adjust the Strike Price for Dividends and for corporate actions, in accordance with clauses 1.7 and 1.8 of the Terms of Issue. Adjustment for Dividends is illustrated in the examples in Section 1.4 below and more information in relation to Adjustments is provided in Section 1.17.

Changes to the Strike Prices for both MINI Longs and MINI Shorts will be published on the ASX website.

How is the MINI Long Funding Amount and MINI Short Funding Amount Calculated?

If an investor chooses to hold their MINI Long beyond the day it was purchased, they will incur a MINI Long Funding Amount. If an investor chooses to hold their MINI Short beyond the day it was purchased, Citi will incur a MINI Short Funding Amount. Whilst these “payments” are not physically made, they are given effect by adding the MINI Long Funding Amount or the MINI Short Funding Amount to the Strike Price as illustrated above.

MINI Long Funding Amounts and MINI Short Funding Amounts are calculated by reference to the Interest Rate, which is an annual interest rate, and are not charged if an investor buys and sells a CitiFirst MINI within the same day (that is, the Strike Price does not change during the Trading Day). Citi will announce the Strike Price and the Interest Rate on the ASX website and on Citi’s website: <http://www.citifirst.com.au/> before the open of trading on the ASX each day.

MINI Long Funding Amounts and MINI Short Funding Amounts are calculated as follows:

MINI Long Funding Amount per day:	<u>Interest Rate (for the MINI Long) x Strike Price</u> 365
MINI Short Funding Amount per day:	<u>Interest Rate (for the MINI Short) x Strike Price</u> 365

Investors can calculate their MINI Long Funding Amounts or MINI Short Funding Amounts by going to the ASX website or <http://www.citifirst.com.au/> where, before the open of trading on the ASX each day, the updated Strike Prices will be published and information will be available about the applicable Interest Rate for each CitiFirst MINI.

Investors should remember that Strike Prices can increase by more than one day’s worth of leverage costs where there is more than one day between Trading Days. For example, a Strike Price will generally increase before the opening of trading on a Monday morning by three days’ worth of MINI Long Funding Amounts or the MINI Short Funding Amounts (representing the leverage costs for Friday, Saturday and Sunday).

Factors Affecting the MINI Long Funding Amount and MINI Short Funding Amount

For both MINI Longs and MINI Shorts, the leverage cost is determined having regard to the Interest Rate, which is an annual interest rate. The Interest Rate is determined by Citi having regard to the costs that Citi incurs in providing the CitiFirst MINI. These costs may reflect Citi’s costs for a period greater than the period of a Holder’s holding of CitiFirst MINI.

The Interest Rate for each MINI Long and for each MINI Short is not disclosed in this PDS due to the fact that it changes daily and instead will be published before the open of trading on the ASX website and on <http://www.citifirst.com.au/>.

The factors impacting on Citi’s determination of the Interest Rate for a MINI Long or for a MINI Short include:

- prevailing interest rates;
- the volatility of the Underlying Parcel;
- the liquidity of the Underlying Parcel; and
- Citi’s internal costs in respect of the CitiFirst MINI (including for example in respect of hedging (if any), resourcing, market-making and risk management).

Generally speaking, prevailing interest rates (such as the RBA Cash Rate Target) will be the main factors affecting the Interest Rate and an increase in market interest rates will typically mean an increase in the Interest Rate.

In the case of MINI Shorts, conditions in the stock loan market may also affect the Interest Rate and an increase in stock lending rates may generally result in a lower Interest Rate for MINI Shorts. Stock lending rates may be relevant to the Interest Rate should Citi enter into stock lending arrangements in connection with MINI Shorts and if so, consequently a stock lending cost may be included in the leverage cost for a MINI Short. Stock lending rates vary from time to time according to market forces and vary from Underlying Parcel to Underlying Parcel.

If the costs that Citi incurs in making the CitiFirst MINI available increase, for example due to changes in market conditions, Citi has the absolute discretion to:

- increase (including substantially increase) the Interest Rate for a MINI Long; and
- decrease (including substantially decrease) the Interest Rate for a MINI Short.

Such increases or decreases in the Interest Rate would adversely impact the value of those MINIs and will lead to variations in the Strike Price, because the Strike Price is determined using the Interest Rate which can also vary from day to day.

Factors affecting the Purchase Price

The Purchase Price from time to time will vary depending on the Underlying Parcel Price and the Strike Price.

The table below illustrates how certain variables can affect the Purchase Price.

Variable	Change in variable	Effect on the Purchase Price for a MINI Long	Effect on the Purchase Price for a MINI Short
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Strike Price	▲	▼	▲
Underlying Parcel Price	▲	▲	▼
Level of interest rates	▲	▼	▲
Stock lending rates	▲	n/a	▼

1.4 EXAMPLES OF CITIFIRST MINIS PRICING

This section contains some examples of how CitiFirst MINIs can be traded, and how the Purchase Price may change. This Section 1.4 is provided for illustrative purposes only and it is not an indication, projection or forecast by Citi of the performance of any Underlying Parcel or any CitiFirst MINI, which may be significantly different to the illustration below.

Example 1 MINI Long

Example of a XYZ MINI Long

	Number	Underlying Parcel Price (XYZ)	Strike Price	CitiFirst MINI Purchase Price	Stop Loss Trigger Level	Profit/Loss ^	Return
Investor buys 2,000 MINI Longs	2,000	\$20.00	\$10.00	\$10.00	\$11.00		
XYZ rises to \$21.00							
Sell (same day)	2,000	\$21.00	\$10.00	\$11.00	\$11.00	\$2,000	10.00%
Sell (1 week later)	2,000	\$21.00	\$10.02	\$10.98	\$11.00	\$1,960	9.80%
XYZ falls to \$19.00							
Sell (same day)	2,000	\$19.00	\$10.00	\$9.00	\$11.00	-\$2,000	-10.00%
Sell (1 weeks later)	2,000	\$19.00	\$10.02	\$8.98	\$11.00	-\$2,040	-10.20%

^ Based on total initial investment of \$20,000

In the above example, an investor believes that the price of the Underlying Parcel (XYZ) will increase and so purchases 2,000 MINI Longs. On the first day in this example, the Underlying Parcel Price is \$20 and the MINI Long has a Strike Price of \$10. The Purchase Price for the MINI Long is calculated as Underlying Parcel Price – Strike Price and is \$10.

In the above example the Underlying Parcel Price then increases by \$1. If the investor sells that MINI Long intraday, the Purchase Price of the CitiFirst MINI also increases by \$1.00 because, as noted previously, the investor participates in the movement in the Underlying Parcel Price on a one to one (or delta one) basis. The new Purchase Price of the CitiFirst MINI is \$11.00 and the transaction results in a gain of \$2,000, ie. (2,000 x (\$11.00 – \$10.00)).

The example above then shows the result if the investor does not trade the MINI Long intra-day and instead holds the MINI Long for one week. In this case the Strike Price will increase from \$10.00 to \$10.02 (incorporating one week's worth of MINI Long Funding Amounts). As a result there will be an increase of \$0.98 in the Purchase Price over the one week, (ie. the \$1.00 increase in the Underlying Parcel Price less the \$0.02 MINI Long Funding Amount). The new Purchase Price is \$10.98 and a sale at this price would result in a gain of \$1,960 ie. (2,000 x (\$10.98 – \$10.00)).

The example above then shows what could happen if there is a fall in the Underlying Parcel Price by \$1.00 to \$19.00:

- If the MINI Long holder chooses to sell the CitiFirst MINI intraday, as the Underlying Parcel Price has decreased by \$1.00, the Purchase Price also decreases by \$1.00 to \$9.00 (again due to the one for one or delta one exposure). In this case, as the sale occurs on the day of purchase, the Strike Price does not change. In this example, the sale of 2,000 CitiFirst MINIs results in a loss of \$2,000 ie. (2,000 x (\$10.00 – \$9.00)).
- If the MINI Long holder chooses to hold the MINI Long for one week before selling it, the Strike Price will increase over that 1 week period, to \$10.02 (incorporating one week's worth of MINI Long Funding Amounts). As a result the Purchase Price is reduced by \$1.02 over the one week, (ie the \$1.00 decrease in the Underlying Parcel Price less the \$0.02 MINI Long Funding Amount). The new Purchase Price is \$8.98 and a sale at this price would generate a loss of \$2,040, ie. (2,000 x (\$8.98 – \$10.00)).

Example 2 MINI Short:

Example of a XYZ MINI Short

	Number	Underlying Parcel Price (XYZ)	Strike Price	CitiFirst MINI Purchase Price	Stop Loss Trigger Level	Profit/Loss [^]	Return
Investor buys 2,000 MINI Shorts	2,000	\$20.00	\$30.00	\$10.00	\$27.00		
XYZ falls to \$19.00							
Sell (same day)	2,000	\$19.00	\$30.00	\$11.00	\$27.00	\$2,000	10.00%
Sell (1 week later)	2,000	\$19.00	\$30.01	\$11.01	\$27.00	\$2,020	10.10%
XYZ rises to \$21.00							
Sell (same day)	2,000	\$21.00	\$30.00	\$9.00	\$27.00	-\$2,000	-10.00%
Sell (1 week later)	2,000	\$21.00	\$30.01	\$9.01	\$27.00	-\$1,980	-9.90%

[^] Based on total initial investment of \$20,000

In the above example, an investor believes that the price of the Underlying Parcel (XYZ) will decrease and so purchases 2,000 MINI Shorts. On the first day in this example, the Underlying Parcel Price is \$20 and the MINI Short has a Strike Price of \$30. The Purchase Price for the MINI Short is calculated as Strike Price – Underlying Parcel Price and is \$10.

In the above example the Underlying Parcel Price then decreases by \$1.00. If the investor sells that MINI Short intraday, the Purchase Price of the CitiFirst MINI also increases by \$1.00 because, as noted previously, the investor participates in the movement in the Underlying Parcel Price on a one to one (or delta one) basis. The new Purchase Price of the CitiFirst MINI is \$11.00 and the transaction results in a gain of \$2,000, ie. (2,000 x (\$11.00 – \$10.00)).

The example above then shows the result if the investor does not trade the MINI Short intra-day and instead holds the MINI Short for one week. In this case the Strike Price has increased from \$30.00 to \$30.01 (incorporating one week's worth of MINI Short Funding Amounts, where the MINI Short Funding Amounts are positive amounts because in this example the Interest Rate is positive). As a result there will be an increase of \$1.01 in the Purchase Price over the week, (ie. the \$1.00 decrease in the Underlying Parcel Price *plus* the \$0.01 MINI Short Funding Amount). The new Purchase Price is \$11.01 and a sale at this price would result in a gain of \$2,020, ie. (2,000 x (\$11.01 – \$10.00)).

The example above then shows what could happen if there is an increase in the Underlying Parcel Price by \$1.00 to \$21.00:

- If the MINI Short holder chooses to sell the CitiFirst MINI intraday, as the Underlying Parcel Price has increased by \$1.00, the Purchase Price also decreases by \$1.00 to \$9.00 (again due to the one for one or delta one exposure). In this case, as the sale occurs on the day of purchase, the Strike Price does not change. In this example, the sale of the 2,000 CitiFirst MINIs results in a loss of \$2,000, ie. (2,000 x (\$9.00 – \$10.00)).
- If the MINI Short holder chooses to hold the MINI Short for one week before selling it, the Strike Price will increase over that one week period, (because in this example the Interest Rate is positive and the MINI Short Funding Amounts are positive amounts) to \$30.01 (incorporating one week's worth of MINI Short Funding Amounts). As a result the Purchase Price increases to \$9.01 over the one week (ie. the \$1.00 increase in the Underlying Parcel Price *plus* the \$0.01 MINI Short Funding Amount). The new Purchase Price is \$9.01 and a sale at this price would generate a loss of \$1,980, ie. (2,000 x (\$9.01 – \$10.00)).

Application of Dividends

Holders of CitiFirst MINIs do not receive any Dividend paid on the Underlying Parcel. When an Underlying Parcel commences trading "ex-Dividend":

- the Strike Price decreases by the Dividend amount for both MINI Longs and MINI Shorts;
- the Stop Loss Trigger Level decreases by the Dividend amount; and
- the market price of the Underlying Parcel may adjust by more or less than the amount of the Dividend.

Example of Underlying Parcel going ex-Dividend – MINI Long

	Underlying Parcel Price	Dividend	Strike Price	Stop Loss Trigger Level	Purchase Price
MINI Long					
Cum-Dividend	\$20.00	\$0.20	\$15.00	\$18.00	\$5.00
Ex-Dividend	\$19.80	ex-div	\$14.80	\$17.80	\$5.00

The example in the above table shows a MINI Long with a Strike Price of \$15.00, over an Underlying Parcel with a price of \$20.00. Before the Underlying Parcel commences trading ex-Dividend, the MINI Long Purchase Price is \$5.00 (ie. Underlying Parcel Price – Strike Price). When the Underlying Parcel goes ex-Dividend (where the Dividend is \$0.20), the Underlying Parcel Price decreases by the Dividend amount to \$19.80 (on the assumption the fall in the Underlying Parcel

Price equals the Dividend). However, the Strike Price and Stop Loss Trigger Level will also be decreased by that amount, meaning the Purchase Price is unchanged at \$5.00, illustrating that the Purchase Price is unaffected by the Dividend payment.

Example of Underlying Parcel going ex-Dividend – MINI Short

	Underlying Parcel Price	Dividend	Strike Price	Stop Loss Trigger Level	Purchase Price
MINI Short					
Cum-Dividend	\$20.00	\$0.20	\$25.00	\$22.50	\$5.00
Ex-Dividend	\$19.80	ex-div	\$24.80	\$22.30	\$5.00

The example in the above table shows a MINI Short with a Strike Price of \$25.00, over an Underlying Parcel with a price of \$20.00. Before the Underlying Parcel commences trading ex-Dividend, the MINI Short Purchase Price is \$5.00 (ie. Strike Price - Underlying Parcel Price). When the Underlying Parcel goes ex-Dividend (where the Dividend is \$0.20), the Underlying Parcel Price decreases by the Dividend amount to \$19.80 (on the assumption the fall in the Underlying Parcel Price equals the Dividend). However, the Strike Price and Stop Loss Trigger Level will also decrease by that amount, meaning the Purchase Price is unchanged at \$5.00, illustrating that the Purchase Price is unaffected by the Dividend payment.

Dividends also affect the Stop Loss Trigger Level. Please see Section 1.5 below for more information on the CitiFirst MINIs' stop loss feature.

Changes to the Strike Prices and Stop Loss Trigger Level for both MINI Longs and MINI Shorts will be published on the ASX website.

It should be noted that when the Underlying Parcel commences trading ex-Dividend, the price of the Underlying Parcel will not necessarily decrease by the amount of the Dividend, but may fall by more or by less than that amount. As the Strike Price and Stop Loss Trigger Level will be decreased by the amount of the Dividend, the intrinsic value of the CitiFirst MINI may change by more or less than the amount of the Dividend.

1.5 HOW DOES THE STOP LOSS TRIGGER LEVEL WORK?

What is the Stop Loss Trigger Level?

Each CitiFirst MINI has a stop loss feature. The effect of this stop loss feature, combined with the limited recourse nature of the leverage for a CitiFirst MINI, is that regardless of the movements of the Underlying Parcel Price and amount of leverage cost incurred in relation to a MINI, the price of a CitiFirst MINI cannot be negative and a Holder cannot lose more than their initial Purchase Price.

Each CitiFirst MINI has a Stop Loss Trigger Level. The initial Stop Loss Trigger Level for each CitiFirst MINI is set out in the Term Sheet (at the front of this PDS). After the Issue Date, the Stop Loss Trigger Level can vary, having regard to movements in the Underlying Parcel Price and the current Stop Loss Trigger Level will be published on the ASX website and <http://www.citifirst.com.au/>

The Stop Loss Trigger Level will be determined by Citi on the first Trading Day of each month (the Stop Loss Reset Date) having regard to the Underlying Parcel Price as at the relevant Stop Loss Reset Date.

- For MINI Longs, the Stop Loss Trigger Level is set at a certain amount above the Strike Price.
- For MINI Shorts, the Stop Loss Trigger Level is set at a certain amount below the Strike Price.

How much above or below the Strike Price the Stop Loss Trigger Level is set on a Stop Loss Reset Date depends on several factors including:

- the Strike Price and the Underlying Parcel Price as at the Stop Loss Reset Date;
- the difference between the Strike Price and the Underlying Parcel Price prior to Stop Loss Reset Date;
- the volatility of the Underlying Parcel prior to Stop Loss Reset Date; and
- the expectation of future Dividends (if any) on the Underlying Parcel.

The Stop Loss Trigger Level will also be adjusted by Dividends on the ex-Dividend date, as explained in Section 1.4 above.

Investors should understand that where the Underlying Parcels are admitted to trading on more than one exchange, the Underlying Parcel Price (and whether a Stop Loss Trigger Event has occurred) will always be determined by reference to the market price of the Underlying Parcel on ASX and will never be determined by reference to the market price of the Underlying Parcel on any other exchange (such as Chi-X).

What happens if the Stop Loss Trigger Event occurs?

