

CITIGROUP INC  
Form DEF 14A  
March 06, 2019  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant [X]  
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Citigroup Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
- 5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:

Edgar Filing: CITIGROUP INC - Form DEF 14A

- 2) Form, Schedule or Registration Statement No.:
  - 3) Filing Party:
  - 4) Date Filed:
-

**Table of Contents**

Citigroup Inc.  
Notice of Annual Meeting  
and Proxy Statement

April 16, 2019

Annual Meeting Location:  
Citi's Headquarters  
388 Greenwich Street  
New York, New York  
10013

---

**Table of Contents**

Citigroup Inc.  
388 Greenwich Street  
New York, New York 10013

March 6, 2019

Dear Shareholder:

We cordially invite you to attend Citi's 2019 Annual Meeting. The Annual Meeting will be held on Tuesday, April 16, 2019, at 9:00 a.m. at Citi's Headquarters, 388 Greenwich Street, New York, New York 10013. Directions to the Annual Meeting location are provided in the Proxy Statement.

At the Annual Meeting, shareholders will vote on a number of important matters. Please take the time to carefully read each of the proposals described in the Proxy Statement.

Although I have served as a Citi Director for over a year, and represented the Board as independent counsel for the two prior years, the 2019 Annual Meeting will be my first as your Chair. I am deeply honored to assume this new role, and deeply grateful that my predecessor, Mike O'Neill, provided such a sterling example for me to emulate in the years ahead.

Thank you for your support of Citi.

Sincerely,  
John C. Dugan  
*Chair of the Board*

---

**Table of Contents**

**Letter from the Board  
of Directors to our  
Shareholders**

By most financial measures, 2018 for Citi was a year captured best by the phrase “steady progress.” Consistent with the goals set forth in our Investor Day presentation almost two years ago, and adjusting for the one-time impact of U.S. Tax Reform, the firm increased its net income by 14 percent; increased its earnings per share by 25 percent; reduced operating expenses by one percent, driving down the operating efficiency ratio to 57 percent; generated continued growth in loans and deposits; and perhaps most important, increased its return on tangible common equity (RoTCE) to 10.9 percent. While the lower effective tax rate resulting from U.S. Tax Reform contributed substantially to these results, Citi’s pre-tax earnings also increased modestly from the prior year.

Despite this positive operating performance, Citi’s Total Shareholder Return (TSR) for 2018 disappointed, both absolutely and relative to peers. This was partly due to a general decline in bank share prices, exacerbated by an especially sharp decrease in December for banks with substantial market-making operations. While Citi’s share price and relative TSR rebounded in the first part of this year, your Board remains very focused on Citi improving its TSR in 2019 and the years ahead – and we believe the best way for the firm to do this is to continue its steady progress, especially through improvement of its return on tangible common equity.

The Board and our Risk Committee engage deeply in the oversight of risk management practices ....always recognizing that, while Citi is in the business of taking risk, these risks must be understood, measured, monitored, and controlled.

Management also made progress on the regulatory front last year, which we believe is critical to the firm’s success. Citi again achieved a successful result in the Federal Reserve’s annual Comprehensive Capital Analysis and Review (CCAR) stress test, enabling the return of over \$18 billion of capital to common shareholders during the calendar year, while maintaining levels of regulatory capital well in excess of minimum requirements. In addition, Citi made headway on a range of heightened regulatory requirements that all large banks have faced in the wake of the financial crisis. Nevertheless, your Board will continue to pay close attention to – and expect management to make continued progress on – regulatory matters in 2019 and beyond.

As it should be for a global firm like Citi, prudent risk management was top of mind for both management and the Board in 2018. Our three lines of defense – the business lines, the control functions, and internal audit – dove deeply and, where necessary, took proactive steps in critical risk areas such as Brexit, the potential fall-out from trade wars, evolving industry underwriting standards in leveraged lending, and the potential turn of the credit cycle. Cyber risk remains a crucial priority, and the firm has invested heavily to maintain state-of-the-art defenses and cyber resilience. The Board and our Risk Committee engage deeply in the oversight of risk management practices in these and other areas, always recognizing that, while Citi is in the business of taking risk, these risks must be understood, measured, monitored, and controlled.