A Stop Loss Trigger Event occurs if the Underlying Parcel Price at any time trades:

- at or below the Stop Loss Trigger Level for a MINI Long; or
- at or above the Stop Loss Trigger Level for a MINI Short,

and a Market Disruption Event is not occurring.

If the Stop Loss Trigger Event occurs at any time then:

- trading in that CitiFirst MINI is halted by the ASX, at Citi's request;
- Citi calculates the Stop Loss Amount (which may be nil) before 1pm (Sydney time) on the Trading Day after the occurrence of the Stop Loss Trigger Event;
- trading in that CitiFirst MINI resumes temporarily, from 2pm (Sydney time) on the Trading Day after the occurrence of the Stop Loss Trigger Event until 4pm on the following Trading Day (**Stop Loss Trading Close**);
- during that temporary resumption of trading, the holder of the CitiFirst MINI can sell their CitiFirst MINI to Citi on the ASX at the Stop Loss Amount; and
- if the Holder doesn't sell the CitiFirst MINI to Citi before the Stop Loss Trading Close, the Holder will receive the Stop Loss Amount per CitiFirst MINI within 10 Business Days after the Trading Day following the occurrence of the Stop Loss Trigger Event and their CitiFirst MINI will expire when that payment is made by Citi.

If the Stop Loss Amount is nil, Citi will meet any additional liability in relation to the CitiFirst MINI, because the CitiFirst MINI is a limited recourse investment and a Holder will not be required to pay more than the Purchase Price they paid to acquire the CitiFirst MINI.

How is the Stop Loss Amount calculated?

If a Stop Loss Trigger Event occurs, Citi will determine the Stop Loss Amount using the following formulae:

- For a MINI Long:

$$\text{Stop Loss Amount} = (\text{Stop Loss Termination Price} - \text{Current Strike Price}) / \text{Required Number}$$

- For a MINI Short:

$$\text{Stop Loss Amount} = (\text{Current Strike Price} - \text{Stop Loss Termination Price}) / \text{Required Number}$$

The Stop Loss Termination Price is the fair value price for the Underlying Parcel as determined by Citi at its sole and absolute discretion, which Citi may determine while unwinding any hedging position Citi may have on a "best effort" basis during the Stop Loss Termination Valuation Period. For a MINI Long the Stop Loss Termination Price may be equal to the Current Strike Price, but it will never be less than the Current Strike Price. For a MINI Short the Stop Loss Termination Price may be equal to the Current Strike Price, but it will never be greater than the Current Strike Price.

The occurrence of a Stop Loss Trigger Event and the calculation of the Stop Loss Amount is illustrated in the following examples, which are provided for illustrative purposes only and are not an indication, projection or forecast by Citi of the performance of any Underlying Parcel or any CitiFirst MINI, which may be significantly different to the examples below.

Stop Loss Example 1 MINI Long:

Example of a Stop Loss Trigger Level – MINI LONG					
	Underlying Parcel	Underlying Parcel Price	Strike Price	Stop Loss Trigger Level	Purchase Price
Buy	XYZ	\$20.00	\$15.00	\$16.00	\$5.00
Day 1	The issuer of XYZ releases negative news to the market. The XYZ price falls below the Stop Loss Trigger Level of \$16.00, causing a Stop Loss Trigger Event to occur. XYZ MINI Long trading is halted. Citi unwinds any hedge it may have by selling XYZ at an average price of \$15.80 (this is the Stop Loss Termination Price). If Citi does not hedge, Citi may nevertheless determine the average price and fair value for XYZ to be \$15.80.				
Day 2, 2.00 pm	Trading in XYZ MINI Long resumes temporarily but Holders can only sell them to Citi at the Stop Loss Amount.				
Day 3, 4.00 pm	Trading in XYZ MINI Long ceases				
	Underlying Parcel	Strike Price	Stop Loss Termination Price	Stop Loss Amount	Loss on Trade
Close-out	XYZ	\$15.00	\$15.80	\$0.80	-\$4.20

The example in the table above shows a MINI Long with a Strike Price of \$15.00, over an Underlying Parcel with a price of \$20.00. The Stop Loss Trigger Level in this example is \$16.00. In this scenario, the price of XYZ falls below the Stop Loss Trigger Level, at which point a Stop Loss Trigger Event occurs, trading in the XYZ MINI Long is halted and Citi determines the average price and fair value of XYZ to be \$15.80. On the following Trading Day at 2:00pm, trading in the affected Series of XYZ MINI Long resumes temporarily, giving Holders the opportunity to sell their CitiFirst MINIs back to Citi before 4pm on the following Trading Day at the Stop Loss Amount.

Citi will determine the Stop Loss Amount using the following formula:

$$\text{Stop Loss Amount} = (\text{Stop Loss Termination Price} - \text{Current Strike Price}) / \text{Required Number}$$

Assuming that the Required Number for the MINI is one, Holders of the XYZ MINI Long in this example will receive a Stop Loss Amount of \$0.80 per CitiFirst MINI (\$15.80 - \$15.00), meaning a loss for the Holder of \$4.20 (\$5.00 - \$0.80) per CitiFirst MINI.

Stop Loss Example 2 MINI Short:

Example of a Stop Loss Trigger Level – MINI short					
	Underlying Parcel	Underlying Parcel Price	Strike Price	Stop Loss Trigger Level	Purchase Price
Buy	XYZ	\$20.00	\$25.00	\$24.00	\$5.00
Day 1	The issuer of XYZ releases positive news to the market. The XYZ price RISES below the Stop Loss Trigger Level of \$24.00, causing a Stop Loss Trigger Event to occur. XYZ MINI SHORT trading is halted. Citi unwinds any hedge it may have by buying Shares in XYZ at an average price of \$24.20 (this is the Stop Loss Termination Price). If Citi does not hedge, Citi may nevertheless determine the average price and fair value for XYZ to be \$24.40.				
Day 2, 2.00 pm	Trading in XYZ MINI Short resumes temporarily but Holders can only sell them to Citi at the Stop Loss Amount.				
Day 3, 4.00 pm	Trading in XYZ MINI Short ceases				
	Underlying Parcel	Strike Price	Stop Loss Termination Price	Stop Loss Amount	Loss on Trade
Close-out	XYZ	\$25.00	\$24.20	\$0.80	-\$4.20

The example in the table above shows a MINI Short with a Strike Price of \$25.00, over an Underlying Parcel with a price of \$20.00. The Stop Loss Trigger Level in this example is \$24.00. In this scenario, the price of XYZ rises above the Stop Loss Trigger Level at which point a Stop Loss Trigger Event occurs, trading in the XYZ MINI Short is halted and Citi determines the average price and fair value of XYZ to be \$24.20. On the following Trading Day at 2:00pm, trading in the affected Series of XYZ MINI Short resumes temporarily, giving Holders the opportunity to sell their CitiFirst MINIs back to Citi before 4pm on the following Trading Day at the Stop Loss Amount.

Citi will determine the Stop Loss Amount using the following formula:

Stop Loss Amount = (Current Strike Price – Stop Loss Termination Price)/ Required Number

Assuming that the Required Number for the CitiFirst MINI is one, Holders of the XYZ MINI Short in this example will receive a Stop Loss Amount of \$0.80 per CitiFirst MINI (\$25.00 - \$24.80), meaning a loss for the Holder of \$4.20 (\$5.00 - \$0.80) per CitiFirst MINI.

In both of these examples, if the Holder does not sell their CitiFirst MINIs back to Citi during the temporary resumption of trading between 2pm on the Trading Day after the date of which the Stop Loss Trigger Event and the Stop Loss Trading Close:

- the Holder will receive the Stop Loss Amount per CitiFirst MINI within 10 Business Days of the Stop Loss Termination Valuation Date; and
- the CitiFirst MINI will expire on Citi's payment of the Stop Loss Amount (or if no Stop Loss Amount is payable on the date 10 Business Days after the Stop Loss Trading Close).

1.6 HOW ARE CITIFIRST MINIS EXERCISED & WHAT WILL A HOLDER RECEIVE UPON EXERCISE?

CitiFirst MINIs are open-ended financial products for the purposes of trading, with no fixed expiry date. CitiFirst MINIs are "American Style" warrant instruments, meaning that they can be exercised at any time.

CitiFirst MINIs only expire if a Stop Loss Trigger Event occurs, the Holder exercises the CitiFirst MINI, Citi terminates the CitiFirst MINI on a month's notice, or if an Extraordinary Termination Event occurs.

A CitiFirst MINI cannot be exercised if a Stop Loss Trigger Event has occurred, or if an Extraordinary Event has occurred.

When a CitiFirst MINI is exercised, only cash settlement is permitted, (referred to as "Cash Settlement" in this PDS). This means that Holders may not take physical delivery of the Underlying Parcel on exercise of a CitiFirst MINI.

To exercise a CitiFirst MINI, the Holder must:

- contact Citi on 1300 30 70 70 to obtain an indicative Strike Price for the CitiFirst MINI and an Exercise Reference Number; and
- provide an Exercise Notice to Citi, specifying the number of CitiFirst MINIs to be exercised.

A Holder wishing to "lock in" a Strike Price for the CitiFirst MINI being Exercised must:

- provide an Exercise Notice to Citi identifying the Holder's Exercise Reference Number and the Locked In Strike Price given to the Holder with the Exercise Reference Number; and
- within 2 Business Days of obtaining the Exercise Reference Number.

If a Holder does this, the Current Strike Price for the purposes of that Exercise will be the "locked in" Strike Price offered by Citi when it provided the Exercise Reference Number to the Holder.

Even where a Strike Price is locked-in, it is possible that the Underlying Parcel Price will move significantly and for a Stop Loss Trigger Event to occur between the Holder contacting Citi and Citi receiving the Exercise Notice. This means that the amount that a Holder receives on an Exercise may be less than the amount that a Holder was expecting to receive, and may even be nil.

The amount that a Holder receives on the Exercise of a CitiFirst MINI is determined net of the Exercise Fee. The amount of the Exercise Fee is determined by Citi in respect of each Exercise but it cannot exceed 1% of the Purchase Price as at the close of trading on the Exercise Date. If Holders choose to sell their CitiFirst MINIs on market, instead of Exercising their CitiFirst MINIs, they may be charged a brokerage fee by their broker but they won't incur the Exercise Fee.

Once an Exercise Notice is given to Citi, it cannot be revoked. Further, CitiFirst MINIs cannot be traded after an Exercise Notice is given.

Citi will only accept a valid Exercise Notice in accordance with clause 3 of the Terms of Issue. For an Exercise Notice to be effective, amongst other things:

- a) the Exercise Notice must relate to the exercise of a number of CitiFirst MINIs which is a multiple of the Required Number; and
- b) prior to the Exercise Notice being given, a Stop Loss Trigger Event must not have occurred in relation to the CitiFirst MINIs being exercised; and
- c) prior to the Exercise Notice being given, an Extraordinary Event must not have occurred in relation to the CitiFirst MINIs being exercised and the CitiFirst MINIs being exercised must not have terminated.

What does a CitiFirst MINI holder receive when they Exercise a CitiFirst MINI?

The amount that a CitiFirst MINI holder receives on the exercise of a CitiFirst MINI is the Exercise Amount.

If a MINI Long holder exercises their MINI Long, they will receive:

$$\frac{(\text{Final Reference Price} - \text{Current Strike Price})}{\text{Required Number}} - \text{Exercise Fee}$$

If a MINI Short holder exercises their MINI Short, they will receive:

$$\frac{(\text{Current Strike Price} - \text{Final Reference Price})}{\text{Required Number}} - \text{Exercise Fee}$$

Unless a Market Disruption Event occurs on the Exercise Date, the Final Reference Price will be the official closing price of the Underlying Parcel at the Closing Time on the Exercise Date as determined by Citi and the Current Strike Price is the Strike Price on the Exercise Date (unless the Holder has "locked in" a Strike Price, as explained earlier in this Section 1.6). Please see Section 2 below for more information on exercising CitiFirst MINIs.

Following the exercise of a CitiFirst MINI, Citi will pay the Exercise Amount to the person who exercised the CitiFirst MINI 5 Business Days after the Exercise Date (on the Settlement Date).

1.7 WHAT ARE THE KEY BENEFITS A HOLDER MAY RECEIVE?

CitiFirst MINIs have the following key features and offer investors the following benefits:

- a straightforward way to gain leveraged exposure to the Underlying Parcel without the risk of margin calls (and with a stop loss feature which can close out your investment in the event of adverse market movements);
- no collateral requirements;
- gaining exposure to the Underlying Parcel for a fraction of the upfront cost of the Underlying Parcel. This gives the potential for greater returns than the equivalent investment in the Underlying Parcel due to the leverage provided by CitiFirst MINIs;
- leverage that is limited recourse, ensuring the value of a CitiFirst MINI will not be negative, and a Holder will not be required to pay more than their Purchase Price;
- the ability to buy and sell CitiFirst MINIs on the ASX during market hours, and at any time prior to a Stop Loss Trigger Event or an Extraordinary Termination Event occurring;
- the comfort of knowing CitiFirst MINIs are supervised by the ASX;
- the ability to take advantage of both rising and falling markets;
- no maturity date;
- transparent pricing with no 'optionality';
- the knowledge that Citi, as the issuer of CitiFirst MINIs, is a leading global financial institution;
- for Holders with existing investments in Underlying Parcels, the ability to protect against Underlying Parcel Price movements, without having to transact in that investment; and
- MINI Long Funding Amounts and MINI Short Funding Amounts that are only incurred if CitiFirst MINIs are held overnight, and which are not added to the Strike Price for investors who buy and sell their CitiFirst MINIs on the same day.

1.8 WHAT ARE THE KEY RISKS A CITIFIRST MINI HOLDER MAY BE EXPOSED TO?

Investing in CitiFirst MINIs involves a significant degree of risk. Like any investment that offers the potential for profit, there is a corresponding potential for loss. Some of the risks of investing in CitiFirst MINIs include:

- CitiFirst MINIs are speculative and a Holder could lose all of their Purchase Price.
- the CitiFirst MINI may decrease in value at a greater rate than an investment in the Underlying Parcel.
- the leverage incorporated in CitiFirst MINIs has the potential to magnify losses (as well as gains) and gives rise to leverage costs, where the CitiFirst MINIs are held overnight, in the form of the MINI Long Funding Amount and the MINI Short Funding Amount.
- the Interest Rate for each CitiFirst MINI (whether a MINI Long or a MINI Short) may be different from one another and may increase or decrease daily leading to changes in the MINI Long Funding Amount and the MINI Short Funding Amount.

- if the Stop Loss Trigger Event occurs, the Stop Loss Amount may be nil, causing the Holder to suffer the loss of their entire investment.
- the value at which a CitiFirst MINI may be bought or sold on the ASX is expected to be dependent upon such factors as the price at which the Underlying Parcels are trading on the ASX, the volatility of those Securities, the Strike Price of the CitiFirst MINIs, the Required Number and risks applicable to stock markets generally.
- the value of the CitiFirst MINIs depends on the ability of Citi to fulfil its obligations under the Terms of Issue on Exercise, early termination or expiry.
- investors should be aware that there is no firm indication as to how the CitiFirst MINIs will trade in the secondary market. Nor is there any guarantee as to whether that market will be liquid.
- general movement in local and international stock markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions could all affect the market price of CitiFirst MINIs (similar to the way that they affect other investments).
- investors should note that a number of provisions of the Terms of Issue confer discretions on Citi which could affect the value of CitiFirst MINIs. These include the powers to nominate Extraordinary Events and to calculate or modify the method of calculation of the Interest Rate, Strike Price and Stop Loss Trigger Level.
- a number of risks may exist and impact on a Holder of a CitiFirst MINI as a result of Australian or foreign legislation, including tax law. Prospective investors should seek independent professional advice on the nature of these risks.
- companies in the Citigroup Inc. group of companies and Citi itself may buy and sell CitiFirst MINIs, Underlying Parcels and other Securities or interests relating to CitiFirst MINIs or the Underlying Parcels, either as principal or agent. This trading may impact positively or negatively on the price at which CitiFirst MINIs trade on ASX.
- trading of CitiFirst MINIs on the market conducted by ASX may be halted or suspended by ASX. This may occur whenever ASX deems such action appropriate in the interests of maintaining a fair and orderly market in CitiFirst MINIs or otherwise deems such action advisable in the public interest or to protect investors.

A full description of risk factors relating to investing in CitiFirst MINIs can be found in Section 4 of this PDS.

Investors should consult their stockbroker or financial adviser to ascertain the suitability of investing in CitiFirst MINIs as part of their particular investment strategies.

1.9 IN WHAT CIRCUMSTANCES CAN A HOLDER RECEIVE THESE BENEFITS?

Circumstances in which a CitiFirst MINI transaction will be profitable are:

- In the case of a MINI Long, this is when the Purchase Price of the CitiFirst MINI has increased by more than the Strike Price (including MINI Long Funding Amounts), since the CitiFirst MINI was purchased. That is:

$$\frac{(\text{Current Underlying Parcel Price} - \text{Current Strike Price})}{\text{Required Number}}$$

is greater than

$$\frac{(\text{Original Underlying Parcel Price} - \text{Original Strike Price})}{\text{Required Number}}$$

- In the case of a MINI Short, this is when the Purchase Price of the CitiFirst MINI has increased by less than the Strike Price (including MINI Short Funding Amounts), since the CitiFirst MINI was purchased. That is:

$$\frac{(\text{Current Strike Price} - \text{current Underlying Parcel Price})}{\text{Required Number}}$$

is greater than

$$\frac{(\text{Original Strike Price} - \text{Original Underlying Parcel Price})}{\text{Required Number}}$$

1.10 HOW MUCH DO CITIFIRST MINIS COST?

An investment in CitiFirst MINIs involves a Purchase Price, and may also involve a MINI Long Funding Amount or MINI Short Funding Amount.