Much has been written about the ethical lapses that have damaged the reputation of the banking industry, including Citi, both during and after the financial crisis. We continue to believe that strong ethical standards and practices are critically important, which is why Citi, alone in the banking industry, maintains an Ethics and Culture Committee of the Board as one means to keep management striving to achieve best practices – not just at senior levels but throughout the organization.



**Table of Contents**

Citi also took firm stands in 2018 on several issues of real importance. On diversity and inclusion, we became the first financial services company to voluntarily disclose adjusted pay gaps between women and men in the United States, the U.K., and Germany, and between minorities and non-minorities in the U.S. and then took concrete steps to eliminate those gaps. In response to the epidemic of gun violence in the U.S., we were the first bank to announce a Commercial Firearms Policy, which requires our retail sector clients to establish such best practices as background checks and age restrictions. And in our Sustainable Progress Initiative, the firm recorded \$38.4 billion in transactions toward our 10-year, \$100 billion Environmental Finance goal. The Board fully supported each of these measures.

Finally, at our annual review of strategy, which we conduct each year at our July meeting, we will examine closely management's plans to continue Citi's path forward to achieve increased sustainable returns; address challenges from potential disruptors; improve our operations and technology; increase our efficiency; and continue to prudently manage risk. Our focus: continued steady progress toward Citi's longer-term goal of a 16% RoTCE.

Thank you for your ongoing support of Citi. Dialogue with shareholders is a fundamental feature of a well governed organization, and we will continue to make it a priority. Please write with any concerns or suggestions to: Citigroup Inc. Board of Directors, c/o Rohan Weerasinghe, General Counsel and Corporate Secretary, 388 Greenwich Street, New York, NY 10013.

<b>Michael L. Corbat</b>	<b>S. Leslie Ireland</b>	
<b>Ellen M. Costello</b>	<b>Lew W. (Jay) Jacobs, IV</b>	
<b>John C. Dugan</b>	<b>Renée J. James</b>	<b>Diana L. Taylor</b>
<b>Duncan P. Hennes</b>	<b>Eugene M. McQuade</b>	<b>James S. Turley</b>
<b>Peter B. Henry</b>	<b>Gary M. Reiner</b>	<b>Deborah C. Wright</b>
<b>Franz B. Humer</b>	<b>Anthony M. Santomero</b>	<b>Ernesto Zedillo Ponce de Leon</b>

**A WORD OF APPRECIATION**

Mike O'Neill, who retired in January, was a director for 10 years and Chairman of our Board for seven years. He was an outstanding leader who provided wise and effective oversight, and he assembled a diverse and talented Board. In addition, Franz Humer and Tony Santomero have reached our mandatory retirement age; each provided many important contributions to the Board. Thank you from all of us for your valuable perspectives and years of service to Citi.

**Table of Contents**

(Intentionally Left Blank)





**Table of Contents**

**Notice of Annual Meeting of Stockholders**

Citigroup Inc.  
388 Greenwich Street  
New York, New York 10013

Dear Stockholder:

Citi's Annual Stockholders' Meeting will be held on Tuesday, April 16, 2019, at 9:00 a.m. at Citi's Headquarters, 388 Greenwich Street, New York, New York. Directions to the 2019 Annual Meeting location are provided on page 126 of this Proxy Statement. You will need an admission ticket or proof of ownership of Citi stock to enter the meeting. Live audio of the Annual Meeting will be webcast at [www.citigroup.com](http://www.citigroup.com).

Citi has utilized the Securities and Exchange Commission rule allowing companies to furnish proxy materials to its stockholders over the Internet. This process allows us to expedite our stockholders' receipt of proxy materials, lower the costs of distribution, and reduce the environmental impact of our 2019 Annual Meeting.

In accordance with this rule, on or about March 6, 2019, we sent to those current stockholders who were stockholders at the close of business on February 19, 2019, a notice of the 2019 Annual Meeting containing a *Notice of Internet Availability of Proxy Materials* (Notice). The Notice contains instructions on how to access our Proxy Statement and Annual Report and vote online. If you received a Notice and would like to receive a printed copy of our proxy materials from us instead of downloading a printable version from the Internet, please follow the instructions for requesting such materials included in the Notice.