More information in relation to the Purchase Price, MINI Long Funding Amounts, MINI Short Funding Amounts and the Strike Price is provided in Section 1.3 above.

The amount of the Purchase Price is not determined until the date and time of purchase and is therefore not disclosed in this PDS. Investors wishing to purchase CitiFirst MINIs in the secondary market will be able to determine the price at which the CitiFirst MINI is trading in a number of ways, including accessing the relevant information online (through the ASX website) or contacting Citi on 1300 30 30 70, or their stockbroker or other financial adviser.

Exercise Fee

If a Holder decides to exercise their CitiFirst MINI rather than sell it on market, the amount that a Holder receives on the Exercise is determined net of the Exercise Fee, which is paid to Citi, and which may be up to 1% of the Purchase Price as at the close of trading on the Exercise Date.

1.11 ARE THERE ANY COMMISSIONS OR FEES PAYABLE?

A Holder will not pay any fees or commissions to Citi in relation to the purchase of CitiFirst MINIs. Citi will not charge you brokerage on transactions in CitiFirst MINIs. Brokerage may be charged by your broker when transacting in CitiFirst MINIs.

Also, your financial adviser may charge you a fee in connection with advice relating to transacting in CitiFirst MINIs.

If a Holder exercises their CitiFirst MINIs, the amount they receive on Exercise is determined net of the Exercise Fee.

More information in relation to the costs and fees in relation to CitiFirst MINIs is provided in Section 6 below.

1.12 ARE CITIFIRST MINIS A SUITABLE INVESTMENT FOR ME?

The CitiFirst MINIs referred to in this PDS are speculative and offer investors the following features:

- the ability to leverage exposure to the Underlying Parcel;
- the potential to make money on rising (MINI Longs) or falling (MINI Shorts) markets;
- gearing without the risks of margin calls;
- for Holders with existing investments in Underlying Parcels, the potential to protect against Underlying Parcel Price movements, without having to transact in that investment;
- leverage costs (the MINI Long Funding Amount and MINI Short Funding Amount) that only apply if CitiFirst MINIs are held overnight; and
- greater volatility and price movement than a direct investment in the Underlying Parcel.

CitiFirst MINIs have the following key risks:

- potential for the investment to decrease in value at a faster rate than the Underlying Parcel;
- risk of losing all or part of an investment in the CitiFirst MINIs;
- the leverage incorporated in CitiFirst MINIs has the potential to magnify losses and leverage costs may reduce returns;
- the market for CitiFirst MINIs may be less liquid than the market for the Underlying Parcel; and
- risks associated with derivatives and share markets generally.

Potential investors should, in conjunction with their professional advisers, make an assessment of whether CitiFirst MINIs are a suitable investment for them before any decision is made to invest.

1.13 WHAT ARE THE UNDERLYING PARCELS?

The Underlying Parcels are ASX quoted securities. The ASX codes in respect of the Underlying Parcel for a Series appear in the Term Sheet.

Further information on the Underlying Parcels and dealings in relation to them appear in Section 3 of this PDS.

1.14 CAN THE TERMS OF ISSUE OF CITIFIRST MINIS CHANGE?

Yes, the Underlying Parcel can change during the life of the CitiFirst MINI.

Corporate actions (such as rights issues or reconstructions) may result in a change to the Securities that make up the Underlying Parcel, the Strike Price, the Stop Loss Trigger Level and/or the Required Number. These changes will be

made in accordance with the Operating Rules, or, if the application of those rules is inappropriate in the circumstances, in accordance with such other method as determined by Citi. See also section 1.17 in relation to Adjustment Events.

On the declaration of a Dividend in relation to the Underlying Parcel, Citi will reduce the Strike Price of that CitiFirst MINI by an amount equal to the Dividend amount. This adjustment will take effect on the ex-Dividend date of the Underlying Parcel.

Certain changes may also be made to the Terms of Issue with notification to the ASX or with the approval of a resolution of Holders, under clause 5.1 of the Terms of Issue.

1.15 WHAT ARE THE TAX CONSEQUENCES OF INVESTING IN CITIFIRST MINIS?

The acquisition, dealing in, and exercise of CitiFirst MINIs may have income tax or capital gains tax implications for Holders, depending upon their own individual circumstances. See Section 5 of this PDS for details. Investors should obtain their own independent taxation advice prior to any decision to invest in the CitiFirst MINIs.

1.16 WHEN DO CITIFIRST MINIS EXPIRE?

CitiFirst MINIs are open-ended investment products, meaning they do not have a fixed maturity date, and that they do not have to be exercised by a particular time. While CitiFirst MINIs do not have a fixed maturity date, they may expire.

A CitiFirst MINI will expire:

- a) if a Stop Loss Trigger Event occurs, and a Stop Loss Amount is not payable, ten Business Days after the Stop Loss Trading Close, or if a Stop Loss Trigger Event occurs and a Stop Loss Amount is payable, on Citi's payment of the Stop Loss Amount. This is explained in Section 1.5 (above);
- b) if the CitiFirst MINI terminates in accordance with the Terms of Issue following an Extraordinary Termination Event. In this case the CitiFirst MINI expires on the Termination Date. Please refer to Section 2.5 (below) for more information on Extraordinary Events;
- c) if Citi gives CitiFirst MINI holders at least one calendar month's notice of its intention to terminate. In this case the CitiFirst MINI expires on the Termination Date. Citi cannot give an Issuer Call Notice until at least three months after the Issue Date; or
- d) if a CitiFirst MINI holder exercises the CitiFirst MINI. In this situation, that holder's CitiFirst MINIs will expire on the 5th Business Day after the Exercise Date.

If CitiFirst MINIs expire in the situation in paragraph (a) above, the Holder will receive the Stop Loss Amount.

However, if CitiFirst MINIs expire in the situation in paragraphs (b) or (c) above, the Holder will receive the Termination Amount, which is explained in Sections 2.4 and 2.5 below.

If CitiFirst MINIs expire in the situation in paragraph (d) above, the Holder will receive the Exercise Amount, which is explained in Section 1.6 above.

Holders of CitiFirst MINIs should understand that the Stop Loss Amount, the Termination Amount and the Exercise Amount are calculated in different ways and that the amount that they receive on the expiry of a CitiFirst MINI will vary depending on the situation in which the CitiFirst MINI expires.

1.17 WHEN WILL THE TERMS OF CITIFIRST MINIS BE ADJUSTED?

In addition to adding MINI Long Funding Amounts and MINI Short Funding Amounts to the Strike Price, Citi may adjust the Strike Price for Dividends and for Adjustment Events, in accordance with clauses 1.7 and 1.8 of the Terms of Issue. Adjustment for Dividends is illustrated in the examples in Section 1.4 above.

Following an Adjustment Event, Citi may adjust the Underlying Parcel, the description of the CitiFirst MINIs, the Strike Price, the Current Strike Price, the MINI Short Funding Amount, the MINI Long Funding Amount, the Stop Loss Trigger Level, or the Required Number or any other terms of the CitiFirst MINI where Citi reasonably believes that the adjustment is equitable, fair and appropriate to put Citi and the Holder in a position, after the Adjustment Event, which is as similar as reasonably practicable to the position that they were in prior to the Adjustment Event.

Adjustment Events are set out in full in Section 10 but investors should appreciate that Adjustment Events include the following:

- a) any event which occurs which is beyond Citi's reasonable control and which Citi determines in good faith, will render Citi's performance of its present or future obligations in relation to the CitiFirst MINIs, impossible, unlawful, illegal or otherwise prohibited by law;
- b) a Corporate Action in relation to the Underlying Parcel. Corporate Actions include:

- entitlements offers, bonus issues, rights issues, subdivisions and consolidations;
 - reductions of capital, buy back offers and compulsory acquisitions;
 - schemes of arrangement, takeovers and similar change of control transactions;
 - insolvency of the issuer of the Underlying Parcel; and
 - reconstructions, Special Dividends and extraordinary dividends;
- c) a Market Disruption Event;
- d) a Citi Hedging Event;
- e) an Extraordinary Event; and
- f) any actual or proposed event which (in Citi's reasonable opinion) is reasonably expected to result in the occurrence of any of the events set out in paragraphs (a) to (e) above.

Citi may also from time to time change the Terms of Issue and notify Holders of the change. Generally, a change to the Terms of Issue requires notification to the ASX or approval by a resolution of the Holders. For more information please see clause 5.1 of the Terms of Issue.

1.18 CAN I TRADE MY CITIFIRST MINIS?

Yes, once the CitiFirst MINIs have been admitted to trading status by the ASX, a Holder will be able to buy or sell CitiFirst MINIs on the ASX in the same way that ordinary Securities can be bought or sold on the ASX.

SECTION 2 –MATURITY

2.1 HOW DO YOU EXERCISE CITIFIRST MINIS?

An Exercise Notice for CitiFirst MINIs appears at the back of this PDS and includes detailed instructions on how it should be completed. The Exercise Notice must be completed in accordance with the instructions set out in the Exercise Notice. If it is not properly completed it will be invalid.

Once given, a valid Exercise Notice is irrevocable and will be acted upon by Citi unless it is overridden by a Stop Loss Trigger Event, as explained in Section 2.3.

See clause 3 of the Terms of Issue for further details of the requirements for completing a valid Exercise Notice.

Any Exercise Notice received by Citi after 2pm on any day is taken to have been received at 9am on the following Business Day.

CitiFirst MINIs can only be settled or exercised by Cash Settlement (rather than taking physical delivery of the Underlying Parcel).

Following the exercise of a CitiFirst MINI, Citi will pay the Exercise Amount to the person who exercised the CitiFirst MINI 5 Business Days after the Exercise Date (on the Settlement Date).

An Exercise Date may, at Citi's option, be postponed by up to 10 Business Days if an Extraordinary Postponing Event is declared under clause 2.3 of the Terms of Issue. If an Extraordinary Postponing Event is declared, Citi will notify Holders by a notice given in accordance with the Terms of Issue.

2.2 WHAT HAPPENS IF I DO NOT EXERCISE MY CITIFIRST MINIS?

CitiFirst MINIs are open-ended investment products, meaning that they do not have a fixed maturity date, and do not have to be exercised by a particular time.

While CitiFirst MINIs do not have a fixed maturity date, a CitiFirst MINI will expire following an Issuer Call, an Extraordinary Termination Event or a Stop Loss Trigger Event, or on the exercise of the CitiFirst MINI. Please see Section 1.16 above for more information.

On the expiry of a CitiFirst MINI a Holder may receive a Stop Loss Amount, a Termination Amount or an Exercise Amount, depending on the situation in which the CitiFirst MINI expires. This is explained in Section 1.16 above.

2.3 WHAT HAPPENS IF A STOP LOSS TRIGGER EVENT OCCURS?

If the Underlying Parcel Price at any time trades:

- at or below the Stop Loss Trigger Level for a MINI Long;
- at or above the Stop Loss Trigger Level for a MINI Short,

a Stop Loss Trigger Event occurs, unless there is a Market Disruption Event at that time.

If a Stop Loss Trigger Event occurs, Holders:

- will have a limited opportunity to sell their CitiFirst MINIs on market for the Stop Loss Amount before the Stop Loss Trading Close; and
- who do not sell their CitiFirst MINIs before the Stop Loss Trading Close will receive the Stop Loss Amount from Citi within 10 Business Days of the Stop Loss Termination Valuation Date.

More information in relation to what happens following a Stop Loss Trigger Event and the options of Holders following a Stop Loss Trigger Event is set out in Section 1.5 above.

If a Stop Loss Trigger Event occurs after:

- Citi has given an Issuer Call Notice, then the Stop Loss Trigger Event will override the Issuer Call Notice provided that the Stop Loss Trigger Event occurs on or before the Issuer Call Date; or
- a Holder has submitted a valid Exercise Notice to Citi, then the Stop Loss Trigger Event will override the Exercise Notice provided that the Stop Loss Trigger Event occurs on or before the Exercise Date.

2.4 WHAT HAPPENS IF AN ISSUER CALL OCCURS?

By giving Holders at least one calendar month's notice, Citi may terminate a Series of CitiFirst MINIs (in whole but not in part).

This is referred to as an Issuer Call but Citi cannot give notice of an Issuer Call until the Issuer Call Commencement Date, which is at least three months after the Issue Date.

The Issuer Call Notice will nominate a date to be the Issuer Call Date, which will generally be five Business Days after the expiry of the calendar month's notice of the Issuer Call. If a Market Disruption Event occurs, the Issuer Call Date can be a later date than the date nominated in the Issuer Call Notice.

If an Issuer Call Notice is given in relation to a CitiFirst MINI and a Stop Loss Trigger Event does not occur in relation to that CitiFirst MINI on or before the Issuer Call Date then Citi will pay the Holder of that CitiFirst MINI the Termination Amount 5 Business Days after the Issuer Call Date (on the Settlement Date).

The Termination Amount is determined as follows:

a) for a MINI Long:

$$\frac{[(\text{Final Reference Price} - \text{Current Strike Price}) / \text{Required Number}] \text{ less Expenses; or}$$

b) for a MINI Short:

$$\frac{[(\text{Current Strike Price} - \text{Final Reference Price}) / \text{Required Number}] \text{ less Expenses,}$$

provided that the Termination Amount cannot be less than zero.

2.5 WHAT HAPPENS IF AN EXTRAORDINARY EVENT OCCURS?

Extraordinary Events are set out in clause 2.1 of the Terms of Issue. They include:

- the removal from quotation on the ASX, the withdrawal from admission to trading status on the ASX or the suspension of trading status on the ASX of the Underlying Parcel or the CitiFirst MINIs; and
- any event that may reasonably be expected by Citi to lead to a material limitation on Citi's ability to hedge CitiFirst MINIs or to maintain a secondary market in CitiFirst MINIs.

If a Stop Loss Trigger Event occurs, the Stop Loss Trigger Event is not, of itself, an Extraordinary Event.

If an Extraordinary Event occurs:

- and, in Citi's reasonable opinion, is continuing and is likely to continue, Citi may declare the Extraordinary Event to be an "Extraordinary Termination Event" and terminate the affected CitiFirst MINIs; or
- an Adjustment may occur. This is possible because Adjustment Events include Extraordinary Events, as explained in Section 1.17.

As soon as reasonably possible after an Extraordinary Termination Event is declared, Citi will publicly announce the termination of the applicable Series of CitiFirst MINIs and the Termination Date for that Series, in a manner reasonably satisfactory to ASX.

If an Extraordinary Termination Event is declared in relation to a CitiFirst MINI, then:

- Citi will pay the Holder of that CitiFirst MINI the Termination Amount 5 Business Days after the date on which that Extraordinary Termination Event is declared (on the Settlement Date); and
- the CitiFirst MINI will terminate on the Termination Date.

A Termination Amount is calculated for an Extraordinary Termination Event in the same way that it is calculated for an Issuer Call. Please see Section 2.4 above for more information.

A date nominated and agreed with the ASX to be the Termination Date in respect of an Extraordinary Termination Event, may, at Citi's option, be postponed by up to 10 Business Days if an Extraordinary Postponing Event is declared under clause 2.3 of the Terms of Issue. If an Extraordinary Postponing Event is declared Citi will notify Holders in accordance with the Terms of Issue.

SECTION 3 – THE UNDERLYING PARCEL

3.1 INTRODUCTION

The Underlying Parcels of CitiFirst MINIs are securities admitted to trading on the ASX. This includes ordinary shares in the capital of companies, units of listed trusts, stapled securities and CHESS depository instruments (CDIs). Stapled securities consist of two or more securities that are quoted and traded as if they were a single security (for example, a stapled security may consist of a unit in a listed trust stapled to a share in a company). CDIs are ASX quoted financial products which confer a beneficial interest in the Foreign Securities to which they relate.

The Entities which issue the Underlying Parcels are subject to the continuous disclosure requirements imposed by ASX and by the Corporations Act. Issuers of Foreign Securities will usually be registered as foreign bodies under the Corporations Act and subject to the continuous disclosure obligations imposed by ASX on foreign issuers and by any continuous disclosure obligations applying in their home jurisdiction.

The ASX codes of the Underlying Parcels or the Entities which issue the Underlying Parcels appear in the Term Sheet as the first 3 letters of the ASX code for a particular CitiFirst MINI.

Information (including historical data and trading information) about the Underlying Parcels and the Entities which issue the Underlying Parcels can be obtained from a variety of sources including ASX, the Entities themselves, brokers and investment advisers and the issuers of Foreign Securities. Information may also be found on the websites of the Entities which issue the Underlying Parcels and the issuers of the Foreign Securities, the ASX website and related sites.

Citi takes no responsibility and accepts no liability for, and makes no representation or warranty (whether express or implied) as to the accuracy or completeness of any information obtained by an investor about an Entity, an Underlying Parcel or an issuer of Foreign Securities. Investors should make their own inquiries and where appropriate, obtain advice in relation to any investment decisions.

The initial Underlying Parcel for each Series of CitiFirst MINIs is one Security. During the life of the CitiFirst MINI, however, this may be adjusted to take into account corporate actions that may affect the Underlying Parcels (see Section 3.5 below).

Holders should note that one CitiFirst MINI does not necessarily equal one Underlying Parcel. The Required Number of CitiFirst MINIs for a particular Series relates to one Underlying Parcel, and that number is set out in the Term Sheet. To validly exercise their CitiFirst MINIs, Holders must exercise a number of CitiFirst MINIs which is a multiple of the Required Number.

3.2 DIVIDENDS AND OTHER DISTRIBUTION RIGHTS

A Holder is not entitled to any dividends, distributions or other rights that may relate to the Underlying Parcel.

Where a Dividend is declared by an Entity in relation to the Underlying Parcel, Citi will reduce the Strike Price of that CitiFirst MINI by an amount equal to the Dividend amount. These adjustments will take effect on the ex-Dividend date of the relevant Securities, in accordance with clause 1.8 of the Terms of Issue. The Stop Loss Trigger Level may also be changed in line with forecast or actual Dividends.

For illustrations of adjustments to the Strike Price for Dividends, for both MINI Longs and MINI Shorts, please see the examples of the Underlying Parcel going ex-Dividend in Section 1.4 above.

3.3 VOTING RIGHTS

A Holder is not entitled to any voting rights that may relate to the Underlying Parcels.

Citi (or an associate) may from time to time hold the Underlying Parcels. Citi (or an associate) may in its absolute discretion exercise any voting rights it may have in relation to those Securities with regard to its interests alone.

3.4 TAKEOVERS AND SCHEMES OF ARRANGEMENT

A Takeover Bid may be an Adjustment Event, as referred to in Section 1.17 above. In the event of a Takeover Bid, then the Underlying Parcel may change if there is a compulsory acquisition following a Takeover Bid, which may give rise to an Extraordinary Termination Event. Holders will not be able to participate in or accept Takeover Bids and Citi is under no obligation to communicate any information it receives in connection with a Takeover Bid, to a Holder.

Please also refer to clauses 1.7 & 1.8 of the Terms of Issue, which enable Citi to make certain Adjustments following corporate actions.

3.5 CORPORATE ACTIONS: VARIATION OF STRIKE PRICE, STOP LOSS TRIGGER LEVEL AND UNDERLYING PARCEL

As noted in Section 1.17, a number of corporate actions by the Entity which issues the Underlying Parcel may have the effect of varying the Strike Price and/or the Stop Loss Trigger Level of a CitiFirst MINI, and/or the composition of the Underlying Parcel, at the discretion of Citi in certain circumstances, including pursuant to an Adjustment Event. These events include a reconstruction of capital, a cash return of capital, bonus issues and rights issues.

In relation to corporate actions such as bonus issues, rights issues and capital reconstructions, CDI holders will generally receive equal treatment to that of holders of Foreign Securities because under the ASX Settlement Operating Rules, all economic benefits such as

dividends, bonus issues, rights issues or similar corporate actions must flow through to the CDI holders as if they were the holders of the corresponding Foreign Securities.

The treatment of Corporate Actions by Citi with respect to the CitiFirst MINI is set out in clause 1.7 of the Terms of Issue.

If the application of these provisions is inappropriate in particular circumstances, Citi will adopt an alternative treatment to preserve the interests and economic position of Holders under the CitiFirst MINIs.

SECTION 4 – RISK FACTORS

SUBSCRIPTION FOR OR THE PURCHASE OF THE CITIFIRST MINIS IS CONSIDERED BY CITI TO BE SUITABLE ONLY FOR INVESTORS WITH EXPERIENCE IN, OR ON THE ADVICE OF PROFESSIONAL ADVISERS WITH EXPERIENCE IN, FINANCIAL DERIVATIVE TRANSACTIONS. POTENTIAL INVESTORS SHOULD REACH AN INVESTMENT DECISION ONLY AFTER CAREFULLY CONSIDERING, WITH THEIR ADVISERS, THE SUITABILITY OF THE CITIFIRST MINIS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, TAKING INTO ACCOUNT THE RISK FACTORS RELATING TO THE CITIFIRST MINIS SET OUT BELOW.

4.1 FACTORS AFFECTING THE VALUE OF CITIFIRST MINIS

The value at which a CitiFirst MINI may be bought or sold on the ASX is expected to be dependent upon such factors as the price at which the Underlying Parcel is trading on the ASX, the volatility of those Securities, the Strike Price of CitiFirst MINIs, the Required Number of CitiFirst MINIs for a particular Series and the risks applicable to stock markets generally.

Investment in CitiFirst MINIs is speculative. CitiFirst MINIs may be significantly less valuable on the Relevant Expiry Date or may expire worthless. This means that Holders may either lose money or sustain a total loss on their investment.

Investors should note that the CitiFirst MINIs may terminate following the occurrence of a Stop Loss Trigger Event, an Issuer Call or an Extraordinary Termination Event. Holders of CitiFirst MINIs should understand that the Stop Loss Amount, the Termination Amount and the Exercise Amount are calculated in different ways and that the amount that they receive on the expiry of a CitiFirst MINI will vary depending on the situation in which the CitiFirst MINI expires. See Sections 1.5, 2.4 and 2.5 for more information.

Also, the Exercise Date or a nominated Termination Date in respect of an Extraordinary Termination Event may be postponed, in the circumstances described in clause 2.3 of the Terms of Issue, by up to 10 Business Days. Postponement will delay payment of the Termination Amount or Exercise Amount to Holders and may affect the value of CitiFirst MINIs or result in a partial or total loss of the investment.

More information in relation to the factors affecting the Purchase Price is set out in Section 1.3 above.

4.2 SPECIFIC RISKS ASSOCIATED WITH CITIFIRST MINIS

The warrants issued under this PDS are CitiFirst MINIs. Unlike regular, or “vanilla” equity put and call warrants, CitiFirst MINIs will terminate if the Stop Loss Trigger Level of a particular Series of CitiFirst MINIs is reached.

If a Stop Loss Trigger Event occurs, trading in the relevant CitiFirst MINI will halt and then trading will resume temporarily, between 2pm on the Trading Day

after the Stop Loss Trigger Event occurs, until the Stop Loss Trading Close. The relevant CitiFirst MINI will terminate and Citi will pay the Holder the Stop Loss Amount within 10 Business Days of the Stop Loss Termination Valuation Date.

If a Stop Loss Trigger Event occurs, investors may receive less than the Purchase Price they paid to acquire the CitiFirst MINI and could lose their entire investment.

While the stop loss trigger feature and the limited recourse nature of the leverage in a CitiFirst MINI ensure that the value of a CitiFirst MINI cannot be negative, potential investors should note an investment in a CitiFirst MINI may cause an investor to lose more of their investment than would be the case in a direct investment in the Underlying Parcel, including an investment which gave an entitlement to any Dividends paid on the Underlying Parcel.

4.3 GEARED PRODUCTS

The leverage incorporated in CitiFirst MINIs has the potential to magnify losses (as well as gains) and gives rise to leverage costs, where CitiFirst MINIs are held overnight, in the form of the MINI Long Funding Amount and the MINI Short Funding Amount.

As at the date of this PDS, CitiFirst MINIs issued under this PDS are geared between approximately 50% and 80% of the Underlying Parcel Price but the level of gearing in relation to CitiFirst MINIs will vary over time.

Investors should be aware that an investment in CitiFirst MINIs may increase or decrease in value at a greater rate than an investment in the Underlying Parcel.

Information in relation to the factors affecting the Interest Rate and the MINI Long Funding Amount and the MINI Short Funding Amount is provided in Section 1.3.

4.4 MINI LONG FUNDING AMOUNT AND MINI SHORT FUNDING AMOUNT

If a Holder chooses to hold their CitiFirst MINI beyond the day on which it was acquired:

- a MINI Long Funding Amount will be added to the Strike Price of the MINI Long, which may cause the MINI Long to decline in value; and
- a MINI Short Funding Amount will be added to the Strike Price of the MINI Short, which (all other things being equal) may cause the MINI Short to increase in value.

Citi has an absolute discretion in setting the Interest Rate and thereby, the MINI Long Funding Amount and MINI Short Funding Amount.

The Interest Rate for a MINI Long and a MINI Short may be different.

Citi may exercise its discretion to increase (including substantially increase) the Interest Rate of any or all MINI Longs and to decrease (including substantially decrease) the Interest Rate of any or all MINI Shorts and thereby change the MINI Long Funding Amounts and

MINI Short Funding Amounts for any Series of CitiFirst MINIs.

4.5 PERFORMANCE OF OBLIGATIONS BY CITI

The value of the CitiFirst MINIs depends on, amongst other things, the ability of Citi to fulfil its obligations under the Terms of Issue and in relation to market making.

If you invest in CitiFirst MINIs, you will be exposed to counterparty risk and credit risk of (and the credit worthiness of) Citi. You should be aware that between the date of the PDS and the date on which you acquire CitiFirst MINIs, Citi's financial position may change and it may undertake corporate actions that may detrimentally affect its credit worthiness.

Citi's obligations in relation to CitiFirst MINIs are not guaranteed and are unsecured and will rank equally with its other unsecured obligations.

Investors must make their own assessment of the ability of Citi to meet its obligations in respect of CitiFirst MINIs. Nothing in this PDS is, or may be relied upon as being, a representation as to any future event or a promise as to the future of Citi's ability to perform its obligations or its financial position.

Information in relation to Citi is provided in Section 7.

4.6 POSSIBLE ILLIQUIDITY OF TRADING MARKET

Investors should be aware that there is no firm indication as to how CitiFirst MINIs or the Underlying Parcels will trade in the secondary market. Nor is there any guarantee as to the size or liquidity of that market.

Citi is an ASX participant and will conduct market making activities in relation to CitiFirst MINIs by the provision of bids and offers made in a spread around the prevailing market price to help ensure liquidity in the market for CitiFirst MINIs.

However, there are no spread obligations applied to the market making requirements. The quality of market making will depend on competitive pressures. In times of extreme volatility the ability of market makers to maintain a market will be put under stress. Potential investors should be aware that in these situations, the presence of quotes suitable to your particular requirements in the market cannot always be assured.

4.7 GENERAL MARKET RISKS

General movement in local and international stock markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions could all affect the market price of CitiFirst MINIs (in the same way that they affect other investments).

Investors are warned that the price of a CitiFirst MINI may fall in value as rapidly as it may rise and Holders may sustain a total loss of their investment. Prospective investors should therefore ensure that they understand the nature of CitiFirst MINIs and carefully study the risk

factors set out in this PDS before they invest in CitiFirst MINIs.

If a Market Disruption Event occurs, the occurrence of a Stop Loss Trigger Event may be delayed or deferred and the calculation of a Holder's Exercise Amount, payable on the exercise of their CitiFirst MINIs, may be affected.

4.8 INVESTMENT DECISIONS

The information in this PDS is intended to provide investors and their professional advisers with the information they would reasonably require and reasonably expect to find for the purpose of making an informed assessment of whether to acquire a CitiFirst MINI and of the capacity of Citi to fulfil its obligations under the CitiFirst MINIs and the risks, rights and obligations associated with CitiFirst MINIs. It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each investor. Accordingly, nothing in this PDS should be construed as a recommendation by Citi or any associate of Citi or any other person concerning investment in CitiFirst MINIs.

Readers should not rely on this PDS other than in respect of those matters referred to above, and should not rely on it as the sole basis for any investment decision in relation to CitiFirst MINIs, or any other security.

4.9 EXERCISE OF DISCRETION BY CITI

Investors should note that a number of provisions of the Terms of Issue confer discretions on Citi which could affect the value of CitiFirst MINIs. These include the powers to nominate Adjustment Events and Extraordinary Events, to declare an Extraordinary Termination Event or an Extraordinary Postponing Event, to make an Issuer Call and to calculate or modify the method of calculation of the Interest Rate, the Strike Price and the Stop Loss Trigger Level.

Holdings do not have the power to direct Citi concerning the exercise of any discretion.

The fact that CitiFirst MINIs may become significantly less valuable and in certain circumstances terminate or become worthless, means that the purchaser of a CitiFirst MINI may lose some or all of the Purchase Price they paid for the CitiFirst MINIs.

4.10 EXTRAORDINARY EVENTS

Citi may terminate CitiFirst MINIs on the occurrence of an Extraordinary Event, which is declared to be an Extraordinary Termination Event. Investors should note that the occurrence of a Stop Loss Trigger Event is not, of itself, an Extraordinary Event.

Extraordinary Events are set out in clause 2.1 of the Terms of Issue and include:

- the removal from quotation on the ASX, the withdrawal from admission to trading status on the ASX or the suspension of trading status on

the ASX of the Securities that make up the Underlying Parcel, or the CitiFirst MINIs; and

- any event that may reasonably be expected by Citi to lead to a material limitation on Citi's ability to hedge CitiFirst MINIs or to maintain a secondary market in CitiFirst MINIs.

If an Extraordinary Termination Event is declared in relation to a CitiFirst MINI, then the CitiFirst MINI will terminate and Citi will pay the Holder the Termination Amount. For more information, please see Section 2.5 above.

4.11 ADJUSTMENT EVENTS

Citi may adjust the Underlying Parcel, the Strike Price, the Stop Loss Trigger Level, the Required Number or any other term of the CitiFirst MINI, in accordance with clause 1.7 of the Terms of Issue.

More information in relation to Adjustment Events is provided in Section 1.17.

4.12 LEGISLATIVE RISKS

A number of risks may exist and impact on a Holder of a CitiFirst MINI as a result of Australian or foreign legislation, including taxation law. Prospective Holders should seek independent professional advice on the nature of these risks.

The acquisition and/or exercise of a CitiFirst MINI may have implications for prospective Holders under Chapters 6 to 6C of the Corporations Act, the Takeovers Panel's guidance notes and under the provisions of the Foreign Acquisitions and Takeovers Act 1975 (Cth). Holders should obtain their own legal advice on these issues.

Section 5 of this PDS contains a taxation summary based on current Australian taxation laws. Prospective Holders should read this carefully and also monitor any taxation changes.

4.13 NATIONAL GUARANTEE FUND – NOT A GUARANTOR IN ALL CASES

Claims against the National Guarantee Fund may only be made in respect of secondary trading in CitiFirst MINIs between brokers on ASX and cannot be made in relation to the primary issue of CitiFirst MINIs by Citi.

The capacity of Citi to settle all outstanding CitiFirst MINIs is not guaranteed by ASX, the National Guarantee Fund or ASX Settlement.

4.14 POTENTIAL CONFLICTS OF INTEREST

Companies in the Citigroup Inc. group of companies and Citi itself may buy and sell CitiFirst MINIs, Underlying Parcels and other interests relating to CitiFirst MINIs or the Underlying Parcels, either as principal or agent. This trading may impact positively or negatively on the price at which CitiFirst MINIs trade on ASX.

In addition, companies in the Citigroup Inc. group of companies and Citi itself may have material price sensitive information relating to the Underlying Parcel, where the individuals conducting market making activities in relation to CitiFirst MINIs are prevented from knowing or taking into account such information by reason of information barriers. Citi may have a potential conflict of interest of which you are not aware and which it is unable to disclose to you.

The rights of Holders against Citi are set out in the Terms of Issue. Citi is not in a fiduciary relationship with Holders. Any profits earned and losses incurred by Citi in its trading activities in CitiFirst MINIs will accrue entirely to it independent of Citi's obligations to Holders.

4.15 SUSPENSION OF CITIFIRST MINI TRADING

Trading of CitiFirst MINIs on the stock market conducted by ASX may be halted or suspended by ASX including following the occurrence of a Stop Loss Trigger Event. This may occur whenever ASX deems such action appropriate in the interests of maintaining a fair and orderly market in CitiFirst MINIs or otherwise deems such action advisable in the public interest or to protect investors. Matters that may be considered by the ASX also include circumstances where Citi becomes unable to or unwilling or fails to comply with the ASIC Market Integrity Rules or the Operating Rules or if ASX in its absolute discretion thinks fit.

Except where an Extraordinary Termination Event is declared, CitiFirst MINIs will continue notwithstanding any delisting, withdrawal of trading status or suspension of CitiFirst MINIs from ASX.

4.16 VOLATILITY OF THE UNDERLYING PARCEL

Past performance of the Underlying Parcel is not necessarily a guide to their future performance. Movements in the Underlying Parcel can be volatile and vary considerably during the term that you hold your investment in the CitiFirst MINIs.

SECTION 5 – TAXATION SUMMARY

5.1 INTRODUCTION

This Section 5 is intended only as a general summary of some of the taxation consequences arising for potential investors in CitiFirst MINIs who are Australian resident taxpayers including individuals, companies and complying superannuation funds.

This section is necessarily general in nature and does not take into account the specific taxation circumstances of each potential investor. Potential investors should not rely on this section and should obtain specific taxation advice referable to their own circumstances prior to making any investment decision.

This advice is based on law and Australian Taxation Office practice that is current as at the date of this PDS. Potential investors should seek their own advice on any changes after the date of this PDS to any law or administrative interpretation which may affect the tax consequences of investing in CitiFirst MINIs.

In Taxation Ruling TR 2005/15 (regarding contracts for differences or **CFDs**), the Commissioner of Taxation (**Commissioner**) expresses the view that CFDs would ordinarily be entered into for a profit-making purpose so that any gain or loss made would be on revenue account. However, in cases where CFDs are not entered into with a profit making purpose, the Commissioner considers that the purpose would likely be that of recreational gambling, so that any gain or loss made would be disregarded for tax purposes and not subject to capital gains tax (**CGT**) rules.

CitiFirst MINIs have some differences to the CFDs described in TR 2005/15. However, it is considered likely that the Commissioner would take a similar view with respect to CitiFirst MINIs, and the comments in this Section 5 proceed on that basis.

Holders who acquire CitiFirst MINIs for the purpose of disposing of them at a profit will typically hold the CitiFirst MINIs on revenue account for tax purposes. Certain other Holders may hold CitiFirst MINIs on revenue account, depending on their particular circumstances.

CitiFirst MINIs may be trading stock of a Holder if they are acquired for the purposes of sale or exchange in the ordinary course of the Holder's business. If so, specialised trading stock provisions, which are not covered in this Section 5, will apply. Potential investors should seek specific advice if their CitiFirst MINIs are likely to be held as trading stock.

Holders who acquire CitiFirst MINIs other than for a profit-making purpose should obtain specific taxation advice referable to their own circumstances.

5.2 TOFA

The Taxation of Financial Arrangements (**TOFA**) regime applies on a mandatory basis from 1 July 2010 for qualifying taxpayers and financial arrangements. Where it applies, the TOFA regime may impact on the tax

character and tax timing of gains and losses arising from those financial arrangements. However, exceptions to the TOFA regime would be expected to apply to most retail investors. Investors who are subject to the TOFA regime, or who are considering electing into the TOFA regime, are advised to obtain independent tax advice as to its potential impact upon the taxation consequences discussed in this section.

5.3 PURCHASING YOUR CITIFIRST MINIS

Purchasing CitiFirst MINIs does not give rise to any immediate tax consequences for a Holder. For example, a Holder cannot deduct the Purchase Price of the CitiFirst MINI. Rather, the Purchase Price, together with any brokerage fees on purchase, forms part of the "cost" of the CitiFirst MINI if the Holder holds the CitiFirst MINI on revenue account. This will be relevant to the tax consequences for the Holder when the CitiFirst MINI expires, terminates, is sold or is exercised.

5.4 HOLDING YOUR CITIFIRST MINIS

Holders will not receive any dividends or distributions as a result of holding CitiFirst MINIs. Consequently, no assessable income will arise, and no franking tax offsets will be available by virtue of holding CitiFirst MINIs.

Potential investors acquiring CitiFirst MINIs to take a position in relation to Securities they hold (which are the same as the Underlying Parcel) should be aware that the "franking credit trading provisions" in taxation legislation may affect the availability of franking tax offsets on dividends or distributions they receive from those securities. Potential investors should obtain advice on this issue as the rules are complex and their application will be dependent upon an investor's own specific circumstances.

5.5 DISPOSAL OF YOUR CITIFIRST MINIS

A Holder will be regarded as having disposed of a CitiFirst MINI for the purposes of this section if it is sold or is terminated early (for example, if a Stop Loss Trigger Event occurs or following an Extraordinary Termination Event). Any brokerage fees on disposal are included in the "cost" of the CitiFirst MINI.

Investors on revenue account

If a Holder holds a CitiFirst MINI on revenue account, then the profit calculated as the excess of the proceeds received over the cost of the CitiFirst MINI will be included in the Holder's assessable income. On the other hand, any loss represented by the excess of the cost of the CitiFirst MINI over the proceeds received should be deductible to the Holder.

Other investors

If a Holder considers that they do not hold a CitiFirst MINI on revenue account for taxation purposes, they should seek their own advice as to whether their activity would be regarded as recreational gambling such that, consistent with the Commissioner's views on CFDs in TR

2005/15, no gains or losses will be recognised under the CGT rules.

Where a Holder considers that they are not a recreational gambler in relation to their holding of a CitiFirst MINI, then gains or losses upon disposal of the CitiFirst MINI would give rise to implications under the CGT rules.

Exercising CitiFirst MINIs

Upon exercise of a CitiFirst MINI, the Holder will not receive a position in the Underlying Parcel. Instead, CitiFirst MINIs will be subject to Cash Settlement only. Exercising a CitiFirst MINI will therefore have the same tax consequences as selling the CitiFirst MINI on the market. These consequences are outlined above.

MINI Long Funding Amount/MINI Short Funding Amount

There will be no direct tax consequences for Holders with respect to the MINI Long Funding Amount or MINI Short

Funding Amount added to the Strike Price. The MINI Long/Short Funding Amount is not a direct loss or outgoing to the Holder but, rather, is a notional amount used in calculating the gain or loss made by the Holder upon sale, exercise or termination of the CitiFirst MINI.

5.6 GOODS AND SERVICES TAX (GST)

No GST will be payable by Holders on the purchase, sale, exercise, expiry or termination of CitiFirst MINIs. This is because these supplies will either fall outside the GST provisions, or will be a "financial supply" on which no GST is payable.

5.7 STAMP DUTY

CitiFirst MINIs should not give rise to any liability to pay Australian stamp duty.

SECTION 6 – FEES AND OTHER COSTS

Brokerage

Citi will not charge you brokerage on transactions in CitiFirst MINIs. Brokerage may be charged by your broker when transacting in CitiFirst MINIs.

Adviser fees

Your financial adviser may charge you a fee in connection with advice relating to transacting in CitiFirst MINIs.

Other fees and commissions

A Holder will not pay any fees or commissions to Citi in relation to the purchase of CitiFirst MINIs.

The Purchase Price

The Purchase Price is the amount paid to acquire a CitiFirst MINI, and is the intrinsic value of a CitiFirst MINI.

A CitiFirst MINI holder will not be required to pay more than the Purchase Price they pay to acquire the CitiFirst MINI.

However, if a CitiFirst MINI holder holds that CitiFirst MINI beyond the close of trading on the date they acquired the CitiFirst MINI, a MINI Long Funding Amount (for a MINI Long) or a MINI Short Funding Amount (for a MINI Short) will be added to the Strike Price of the CitiFirst MINI. MINI Long Funding Amounts and MINI Short Funding Amounts are not physically paid by the CitiFirst MINI holder or Citi, but are incorporated into the CitiFirst MINI itself, by addition to the Strike Price. The addition of a CitiFirst MINI Long Funding Amount to the Strike Price may decrease the value of that CitiFirst MINI.

Exercise Fee

The amount that a Holder receives on the Exercise of a CitiFirst MINI is determined net of the Exercise Fee.

The Exercise Fee is payable to and retained by Citi on the Exercise, to compensate Citi for the costs and expenses Citi incurs in connection with the Exercise which may include Citi's costs of unwinding any hedging arrangements and which may be influenced by market volatility and the liquidity of the Underlying Parcel.

The amount of the Exercise Fee is determined by Citi in respect of each Exercise but it cannot exceed 1% of the Purchase Price as at the close of trading on the Exercise Date.

Expenses

The amount that a Holder receives on the Termination Date following an Issuer Call or an Extraordinary Event is determined net of the Expenses. Expenses are the incidental costs reasonably incurred by Citi which may include the cost of unwinding hedging arrangements (if any) or Taxes but they cannot exceed 20% of the Termination Amount.

SECTION 7 – ISSUER AND GROUP DETAILS

CitiFirst MINIs issued under this PDS will be issued by Citigroup Global Markets Australia Pty Limited which is a wholly owned subsidiary of Citigroup Inc., and a member of the Citigroup Inc. group of companies (**Group**).

The Group has been in the Asia Pacific region for more than 100 years and today provides more services in more markets for more clients than any other financial institution.

Citi in Australia and New Zealand

The Group established a presence in Australia in 1971 and in New Zealand in 1982. In 1984, the Group's securities and investment banking business commenced operations and in 1985 Citibank Pty Limited (now Citigroup Pty Limited) became the first foreign bank to be granted an Australian banking licence.

Today, the Group provides financial services to more than 1 million consumers and over 900 corporate clients in Australia and New Zealand.

Financial Information about Citi

The net asset position of Citi as stated in its most recent audited financial statements was \$204.7 million as at 31 December 2019.

Copies of financial statements of Citi can be obtained free of charge by calling Citi on 1300 30 70 70.

Due to the current regulatory environment, most credit rating agencies are no longer consenting to the inclusion of credit rating information in retail disclosure documents issued in Australia. As a consequence, Citi is not able to provide information in relation to its credit rating.

Disclaimer

No circumstance has arisen and no information has become available except as disclosed in this PDS or to ASX that would materially affect an investor's decision for the purpose of making an informed assessment of the capacity of Citi to fulfil its obligations under the Terms of Issue, or the risks, rights or obligations associated with CitiFirst MINIs since 31 December 2019.

SECTION 8 – ADDITIONAL INFORMATION

8.1 ADMISSION TO TRADING STATUS

As at the date of this PDS, application has been made but approval has not yet been given for CitiFirst MINIs to be admitted to trading status by the ASX pursuant to the Operating Rules. When the ASX admits the CitiFirst MINIs to trading status, that will not be taken in any way as an indication of the merits of Citi or of the CitiFirst MINIs.

ASX does not warrant the accuracy or truth of the contents of this PDS.

ASX has not authorised or caused the issue of this PDS and is not in any way a party to or concerned in authorising or causing the issue of this PDS or the making of offers or invitations with respect to CitiFirst MINIs. ASX takes no responsibility for the contents of this PDS. ASX makes no representation as to whether this PDS and the Terms of Issue of CitiFirst MINIs comply with the Corporations Act or the Operating Rules.

To the extent permitted by the Competition and Consumer Act 2010 (Cth) or any other relevant law, ASX will be under no liability for any claim whatsoever, including a claim for any financial or consequential loss or damage suffered by Holders or any other person, whether or not that claim arises wholly or substantially out of reliance on any information contained in this PDS or any error in, or omission from, this PDS.

8.2 CHESS

CitiFirst MINIs issued under this PDS will be declared eligible to participate in CHESS pursuant to the ASX Settlement Operating Rules. In addition to a CHESS subregister, an issuer sponsored subregister will also be maintained, in compliance with the Listing Rules. Under the CHESS system, instead of certificates, Holders will be provided with a holding statement which sets out the number of CitiFirst MINIs held by a Holder.

The holding statements will include a Holder's Holder Identification Number (HIN) in the case of a holding on the CHESS subregister, and a Shareholder Registration Number (SRN) in the case of a holding on the issuer sponsored subregister.

8.3 REGISTRAR

Citi will arrange (at its cost) for a separate register of Holders of CitiFirst MINIs to be established and maintained at the offices of the Registrar. The Register may be inspected during normal business hours by any Holder or its authorised representative.

8.4 ASIC INSTRUMENTS

ASIC has issued a number of legislative instruments that will apply to CitiFirst MINIs issued under this PDS, including:

ASIC Instrument 2016/767 which modifies the Corporations Act so that disclosure in dollar terms is not required in relation to the costs associated with acquiring derivatives and amounts that will or may be payable following acquisition and in relation to non-monetary benefits.

ASIC Instrument 2016/886 which modifies the Corporations Act to provide disclosure relief in relation to sales or purchase of CitiFirst MINIs on the secondary market.

8.5 DISPUTE RESOLUTION SYSTEM

Citi has established procedures to ensure that any enquiries or complaints that you may have in relation to CitiFirst MINIs will be dealt with in a proper and timely manner. Full details of these procedures appear in the FSG which appears as Appendix 1 to this PDS.

8.6 LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS

Citi will not take into account labour standards or environmental, social or ethical considerations in selecting, retaining or realising the investment represented by CitiFirst MINIs. Investors should make their own enquiries as to whether labour standards or environmental, social or ethical considerations are taken into account by the Entities who issue the Underlying Parcels.

8.7 CONSENTS

Citigroup Inc. has given and has not withdrawn its consent to be named in this PDS in the form and context in which it is named. Citigroup Inc. has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS, and takes no responsibility for any part of this PDS other than references to its name (except to the extent required by the Corporations Act).

Computershare Investor Services Pty Limited has given and has not withdrawn its consent to be named in this PDS in the form and context in which it is named. Computershare Investor Services Pty Limited has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS, and takes no responsibility for any part of this PDS other than references to its name (except to the extent required by the Corporations Act).

8.8 ROLE OF ENTITIES

No Entity has been involved in the preparation of this PDS and no Entity has provided any information to Citi for the purposes of the preparation of this PDS. Any

information about an Entity that appears in this PDS is information that is publicly available. Citi has not verified any information about an Entity that appears in this PDS.

Citi takes no responsibility and accepts no liability for, and makes no representation or warranty (whether express or implied) as to the accuracy or completeness of any information about an Entity in this PDS. Potential Holders should make their own enquiries.

Any reference to an Entity in this PDS is only for the purpose of identifying the Underlying Parcel and the Entity that issued those Securities. The references are not an express or implied endorsement of CitiFirst MINIs by an Entity. No Entity accepts any responsibility for any statement in this PDS. Except as expressly stated in this PDS, no Entity or authorised officer of an Entity has authorised the issue of or any statement in this PDS. No Entity has given its consent to be named in this PDS.

8.9 GOVERNING LAW

The CitiFirst MINIs and this PDS are governed by and construed in accordance with the law of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and any court hearing appeals from those courts.

8.10 PRIVACY CONSENTS AND NOTIFICATIONS

This section 8.10 sets out important privacy consents that you give us by acquiring CitiFirst MINIs. It also sets out important information about our collection, use, disclosure and management of your personal information.

In this section 8.10, references to 'you' and 'your' are references to a Holder and other individuals (such as employees, guarantors, directors or shareholders) connected with that Holder.

a) Purposes for which we collect, use and disclose your personal information

We collect, use and disclose your personal information:

- to provide and manage your products, accounts and services and to manage your relationship and arrangements with us including to process your acquisition and holding of CitiFirst MINIs;
- so we can comply with applicable laws both in Australia and overseas (for more details about relevant Australian laws please see our Privacy Policy); and
- for other purposes as listed in our Privacy Policy.

If you do not provide us with the information that we ask for, or the information provided is incorrect or incomplete, we may not be able to provide or manage the products or services that you are (or if you are not the applicant, that the applicant is) seeking.

We usually collect your personal information directly from you. However, sometimes we may need to collect

personal information about you from third parties (such as your broker) for the purposes described above. The circumstances in which we may need to do this include assisting us to locate or communicate with you.

If, at any time, you receive information from us about our products and you do not wish to receive further correspondence, please let us know.

b) Disclosures of your personal information

We may disclose to, and obtain from, the following organisations personal information about you to for the purposes described above (as well as otherwise permitted by the *Privacy Act 1988* (Cth)):

- our related companies, suppliers and organisations that carry out functions for us or on our behalf in Australia and overseas;
- any third party service providers who assist us in our business operations and service provision;
- any acquirer of CitiFirst MINIs;
- any broker, financial, legal or other adviser acting in connection with the CitiFirst MINIs or your acquisition;
- regulatory and tax authorities in Australia and overseas;
- organisations wishing to acquire an interest in any part of Citi's business for assessing or implementing any such acquisition; and
- other organisations as further set out in our Privacy Policy.

c) Disclosures to overseas recipients

Some of the recipients to whom we disclose your personal information may be based overseas. (For example, a disclosure to an overseas recipient may be necessary for operational reasons – such as because you have requested an international payment to be made or another product or service that involves an international element – or to comply with foreign legal or regulatory requirements. We may also use service providers based overseas).

It is not practicable to list every country in which such recipients are located but it is likely that such countries will include the United States of America, Malaysia, India, the Philippines and Singapore.

d) Our Privacy Policy (including how to access and correct information and make a complaint)

You can view the Citi Privacy Policy on our website www.citi.com.au or obtain a copy by calling us on 13 24 84. This policy includes information as to how you can access and/or seek correction of the personal information we hold about you. A charge may apply for providing you with access to your personal information. Our Privacy Policy also contains information as to how you can complain about a breach by us of the *Privacy Act* and how we will deal with such a complaint.

SECTION 9 – TERMS OF ISSUE

To the extent of any inconsistency between these Terms of Issue and any other part of this PDS, these Terms of Issue prevail.

1 THE CITIFIRST MINIS

1.1 Grant of CitiFirst MINIS

In return for Citigroup Australia Holdings paying the relevant Purchase Price to Citi (receipt of which is acknowledged by Citi), Citi grants the relevant CitiFirst MINIS to Citigroup Australia Holdings.

1.2 Nature of CitiFirst MINIS

Each CitiFirst MINI is a financial instrument which provides Holders with leveraged exposure to the price movements of the Underlying Parcel. A CitiFirst MINI does not give the Holder any shareholder rights in relation to the Underlying Parcel, such as voting rights, nor does it give the Holder the right to purchase the Underlying Parcel. That is, exercising a CitiFirst MINI does not mean the Holder takes delivery of the Underlying Parcel. Instead, exercising a CitiFirst MINI will result in a Cash Settlement.

1.3 Postponement of Exercise Date

An Exercise Date may, at Citi's option, be postponed if an Extraordinary Postponing Event is declared under clause 2.3, and in such circumstances Citi shall give a notice to Holders in accordance with clause 4.1.

1.4 Issuer Call

- a) After the Issuer Call Commencement Date, Citi may give Holders at least one month's notice of an Issuer Call.
- b) An Issuer Call Notice must be given in relation to all the CitiFirst MINIS in a Series, not part of the CitiFirst MINIS in a Series.
- c) If an Issuer Call Notice is given in relation to a CitiFirst MINI and a Stop Loss Trigger Event does not occur on or before the Issuer Call Date in relation to that CitiFirst MINI, Citi will pay the Holder of that CitiFirst MINI the Termination Amount on the date 5 Business Days after the Issuer Call Date.

1.5 Stop Loss Trigger Level

- a) A CitiFirst MINI will be suspended from trading by the ASX, at Citi's request, if a Stop Loss Trigger Event occurs.

- b) If a CitiFirst MINI is suspended from trading under clause 1.5(a):
 - i. the procedure outlined in Section 1.5 of this PDS will be followed;
 - ii. as soon as reasonably practicable after a Stop Loss Trigger Event occurs, Citi will announce the suspension of trading of the applicable Series of CitiFirst MINIS in a manner reasonably satisfactory to ASX;
 - iii. the Holder will be entitled to sell their CitiFirst MINIS when trading temporarily re-commences (as outlined in Section 1.5 of this PDS), for the Stop Loss Amount;
 - iv. Citi will pay the Holder the Stop Loss Amount within ten Business Days after the Trading Day following the occurrence of the Stop Loss Trigger Event; and
 - v. the CitiFirst MINI will terminate on the Relevant Expiry Date.

1.6 Expiry of CitiFirst MINIS

CitiFirst MINIS are open-ended investment products, meaning that they do not have a fixed maturity date, and do not have to be exercised by a particular time.

While CitiFirst MINIS do not have a fixed maturity date, they may expire. A CitiFirst MINI will expire on the Relevant Expiry Date which is the earlier of:

- a) if a Stop Loss Trigger Event occurs:
 - i. on payment by Citi of the Stop Loss Amount; or
 - ii. where no Stop Loss Amount is payable, ten Business Days after the Stop Loss Trading Close;
- b) if an Extraordinary Termination Event occurs, the Termination Date;
- c) if Citi gives CitiFirst MINI Holders at least one calendar month's notice of its intention to terminate (where Citi cannot give such a notice until after the Issuer Commencement Date), the Termination Date; or
- d) if a CitiFirst MINI Holder exercises the CitiFirst MINI, on payment of the Exercise Amount.

If a CitiFirst MINI expires in the situation in clause 1.6(a) above, the Holder will receive the Stop Loss Amount.

If a CitiFirst MINI expires on the Termination Date in the situation in clauses 1.6(b) or 1.6(c) above, the Holder will receive the Termination Amount.

If a CitiFirst MINI expires in the situation in clause 1.6(d) above, the Holder will receive the Exercise Amount.

1.7 Adjustment Events

- a) Subject to clause 1.7(b), in the event of an Adjustment Event Citi may adjust the Underlying Parcel, the description of CitiFirst MINIs, the Strike Price, the Current Strike Price, the MINI Short Funding Amount, the MINI Long Funding Amount, the Stop Loss Trigger Level, the Required Number or any other term of the CitiFirst MINI including, but not limited to any or all of the following:
 - i. substituting the Underlying Parcel;
 - ii. adjusting or amending any items in the Term Sheet or the Terms of Issue, including the definition of Underlying Parcel and any formula relating to a CitiFirst MINI;
 - iii. calculating prices and amounts, having regard to all conditions that Citi determines relevant, including, the market conditions at the time of the calculation and the most recently published prices; and
 - iv. nominating an Extraordinary Event.
- b) Citi may only take the actions referred to in clause 1.7(a) where Citi reasonably believes that the adjustment is equitable, fair and appropriate to put Citi and the Holder in a position, after the Adjustment Event, which is as similar as reasonably practicable to the position that they were in prior to the Adjustment Event.

1.8 Adjustment for Dividends

- a) Where a Dividend is declared by an Entity who issues the Underlying Parcel, Citi will reduce the Strike Price and the Stop Loss Trigger Level by an amount equal to the Dividend.
- b) These adjustments will take effect on the ex-Dividend date of the relevant Securities, subject to clause 1.8(c).
- c) Where a Dividend is declared that is an estimate and the relevant Entity has not specified the exact amount payable by the Trading Day which is two Trading Days immediately prior to the ex-Dividend date, then the amount of the Dividend for the purposes of this clause 1.8 is the estimated Dividend.
- d) The Stop Loss Trigger Level may also be changed in line with forecast Dividends.

1.9 Buy-Backs

Citi may buy back a CitiFirst MINI and become the Holder of the CitiFirst MINI, which shall not terminate

when bought back. The CitiFirst MINI may be subsequently resold by Citi.

1.10 Cancellation

Citi may cancel any CitiFirst MINI if Citi is the Holder of the CitiFirst MINI, by recording the cancellation in the Register. A CitiFirst MINI terminates on cancellation under this clause 1.10.

1.11 Register

Citi will, at its cost, arrange for the establishment and maintenance of a register of Holders which complies with the Corporations Act and the Listing Rules as if the CitiFirst MINIs were shares in a company.

1.12 Holding Statements

Citi will comply with the Listing Rules in relation to the issue and authorisation of holding statements for CitiFirst MINIs as if the CitiFirst MINIs were shares in a company.

1.13 Transfer

- a) A CitiFirst MINI may be transferred if and only if the transfer is in the manner prescribed by or under the Corporations Act, the Operating Rules and the ASX Settlement Operating Rules (as applicable).
- b) The transferor of a CitiFirst MINI is regarded as remaining the owner of the CitiFirst MINI the subject of the instrument of transfer until the name of the transferee is entered in the Register in respect of that CitiFirst MINI.

1.14 Joint Holders

There must not be more than 3 joint Holders of a CitiFirst MINI except in the case of the legal representatives of a deceased Holder. All notices, payments and other correspondence to joint Holders may be directed, given or made to the first-named joint Holder on the Register. If there are joint Holders of any CitiFirst MINI and one of these joint Holders dies, the survivors shall be the only persons authorised by Citi as having any title or interest in the CitiFirst MINI.

1.15 Registration of Transfer of CitiFirst MINIs

Citi:

- a) must deal with, certify and register a transfer of a CitiFirst MINI which complies with clause 1.13 in accordance with the Operating Rules and the ASX Settlement Operating Rules; and
- b) may refuse to register such a transfer in any of the circumstances where such

refusal is permitted by, and in accordance with any procedures prescribed by the Operating Rules and the ASX Settlement Operating Rules.

1.16 Status of CitiFirst MINIs

CitiFirst MINIs establish general, immediate and unsecured contractual obligations of Citi, which have equivalent rank to each other and to the other existing, unsecured and non-subordinated obligations of Citi (except for any obligations which have precedence by force of law).

2 EXTRAORDINARY EVENTS

2.1 Definition

Citi may, on any Trading Day, nominate as an Extraordinary Event:

- a) the actual or proposed:
 - i. cessation of quotation on the ASX;
 - ii. withdrawal of admission to trading status on the ASX; or
 - iii. suspension of trading status on the ASX,

of the Securities that make up the Underlying Parcel, or the CitiFirst MINIs, except in the case of a CitiFirst MINI, where the withdrawal or suspension is caused by Citi; or

- b) the Securities that make up the Underlying Parcel or CitiFirst MINIs ceasing to be CHESSE Approved Financial Products; or
- c) without limitation, any event that may reasonably be expected by Citi to lead to a material limitation on Citi's ability to hedge the CitiFirst MINIs or to maintain a secondary market in the CitiFirst MINIs.

2.2 Citi's Discretion to Nominate

Where Citi has nominated an Extraordinary Event under clause 2.1 in relation to a Series of CitiFirst MINIs but those CitiFirst MINIs have not yet terminated, Citi may withdraw that nomination at any time prior to the termination of the CitiFirst MINIs.

2.3 Extraordinary Postponing Events

If an Extraordinary Event has occurred and is continuing on an Exercise Date or a nominated Termination Date in respect of an Extraordinary Termination Event, then that Exercise Date or Termination Date may, at Citi's option, be postponed to the next Business Day in respect of which there is, in the reasonable opinion of Citi, no Extraordinary Event continuing (an **Extraordinary Postponing Event**).

In no circumstance shall the Exercise Date or Extraordinary Termination Event be postponed to a date

later than 10 Business Days after the original Exercise Date or nominated Termination Date.

2.4 Extraordinary Termination Events

If:

- a) a notice is given pursuant to section 661B or section 664C of the Corporations Act relating to compulsory acquisition in respect of the Underlying Parcels; or
- b) a scheme of arrangement is adopted with respect to the Underlying Parcels; or
- c) an Extraordinary Event has occurred and, in the reasonable opinion of Citi, is continuing and is likely to continue,

Citi may declare an Extraordinary Termination Event.

As soon as reasonably possible after the declaration of an Extraordinary Termination Event, Citi will publicly announce the occurrence of the Extraordinary Termination Event, the termination of the applicable Series of CitiFirst MINIs and the Termination Date in a manner reasonably satisfactory to ASX.

3 EXERCISE OF CITIFIRST MINI

3.1 Exercise Notice

- a) A Holder of a CitiFirst MINI may exercise the CitiFirst MINI by contacting Citi to obtain a Strike Price and an Exercise Reference Number, and delivering to Citi a duly completed Exercise Notice.
- b) A Holder wishing to exercise their CitiFirst MINI must contact Citi on 1300 30 70 70 prior to delivering the Exercise Notice to Citi to be notified of a Locked In Strike Price and obtain an Exercise Reference Number. If the Holder provides an Exercise Notice to Citi within 2 Business Days of obtaining an Exercise Reference Number, the Current Strike Price for the purposes of that Exercise will be the Locked In Strike Price.
- c) Subject to clauses 3.1(a) and 3.1(b) above, an Exercise Notice can be delivered and becomes effective on any Business Day it is delivered to Citi provided that:
 - i. no Stop Loss Trigger Event has occurred;
 - ii. no Extraordinary Event has occurred; and
 - iii. the CitiFirst MINI has not been terminated or suspended from trading for any other reason (as determined by Citi in its absolute discretion),

unless it is received after 2pm on a day, in which case it shall become effective on the next Business Day.

- d) After a Holder has delivered a valid and duly completed Exercise Notice to Citi, the CitiFirst MINIs the subject of that Exercise Notice cannot be traded and Citi and the Registrar are under no obligation to record any transfer of those CitiFirst MINIs in the Register after delivery of that valid Exercise Notice.

3.2 Exercise by Unregistered Person

Where a person claims to be entitled to be registered as the Holder of a CitiFirst MINI but their name does not appear in the Register as the Holder, that person may exercise the CitiFirst MINI by giving to Citi an Exercise Notice in respect of the CitiFirst MINI to be exercised specifying that the person claims to be so entitled.

In those circumstances, if the person giving the Exercise Notice becomes registered or is entitled to be registered as the Holder before the Business Day which is 6 Business Days after the Exercise Date then the Exercise Notice is to be treated as having been properly given and becomes effective immediately on that person becoming so registered.

3.3 Multiple Exercise Notices

If more than one Exercise Notice which is otherwise effective is given under either or both clause 3.1 and clause 3.2 in respect of a CitiFirst MINI, the only Exercise Notice in respect of that CitiFirst MINI which is to be treated as being effective is that given by the person who, to the knowledge, or in the reasonable opinion, of Citi, was the last of those persons who, before the Closing Time on the Exercise Date, became entitled to be registered as the Holder of that CitiFirst MINI (which may, if that is the case, include the person entitled to be registered as the Holder at the Closing Time on the Exercise Date) and every other Exercise Notice given in respect of that CitiFirst MINI, notwithstanding clauses 3.1 and 3.2, is of no force or effect.

3.4 Effectiveness of Exercise Notices

An Exercise Notice given under clause 3.1, 3.2 or 3.3 becomes valid and effective if and only if:

- a) it is duly completed and in the proper form;
- b) it is for the Required Number or a multiple of the Required Number of CitiFirst MINIs;
- c) the CitiFirst MINI has not terminated under clause 1.4; and
- d) the CitiFirst MINI has not been suspended or removed from trading for any reason, including a Stop Loss Trigger Event or Extraordinary Event.

If the requirements for an effective Exercise Notice set out in this clauses 3.4(a) to (d) above are not satisfied, the Exercise Notice is null and void and Citi must give a

notice accompanied by the purported Exercise Notice and all documents which accompanied it (including any cheque) to the person who gave that Exercise Notice not later than the Business Day which is 10 Business Days after the day which the purported Exercise Notice was given to Citi.

Any determination as to whether an Exercise Notice is duly completed and in proper form and otherwise effective shall be made by Citi and shall be conclusive and binding on Citi and the Holder.

3.5 Errors in Exercise Notices and Accompanying Materials

Citi may, but is not obliged to, exercise the discretions in this clause 3.5. If an Exercise Notice is given which specifies a number of CitiFirst MINIs which is not a simple multiple of the Required Number, the Exercise Notice will be treated as stating a simple multiple of the Required Number. This shall be achieved by rounding down the number of CitiFirst MINIs identified in the Exercise Notice until that simple multiple is achieved.

3.6 Cash Settlement

When a valid Exercise Notice is given, it does not:

- a) in the case of a MINI Long, give the Holder of that CitiFirst MINI the right to delivery of the Underlying Parcel; and
- b) in the case of a MINI Short, give the Holder of that CitiFirst MINI the right to deliver the Underlying Parcel to Citi.

Instead, the exercise of a CitiFirst MINI will result in a Cash Settlement of the Exercise Amount from Citi to the CitiFirst MINI Holder, with the minimum possible value of that Exercise Amount being zero. The Exercise Amount is payable by Citi to the Holder on the Settlement Date.

3.7 Interest

If Citi does not pay the amount calculated in accordance with clause 3.6 by the time specified, interest accrues on that amount at the Default Rate accruing daily from the last day on which Citi was required to pay the exercising Holder under clause 3.6 until payment is made.

3.8 Calculations and Securities

In these Terms of Issue:

- a) all calculations will be done to no less than three decimal places; and
- b) no rounding of numbers will occur until a Holder exercises a CitiFirst MINI and at that time the entitlement attaching to all CitiFirst MINIs of that Holder the subject of exercise will be aggregated and that aggregate will be rounded so that all money amounts are rounded to the nearest whole cent.

In the absence of negligence, manifest error or wilful misconduct on its part, Citi will not have any responsibility for any errors or omissions in the calculation of any amount including any Termination Amount, Stop Loss Amount or Exercise Amount.

3.9 Warranties by Holder on Exercise of CitiFirst MINI

By giving an Exercise Notice, the Holder warrants that:

- a) the Holder has good, complete and unencumbered title to the CitiFirst MINIs;
- b) none of the CitiFirst MINIs the subject of the Exercise Notice, will breach or result in a breach of any exchange control, fiscal or other laws or regulations for the time being applicable; and
- c) the Holder is not a resident or national of any jurisdiction where the exercise of the CitiFirst MINIs is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by Citi or any related entity of Citi,

and the Holder agrees to indemnify Citi against any loss, liability, damage, claim, cost or expense incurred as a result, directly or indirectly, of any warranty given by the Holder in this clause 3.9 proving to be untrue or incorrect.

4 NOTICES

4.1 When Notice is required

Citi must give notice to each Holder:

- a) on the expiry of a CitiFirst MINI, within 10 Business Days after the Relevant Expiry Date;
- b) on the occurrence of an Extraordinary Event and any Extraordinary Postponing Event; and
- c) as otherwise required by the PDS.

4.2 Method of giving Notice

Except where otherwise provided by these Terms of Issue, all notices required or permitted to be given by Citi to a Holder pursuant to these Terms of Issue must be in writing and are treated as being duly given if:

- a) left at the Holder's address as it appears in the Register; or
- b) sent by pre-paid mail to the Holder's address as it appears in the Register (which must be airmail if that address is not within Australia).

4.3 Time of Receipt

A notice given by Citi in accordance with clause 4.2 is treated as having been duly given and received:

- a) when delivered – in the case of it being left at the Holder's address as it appears in the Register; or
- b) on the third Business Day after posting – in the case of it being sent by pre-paid mail.

4.4 Address of Parties

For the purposes of this clause 4 if more than one person is entered in the Register as the Holder of a CitiFirst MINI, a notice given to any of those persons is effective as notice to all those persons.

4.5 Notices by Holder

All notices required or permitted to be given by the Holder to Citi pursuant to these Terms of Issue or otherwise in respect of the CitiFirst MINI must be in writing and are treated as being duly given if and only if they are actually received at the office of Citi or at such other address as Citi may notify to the Holder.

5 GENERAL

5.1 Variation of Terms of Issue

Citi may from time to time by notice sent to the Holder make any Change to these Terms of Issue (provided ASX is notified of the amendment by no later than the time that the amendment is to come into effect or such other time as stated in the Operating Rules Procedures) in the following circumstances:

- a) if the Change is necessary in the opinion of Citi to comply with any statutory or other requirements of law or any requirement of ASX;
- b) to accommodate transfers;
- c) if the Change is made for the purpose of rectifying any ambiguity, error or defect which does not materially prejudice the interests of Holders;
- d) where, in the reasonable opinion of Citi, the amendment does not materially prejudice the interests of the Holders;
- e) in the case of an Adjustment Event or an Extraordinary Event; or
- f) where the terms of that Change are authorised by a resolution of the Holders passed in accordance with the following:
 - i. Citi dispatches by notice to every Holder a document setting out the terms of the proposed Change together with a ballot paper enabling the Holder (other than Citi

- or its associates) to vote either in favour of or against the Change, a document setting out the reasons for and any advantages or disadvantages of the Change and a document authorises the provisions of this clause 5.1(f);
- ii. Citi retains all ballot papers which are returned to it within the voting period (which must, in any event, be not less than 20 Business Days after the date of dispatch of the last of the notices referred to in paragraph (i) of clause 5.1(f);
 - iii. Citi's auditor (after consultation with Citi's lawyers, if desired by either the auditor or Citi) determines the validity of all ballot papers returned during the voting period and if Citi or an "associate" of Citi (within the meaning of Part 1.2, Division 2 of the Corporations Act (other than section 13)) (except if the person holds the relevant CitiFirst MINIs as trustee or nominee for another person) returns a ballot paper to a Holder it is to be treated as not being valid;
 - iv. Citi's auditor adds together all of the votes cast on valid ballot papers during the voting period (calculated on the basis of one vote for each CitiFirst MINI held by the person casting that vote) in favour of the Change and all of the votes cast on valid ballot papers during the voting period (calculated on the same basis) against the Change; and
 - v. the number of votes validly cast in favour of the Change (as determined by the previous paragraph) is not less than 75% of the total number of votes validly cast,

except that the Relevant Expiry Date is not to be amended except in the case of an Extraordinary Termination Event or Extraordinary Postponing Event.

5.2 Notification of Change to ASX

Any Change to these Terms of Issue made under clause 5.1 must be notified to ASX and, if requested by ASX, be notified to the market.

5.3 No Requisition by Holders

Nothing in these Terms of Issue authorises a Holder (alone or together with other Holders) to requisition the consideration of any resolution.

5.4 Waiver

The failure, delay, relaxation or indulgence on the part of Citi in exercising any power or right conferred upon Citi by these Terms of Issue does not operate as a waiver of that power or right nor does any single exercise of any power or right preclude any other or further exercise of it or the exercise of any other power or right under these Terms of Issue.

5.5 Discretions

The Holder may not give any direction to Citi, even where the CitiFirst MINI is exercised, concerning the exercise by Citi of any discretion relating to CitiFirst MINIs, or any discretion conferred on Citi by these Terms of Issue.

5.6 Governing Law and Jurisdiction

CitiFirst MINIs and this PDS are governed by and construed in accordance with the law of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and any court hearing appeals from those courts.

5.7 Telephone Recording

The Holder agrees to the tape recording by Citi of any telephone conversations concerning the CitiFirst MINI, the retention of any tape recording so made and the use of any tape recording so made as evidence of the content of the conversation.

SECTION 10 – DEFINITIONS AND INTERPRETATION

10.1 DEFINITIONS

Adjustment means an adjustment, amendment or variation of these Terms of Issue, or of the parameters of CitiFirst MINIs, as a result of an Adjustment Event in accordance with clauses 1.7 & 1.8 of the Terms of Issue.

Adjustment Event means:

- a) any event beyond Citi's reasonable control and which Citi determines, in good faith, will render Citi's performance of its present or future obligations in relation to CitiFirst MINIs, impossible, unlawful, illegal or otherwise prohibited by law;
- b) a Corporate Action in relation to the Underlying Parcel;
- c) a Market Disruption Event;
- d) a Citi Hedging Event;
- e) an Extraordinary Event; and
- f) any actual or proposed event which (in Citi's reasonable opinion) is reasonably expected to result in the occurrence of any of the events set out in paragraphs (a) to (e) above.

American Style means, in respect of a CitiFirst MINI, that a CitiFirst MINI can be exercised on any Business Day.

APRA means the Australian Prudential Regulation Authority.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the operating rules of ASX Settlement as amended or varied from time to time.

Business Day has the meaning given to it in the Operating Rules.

Cash Settlement means settlement of the Exercise Amount for a CitiFirst MINI in cash, in accordance with clause 3.6.

Change means in respect of the Terms of Issue, any modification, variation, alteration or deletion of, or addition to, the Terms of Issue.

CHES means the Clearing House Electronic Subregister System established and operated by ASX Settlement.

CHES Approved Financial Products means financial products which are approved under section 8 of the ASX Settlement Operating Rules.

Citi means Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 and AFSL 240992).

Citi Hedging Event means:

- a) an event which results in the termination of or an adjustment or change to, Citi's hedging arrangements (if any) for CitiFirst MINIs;
- b) Citi becoming unable to redeem, sell, dispose of or liquidate the Underlying Parcel relevant to a MINI Long;
- c) Citi becoming unable to acquire, purchase or transfer the Underlying Parcel relevant to a MINI Short; or
- d) an event which adversely affects Citi's ability to borrow or lend the Underlying Parcel.

CitiFirst MINI means a MINI Long or a MINI Short, issued under the Terms of Issue.

Citigroup Australia Holdings means Citigroup Global Markets Australia Holdings Pty Limited (ABN 56 081 472 684).

Closing Time means 4:10pm Sydney time.

Corporations Act means the Corporations Act 2001 (Cth).

Corporate Action includes:

- a) an entitlements offer, a rights issue, a bonus issue of Securities relating to the Underlying Parcel;
- b) a call in respect of Securities relating to the Underlying Parcel which were issued partly paid;
- c) a reconstruction or the declaration or payment of a Special Dividend, an extraordinary Dividend or a non-cash Dividend in relation to the Underlying Parcel;
- d) a subdivision, share split or consolidation of Securities relating to the Underlying Parcel;
- e) a reduction of capital, pro-rata cash distribution, or a buy back offer relating to the Underlying Parcel;
- f) a demerger, reconstruction, compulsory acquisition, scheme of arrangement or Takeover Bid or similar change of control transaction in relation to the Underlying Parcel;
- g) the winding up, administration, liquidation or insolvency of the issuer of the Underlying Parcel, including the passing of resolutions to wind up or enter into a compromise with creditors; and
- h) the nationalisation of the issuer of the Underlying Parcel, including by the acquisition or expropriation of the whole of or a substantial part of that entity's assets

or undertakings by a government or a government agency.

Corporations Regulations means the regulations made under the Corporations Act.

Current Strike Price means, subject to an Adjustment and subject to clause 3.1(b), an amount determined by Citi in respect of each CitiFirst MINI, in accordance with the following formula:

- a) the Current Strike Price on the previous Trading Day;
- b) plus, where the CitiFirst MINI is:
 - i. a MINI Long, the MINI Long Funding Amount; or
 - ii. a MINI Short, the MINI Short Funding Amount;
- c) minus, in respect of a CitiFirst MINI where an ex-Dividend date has occurred in relation to the Underlying Parcel since the previous Trading Date, subject to paragraph (d), the cash amount of the Dividend determined by Citi without regard to any withholding tax or other deductions; but
- d) where Citi declares that the amount of a Dividend is not applicable for the relevant Series, the Dividend shall be disregarded in the calculation of the Current Strike Price.

Default Rate means, on any day, the interest rate calculated by adding 2 per cent to the prime rate (being the base lending rate published for prime corporate customers by Citi in Australia) which applies on that day to overdrafts with Citi.

Dividend means, in respect of a CitiFirst MINI where the Underlying Parcel comprises shares of a company, a dividend of the relevant company, and in respect of a MINI where the Underlying Parcel comprises units of a listed trust, a distribution of income or gains of the relevant trust, and includes a Special Dividend.

Entity means any body corporate or other entity but does not include Citi.

Exercise means a Holder's right to exercise CitiFirst MINIs, in accordance with clause 3 of the Terms of Issue.

Exercise Amount means the amount calculated on the Exercise Date for a CitiFirst MINI under the following formulae:

- a) for a MINI Long:

$$\frac{[(\text{Final Reference Price} - \text{Current Strike Price}) / \text{Required Number}] - \text{Exercise Fee}}$$
- b) for a MINI Short:

$$\frac{[(\text{Current Strike Price} - \text{Final Reference Price}) / \text{Required Number}] - \text{Exercise Fee}}$$

Exercise Date means the date when a valid Exercise Notice is received by Citi.

Exercise Fee means the fee payable to and retained by Citi on the Exercise of a CitiFirst MINI, to compensate Citi for the costs and expenses Citi incurs in connection

with the Exercise. The amount of the Exercise Fee is determined by Citi in respect of each Exercise but it cannot exceed 1% of the Purchase Price as at the close of trading on the Exercise Date.

The Exercise Amount, which a Holder receives following the Exercise of a CitiFirst MINI, is determined net of the Exercise Fee.

Exercise Notice means a notice in the form enclosed with this PDS given by the Holder or other person entitled to give such a notice to Citi in respect of a CitiFirst MINI in accordance with clause 3 of the Terms of Issue.

Exercise Reference Number means the number provided by Citi to a Holder in connection with locking in a Strike Price for an Exercise.

Expenses means any incidental costs reasonably incurred by Citi. These may include amongst other things: unwinding of any hedging arrangements, Tax or other expenses. These expenses are influenced by factors such as market volatility, and the liquidity in the Underlying Parcel. These expenses may be up to 20% of the Termination Amount.

Extraordinary Event has the meaning given to it in clause 2.1 of the Terms of Issue.

Extraordinary Postponing Event has the meaning given to it in clause 2.3 of the Terms of Issue.

Extraordinary Termination Event means an event declared to be an "Extraordinary Termination Event" in accordance with clause 2.4 of the Terms of Issue.

Final Reference Price means:

- a) the official closing price of the Underlying Parcel at the Closing Time on an Issuer Call Date, an Exercise Date or the Termination Date for an Extraordinary Termination Event as determined by Citi, without regard to any subsequently published correction; or
- b) subject to paragraph (c) below, if a Market Disruption Event occurs on the relevant date, the official closing price published on the next Trading Day after the cessation of the Market Disruption Event; or
- c) if a Market Disruption Event occurs on the relevant date and Citi decides that the official closing price cannot be determined or if the Market Disruption Event continues for five consecutive Business Days, the amount determined by Citi in good faith to be the closing price of the Underlying Parcel on the relevant date having regard to the then prevailing market conditions, the last reported trading price of the Underlying Parcel and any other factors Citi reasonably determines to be relevant.

If an Issuer Call Date is determined under paragraph (c) of the definition of Issuer Call Date, the Final Reference Price in relation to that Issuer Call Date will be determined having regard to the prevailing market conditions on that Issuer Call Date, the last reported trading price of the Underlying Parcel and any other factors as Citi determines to be relevant.

Foreign Securities means foreign shares or securities which cannot be transferred or settled using CHESS.

FSG means the financial services guide that appears as Appendix 1 to this PDS.

Group has the meaning given to it in Section 7.

HIN or **Holder Identification Number** has the meaning given to it in the ASX Settlement Operating Rules.

Holder means a person whose name is for the time being entered in the Register as the holder of a CitiFirst MINI.

Initial Stop Loss Trigger Level in relation to a Series, means the amount specified as the 'initial Stop Loss Trigger Level' for that Series in the Term Sheet.

Initial Strike Price means the strike price for a CitiFirst MINI on the Issue Date.

Interest Rate means the annual rate of interest for a CitiFirst MINI determined by Citi in its absolute discretion and published from time to time on the ASX website and www.citifirst.com.au.

Issue Date means the date of issue of CitiFirst MINIs offered under this PDS which will be published on www.citifirst.com.au and the ASX website.

Issue Size means the number of CitiFirst MINIs issued per Series as set out in the Term Sheet. There is no minimum Issue Size. Citi may increase the Issue Size, from time to time.

Issuer Call means the termination of CitiFirst MINIs by Citi in accordance with clause 1.4 of the Terms of Issue.

Issuer Call Commencement Date means the first Business Day following the date three months after the Issue Date.

Issuer Call Date means:

- a) the day specified as such in the Issuer Call Notice; or
- b) if that day is not a Trading Day:
 - i. the next Trading Day unless, in the determination of Citi, a Market Disruption Event has occurred on that day; or
 - ii. if a Market Disruption Event has occurred on that day, the next Trading Day on which Citi determines that there is no Market Disruption Event unless paragraph (c) applies; or
- c) if Citi determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the date specified as such in the Issuer Call Notice, the fifth Trading Day following the date specified as such in the Issuer Call Notice.

Issuer Call Notice means a notice of an Issuer Call given in accordance with clause 1.4(a) of the Terms of Issue.

Listing Rules means the listing rules of ASX as amended or varied from time to time.

Locked In Strike Price means the strike price provided to a Holder by Citi with an Exercise Reference Number under clause 3.1(b) of the Terms of Issue.

Market Disruption Event means:

- a) an event which leads to a material disruption in or the cessation of trading on the ASX in the Underlying Parcel or in options, futures or derivatives over the Underlying Parcel; or
 - b) an event which adversely affects the ability of market participants generally to trade on the ASX in the Underlying Parcel or in options, futures or derivatives over the Underlying Parcel;
 - c) the declaration of a general moratorium in respect of banking activities in Australia,
- but excludes a disruption in trading or cessation of trading as a result of the ASX announcing that a day will not be Trading Day or as a result of an announced change in the regular trading hours of the ASX.

Market Price means the market price on the ASX on a particular date (excluding special crossings, option exercises and overseas sales reported as such during open trading under the Operating Rules and tailor-made combinations that, in Citi's opinion, cause a material variation from the most recent prior market price).

MINI Long means a CitiFirst MINI specified and described as a "Mini Long" in this PDS.

MINI Long Funding Amount means the cost of the leverage incorporated in a MINI Long. It is the cost 'paid' by a Holder to hold a MINI Long for more than one day and is added to the Strike Price. Subject to an Adjustment, the MINI Long Funding Amount per day is equal to:

$$\frac{\text{Interest Rate (of MINI Long)} \times \text{Strike Price}}{365 \text{ days}}$$

MINI Short means a CitiFirst MINI specified and described as a "MINI Short" in this PDS.

MINI Short Funding Amount means the cost of the leverage incorporated in a MINI Short. It is the cost 'paid' by Citi to an investor who holds a MINI Short for more than one day. This amount is not physically paid, but is added to the Strike Price, giving the same effect. Subject to an Adjustment, the MINI Short Funding Amount per day is equal to:

$$\frac{\text{Interest Rate (of MINI Short)} \times \text{Strike Price}}{365 \text{ days}}$$

mm means million.

National Guarantee Fund means the fund which may provide compensation under Division 4 of Part 7.5 of the Corporations Act in respect of a financial market.

Operating Rules means the operating rules of ASX as amended or varied from time to time.

Operating Rules Procedures means the means the procedures for the Operating Rules as amended or varied from time to time.

Original Strike Price means the Strike Price at the time the CitiFirst MINI was acquired by the Holder.

Original Underlying Parcel Price means the Underlying Parcel Price at the time the CitiFirst MINI was acquired by the Holder.

PDS means this combined financial services guide and product disclosure statement.

Purchase Price means the amount paid by the Holder to purchase a CitiFirst MINI.

RBA Cash Rate Target means the Reserve Bank of Australia overnight cash lending rate as advised from time to time.

Register means the register of Holders kept and maintained under clause 1.11 of the Terms of Issue.

Registrar means Computershare Investor Services Pty Limited (ACN 078 279 277), or such other registrar as may be approved by Citi.

Relevant Expiry Date means, the earlier of:

- a) in relation to an Issuer Call, the Termination Date;
- b) if a Stop Loss Trigger Event occurs:
 - i. on payment by Citi of the Stop Loss Amount; or
 - ii. where no Stop Loss Amount is payable, 10 Business Days after the Stop Loss Trading Close;
- c) if an Extraordinary Termination Event occurs, the Termination Date; or
- d) where the CitiFirst MINI is Exercised, on the payment of the Exercise Amount.

Required Number means, subject to an Adjustment, the number of CitiFirst MINIs that make up one Underlying Parcel for a CitiFirst MINI, being the number set out in the Term Sheet for that CitiFirst MINI.

Security has the meaning given to it in the Corporations Act.

Series means each Series of CitiFirst MINIs as set out in the Term Sheet.

Settlement Date means:

- a) in relation to an Issuer Call or an Extraordinary Termination Event, the Termination Date;
- b) in relation to the Exercise of a CitiFirst MINI, the fifth Business Day after the Exercise Date; or
- c) such other date as determined by Citi at its absolute discretion and notified to the Holder.

Special Dividend means a special or abnormal dividend and includes those dividends which are described by the relevant Entity as:

- a) special, abnormal, extraordinary, additional or extra;
- b) part of a scheme of arrangement or takeover consideration;
- c) part of a special distribution involving a return of capital, or

are otherwise characterised by ASX as a special dividend.

SRN or **Shareholder Registration Number** has the meaning given to it in the ASX Settlement Operating Rules.

Stop Loss Amount means:

- a) for a MINI Long:

(Stop Loss Termination Price – Current Strike Price)/Required Number; or
- b) for a MINI Short:

(Current Strike Price - Stop Loss Termination Price)/Required Number,

provided that the Stop Loss Amount cannot be less than zero.

Stop Loss Reset Date means:

- a) subject to paragraph (b), the first Trading Day of each calendar month; or
- b) if the date determined under paragraph (a) above is not a Business Day, the Business Day following the date determined under paragraph (a) above; and
- c) each Business Day, at the determination of Citi upon which the Stop Loss Trigger Level is reset by Citi acting in good faith.

Stop Loss Termination Price means, subject to an Adjustment, an amount, determined by Citi in its sole and absolute discretion, to be the fair value for the Underlying Parcel following the occurrence of the Stop Loss Trigger Event, which Citi may determine while unwinding any hedging position Citi may have on a “best efforts” basis during the Stop Loss Termination Valuation Period.

Stop Loss Termination Valuation Date means the Trading Day following the occurrence of the Stop Loss Trigger Event.

Stop Loss Termination Valuation Period means the period commencing on the occurrence of the Stop Loss Trigger Event and terminating 1:00pm (Sydney time) on the Stop Loss Termination Valuation Date.

Stop Loss Trading Close means, if a Stop Loss Trigger Event occurs, 4pm on the second Trading Day after the date on which the Stop Loss Trigger Event occurs.

Stop Loss Trigger Event means, subject to any Adjustment, the Underlying Parcel Price being:

- a) in the case of a MINI Long: less than or equal to the Stop Loss Trigger Level; or
- b) in the case of a MINI Short: greater than or equal to the Stop Loss Trigger Level,

at any time on any Trading Day, other than at a time when there is, in the determination of Citi, a Market Disruption Event.

Stop Loss Trigger Level means, subject to any Adjustment, the amount determined by Citi in its absolute discretion (and rounded to the nearest four decimal places) and announced by Citi to be the 'stop loss trigger level' for a CitiFirst MINI on:

- a) the Issue Date; and
- b) on each Stop Loss Reset Date.

Strike Price means the amount announced by Citi to be the 'strike price' for a CitiFirst MINI, being the strike price for the Issue Date specified in the Term Sheet as adjusted from time to time and as published on the ASX website.

Takeover Bid means a "takeover bid" as defined in the Corporations Act.

Tax includes without limitation any tax, levy, impost, deduction, charge, rate, duty or withholding tax which is levied or imposed by a government or government agency, in relation to the exercise of CitiFirst MINIs and includes any related interest, penalty, charge, fee or other amount.

Termination Amount means an amount determined by Citi following an Issuer Call or an Extraordinary Event in accordance with the following formula:

- a) for a MINI Long:

$$\frac{[(\text{Final Reference Price} - \text{Current Strike Price}) / \text{Required Number}] \text{ less Expenses; or}$$

- b) for a MINI Short:

$$\frac{[(\text{Current Strike Price} - \text{Final Reference Price}) / \text{Required Number}] \text{ less Expenses,}$$

provided that the Termination Amount cannot be less than zero.

Termination Date means:

- a) where notice of an Issuer Call is given in accordance with the Terms of Issue, the date of payment of the Termination Amount for that Issuer Call; or
- b) if an Extraordinary Termination Event is declared by Citi subject to paragraph (c), the termination date nominated by Citi and approved by the ASX; or
- c) if an Extraordinary Postponing Event is declared under clause 2.3 of the Terms of Issue, the date determined under paragraph (b) above may, at Citi's option, be postponed by up to 10 Business Days.

Terms of Issue means the terms of issue of CitiFirst MINIs contained in Section 9 of this PDS.

Term Sheet means the summary table that appears on page 4 of this PDS setting out the product specific information for each of the CitiFirst MINIs to be issued under this PDS.

Trading Day has the meaning given to it in the Operating Rules.

Underlying Parcel means, for a CitiFirst MINI, the Security specified as the Underlying Parcel for that CitiFirst MINI in the Term Sheet and identified by the first 3 letters of the ASX Code for the particular Series of CitiFirst MINIs (subject to any Adjustment pursuant to clause 1.7 of the Terms of Issue).

Underlying Parcel Price means the Market Price of the Underlying Parcel at a particular time.

US Person has the meaning given to it by Regulation S under the US Securities Act of 1933.

10.2 INTERPRETATION

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- a) The singular includes the plural and the plural includes the singular.
- b) Words of any gender include all genders.
- c) Other parts of speech and grammatical forms of a word or phrase defined herein have a corresponding meaning.
- d) An expression importing a person includes any partnership, joint venture, association, corporation or other body corporate as well as an individual.
- e) A reference to a clause is a reference to a clause in the Terms of Issue and a reference to a section or appendix is a reference to a section of, or an appendix to, this PDS.
- f) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- g) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- h) A reference to a person includes that person's successors and permitted assignees.
- i) No provision of this PDS will be construed adversely to a person because that person was responsible for the preparation of this document or that provision.
- j) Specifying anything in this PDS after the words 'include' or 'for example' or similar expressions does not limit what else is included.
- k) Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

- l) A word or phrase defined in the Corporations Act, the Listing Rules, the Operating Rules or the ASX Settlement Operating Rules as amended from time to time, has the same meaning when used in this PDS unless the context requires otherwise or unless otherwise defined in this PDS.
- m) References to a date or time are to dates and times in Sydney Australia unless specified otherwise.
- n) Where a provision of the Operating Rules or ASX Settlement Operating Rules as they apply (with waivers, notices and approvals from ASX) to the CitiFirst MINIs issued under this PDS is inconsistent with a provision of this PDS, then the provision of this PDS shall be interpreted, or shall be amended, so as to be consistent and to permit compliance with the relevant provision of the Operating Rules, so far as is lawful.

APPENDIX 1 – FINANCIAL SERVICES GUIDE

CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED (ABN 64 003 114 832 / AFSL 240992)

Dated: 18 May 2021

This FSG is an important document and a regulatory requirement under the Corporations Act. It provides you with information about:

- the products and services we are authorised to provide you;
- who we are and how we can be contacted;
- how we (and any other relevant parties) are remunerated;
- any potential conflicts of interest we may have;
- our internal and external complaints handling procedures and how you can access them; and
- how we keep the information you provide to us private.

This FSG should assist you in determining whether to use any of our financial services or products. Should you choose to use any of our financial services or products, you may also receive other documents relevant to the services or products which you should also read carefully.

WHO IS RESPONSIBLE FOR FINANCIAL SERVICES PROVIDED TO YOU?

Citi is responsible for the financial services described in this FSG. Any financial services offered will be provided by representatives of Citi.

Details of Citi and its relationship with other members of the Citigroup Inc. group of companies appear in the PDS to which this FSG is annexed.

In Australia, Citi is a Participant of the ASX. Citi is able to provide a range of investment, advisory, and stockbroking services to individuals, superannuation funds and trusts, companies and other entities.

You can contact Citi by:

- speaking to your nominated representative;
- if you do not have a nominated representative, calling us on 1300 30 70 70;
- visiting our website at www.citigroup.com.au; or
- writing to us at:

Citigroup Global Markets Australia Pty Limited
Citigroup Centre
2 Park Street
Sydney NSW 2000

WHAT KIND OF FINANCIAL SERVICES IS CITI AUTHORISED TO PROVIDE?

Citi is authorised by its Australian Financial Services Licence to provide, or arrange to provide, the financial products and services set out in this FSG.

We are authorised to provide financial product advice to, and to deal in the following financial products for both retail and wholesale clients:

- derivatives;
- foreign exchange contracts;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investment schemes excluding investor directed portfolio services; and
- securities.

We are also authorised to provide general financial product advice to retail clients, provide financial product advice for wholesale clients and deal in for wholesale clients for the following financial products:

- carbon units;
- Australian carbon credit units; and
- eligible international emissions units.

We are authorised to make a market for both retail and wholesale clients in:

- derivatives;
- foreign exchange products
- debentures, stocks or bonds; and
- other financial products.

We are authorised to make a market for wholesale clients in

- carbon units;
- Australian carbon credit units; and
- eligible international emissions units.

We also provide underwriting and custodial or depository service for both retail and wholesale clients.

OUR PRODUCTS AND SERVICES

In Australia, Citi provides investors with access to a comprehensive range of financial products and services, including:

- domestic and international equities;
- domestic and international futures;
- IPOs and secondary market offerings;
- bank bills and fixed income investments;
- listed property trusts;
- managed funds;
- listed options and warrants;
- cash management accounts and trusts;

- stock lending;
- portfolio reporting and administration services; and
- online access for both Australian and international trading accounts.

Products and services are not limited to products offered by Citi and/or its subsidiaries and/or associates. Furthermore, your representative is not required to place any portion of investments placed with Citi and/or its subsidiaries and/or associates.

YOUR RIGHTS AS AN INVESTOR

Your representative will be acting on behalf of Citi. Citi is therefore responsible to you for any advice your representative provides to you.

HOW YOU CAN TRANSACT WITH US

You have the right to specify how you would like to give us instructions to transact. For example, by telephone, fax, email, mail or other means.

POTENTIAL CONFLICTS OF INTEREST WE MAY HAVE

You have the right to be advised of any material interest that your representative, Citi or any of their associates may have in financial products. Material interests are those that could be reasonably expected to be capable of influencing the recommendation of a financial product to you.

Accordingly, you should be aware that:

- if you have been referred to Citi by a third party, that person may receive a share of brokerage charged to you. Your representative will provide you with more details and will disclose any other material interest when he or she makes specific recommendations;
- members of the Citigroup Inc. group of companies may from time to time issue financial products that are recommended and/or distributed by Citi and may benefit from that;
- members of the Citigroup Inc. group of companies may from time to time provide investment banking and other financial services to issuers of financial products;
- representatives are paid an annual salary and your representative may also receive a bonus. However, bonus objectives are not related to any particular product, service or specific business that your representative may arrange on your behalf; and
- Citi will also trade financial products on its own account.

WHAT YOU SHOULD DO IF YOU HAVE A COMPLAINT

Citi has formal internal complaint handling procedures which are consistent with the Australian Standard ISO 10002-2006. As a client, you have the right for any

complaints in relation to your dealings with Citi to be considered in a timely manner. Our management is committed to a high level of client service, and as such regard all complaints as serious and entitled to be handled promptly, fairly, consistently and in a professional manner. Clients may either complain verbally or in written form. If you have any complaint about the service provided to you, you should take the following steps.

Verbal complaints

If you wish to make a verbal complaint, you can call Citi on 1300 30 70 70 and provide details of your complaint to the Compliance Manager.

Written complaints

If you wish to make a written complaint, you should write to the Compliance Manager, Citigroup Global Markets Australia Pty Limited, Level 22, 2 Park Street, Sydney NSW 2000, and provide all relevant details of your complaint.

External Complaint Services and Regulatory Bodies

Citi is a member of the Australian Financial Complaints Authority (**AFCA**). AFCA assists with the resolution of disputes between consumers and participating financial services providers.

If you have made a complaint to Citi and have not received a response within 45 days, or if the complaint has not been resolved to your satisfaction, you have the right to take your complaint to AFCA. AFCA's details are:

Australian Financial Complaints Authority
GPO Box 3, Melbourne Victoria 3001
Telephone: 1800 93 16 78
Fax: + 61 3 9613 6399
Email: info@afca.org.au
Web: www.afca.org.au

The complaint must be lodged before the earlier of:

- 2 years from the date you receive written notice advising you of Citi's final position in relation to your complaints and your right to take your complaint to AFCA (if applicable); and
- 6 years from the date you first became aware or should reasonably have become aware of the loss, although AFCA can extend the time limit if it considers that special circumstances apply to your case.

Further information is available from either Citi or AFCA. For a complaint that exceeds \$1,000,000, alternative dispute resolution mechanisms may be utilised.

ASIC also has an information line that you may use to make a complaint and obtain information about your rights on 1300 30 06 30.

THE NATIONAL GUARANTEE FUND

The National Guarantee Fund is an external fund set up to provide compensation for valid claims arising from dealings with stockbrokers. The circumstances of when this fund may be available to you are set out in Part 7.5 Division 4 of the Corporations Regulations.

To make a claim under the National Guarantee Fund, you need to refer to the National Guarantee Fund booklet available on the ASX website.

Investors should note that the National Guarantee Fund does not cover all financial products to which this FSG relates. For example, it excludes monies held in a cash management account that may be associated with any affiliate of Citi or your broker.

COMPENSATION ARRANGEMENTS

Citigroup Inc. has provided a guarantee in respect of Citi's liabilities to customers due to breaches by Citi or its current representatives of their relevant obligations under Chapter 7 of the Corporations Act. The guarantee also covers liabilities in relation to the conduct of representatives and/or employees who no longer work for Citi (but who did at the time of the relevant conduct). The guarantee is approved by ASIC as an alternate compensation arrangement put in place instead of professional indemnity insurance. The guarantee satisfies the requirements under section 912B of the Corporations Act. The guarantee reduces the risk that Citi cannot pay customer claims because of insufficient financial resources.

HOW WE ARE REMUNERATED FOR THE SERVICES WE PROVIDE

Citi will charge you a fee for the services provided to you.

Transaction based fee arrangement

Under a transaction based fee arrangement, Citi will charge you a commission on transactions undertaken based on the value of the securities bought or sold. You will be advised of the rate of commission when you open an account with us and of any changes to our commission rates from time to time. A minimum charge, of which you will be advised before you make a transaction, may apply to some transactions. Details of these commissions and fees are set out in the confirmation or PDS for that particular financial product.

Other

Fees may also be payable for the provision of services such as the provision of custody arrangements. Your representative will inform you of these in advance. GST is levied on fees charged to Australian residents.

Citi may also receive commissions, volume bonuses and other incentives from fund managers and product issuers (including Citi and/or its associates) whose products we recommend to you. Your representative will explain to you the level of commissions at the time of making the recommendation.

The commissions we receive are usually a percentage of the fund manager's initial and/or ongoing fees. Commissions received by Citi are described in the PDS for those products that we recommend. Your representative will explain to you how those commissions are calculated at the time of making the recommendation.

WILL ANYONE BE PAID FOR REFERRALS?

Where you have been referred to us by a third party such as a financial planning group or accountant, we may pay an introductory fee or commission rebate in relation to the referral. Please refer to the financial services guide or statement of advice provided by the relevant third party for more detailed information on payments (if any) that may be payable.

HOW ARE OUR REPRESENTATIVES REMUNERATED?

Representatives are remunerated on a salary and bonus basis. The bonus is entirely at the discretion of management. Citi employees and directors receive salaries, bonuses based on performance criteria and other benefits from us.

The PDS for the particular product may disclose further details of remuneration received by Citi employees or paid to Citi representatives.

PARTICULARS OF REMUNERATION

You may request particulars of the remuneration (including commissions) or other benefits received by Citi, its related bodies corporate, and/or a director or employee of Citi or its related bodies corporate that relate to the provision to you of a financial service. However, that request must be made within a reasonable time after you are provided with a copy of this FSG and before any financial services identified in this FSG are provided to you.

PRIVACY PROTECTION AT CITI

Information in relation to our Privacy Policy and about our collection, use, disclosure and management of your personal information is provided in section 8.10 of the PDS to which this FSG is annexed.

PLEASE RETURN THIS EXERCISE NOTICE TO:

Citigroup Global Markets Australia Pty Limited
Citigroup Centre
2 Park Street
Sydney NSW 2000

I/We being the Holder of the CitiFirst MINIs specified below, hereby exercise those CitiFirst MINIs pursuant to the Terms of Issue. This Exercise Notice is irrevocable. By completing this Exercise Notice, you represent that the CitiFirst MINIs are neither directly nor indirectly held in favour of a US Person and have been acquired in accordance with the sales restrictions set forth in the PDS.
 I/we exercise our CitiFirst MINIs by Cash Settlement.

A INVESTOR DETAILS

Name															Date of Birth								
																	D	D	M	M	Y	Y	
Account name (if applicable)																							
< >																							
Name															Date of Birth								
																		D	D	M	M	Y	Y
Account name (if applicable)																							
< >																							

B RESIDENTIAL ADDRESS

PO Box or Street No. & Name																						
Suburb												State					Postcode					
Country																						

C CONTACT DETAILS

Contact Name																						
Daytime Telephone								After Hours Phone								Mobile number						
()								()														
Email address																						

D EXERCISE DETAILS

MINI Long MINI Short

ASX CODE	Exercise Reference Number	Number of MINIs Exercised	Strike Price	Exercise Amount you estimate you will receive
E.g. XYZKOA	123456	4,000	\$5.00	

Please call Citi on 1300 30 70 70 to obtain the Strike Price and Exercise Reference Number.

Directory

Citi

Citigroup Global Markets Australia Pty Limited
Citigroup Centre
2 Park Street
Sydney NSW 2000

Registrar

Computershare Investor Services Pty Limited
Level 4
60 Carrington Street
Sydney NSW 2000