By order of the Board of Directors,

Rohan Weerasinghe  
Corporate Secretary  
March 6, 2019

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

(Intentionally Left Blank)

**Table of Contents****Contents**

<b><u>PROXY STATEMENT HIGHLIGHTS</u></b>	<b><u>10</u></b>
<b><u>ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) HIGHLIGHTS</u></b>	<b><u>13</u></b>
<b><u>ABOUT THE 2019 ANNUAL MEETING</u></b>	<b><u>16</u></b>
<b><u>CORPORATE GOVERNANCE</u></b>	<b><u>22</u></b>
Corporate Governance Materials Available on Citi's Website	<u>23</u>
Annual Report	<u>23</u>
Corporate Governance Guidelines	<u>23</u>
Director Independence	<u>25</u>
Meetings of the Board of Directors and Committees	<u>29</u>
Meetings of Non-Management Directors	<u>29</u>
Board Leadership Structure	<u>29</u>
Board Diversity	<u>30</u>
Director Education Program	<u>30</u>
Board Self-Assessment Process	<u>31</u>
Board's Role in Risk Oversight	<u>31</u>
Committees of the Board of Directors	<u>32</u>
Involvement in Certain Legal Proceedings	<u>38</u>
Certain Transactions and Relationships, Compensation Committee Interlocks, and Insider Participation	<u>38</u>
Indebtedness	<u>40</u>
Business Practices Committees	<u>40</u>
Ethics and Culture	<u>40</u>
Code of Ethics for Financial Professionals	<u>41</u>
Ethics Hotline	<u>41</u>
Code of Conduct	<u>42</u>
Communications with the Board	<u>42</u>
<b><u>STOCK OWNERSHIP</u></b>	<b><u>43</u></b>
<b><u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	<b><u>45</u></b>
<b><u>PROPOSAL 1: ELECTION OF DIRECTORS</u></b>	<b><u>45</u></b>
Director Criteria and Nomination Process	<u>45</u>
Director Qualifications	<u>46</u>
The Nominees	<u>50</u>
Directors' Compensation	<u>65</u>
<b><u>AUDIT COMMITTEE REPORT</u></b>	<b><u>69</u></b>
<b><u>PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	<b><u>70</u></b>
<b><u>PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION</u></b>	<b><u>72</u></b>
Compensation Discussion and Analysis	<u>72</u>
The Personnel and Compensation Committee Report	<u>98</u>
2018 Summary Compensation Table and Compensation Information	<u>99</u>
Management Analysis of Potential Adverse Effects of Compensation Plans	<u>107</u>
CEO Pay Ratio	<u>108</u>
<b><u>PROPOSAL 4: APPROVAL OF THE CITIGROUP 2019 STOCK INCENTIVE PLAN</u></b>	<b><u>110</u></b>
<b><u>STOCKHOLDER PROPOSALS</u></b>	<b><u>119</u></b>
Submission of Future Stockholder Proposals	<u>125</u>

Edgar Filing: CITIGROUP INC - Form DEF 14A

<u>Cost of Annual Meeting and Proxy Solicitation</u>	<u>125</u>
<u>Householding</u>	<u>125</u>
<u>Directions to 2019 Annual Meeting Location</u>	<u>126</u>
<b><u>ANNEX A</u></b>	<b><u>127</u></b>
<u>Additional Information Regarding Proposal 3</u>	<u>127</u>
<u>Glossary</u>	<u>127</u>
<u>Citigroup — Quantitative Scorecard</u>	
<u>Metric Details and Adjusted</u>	
<u>Results Reconciliations</u>	<u>128</u>
<b><u>ANNEX B</u></b>	<b><u>130</u></b>
<u>The Citigroup 2019 Stock Incentive Plan</u>	<u>130</u>

[www.citigroup.com](http://www.citigroup.com)

---

## **Table of Contents**

### **Proxy Statement Highlights**

#### Voting Items

[Proposal 1: Election of Directors](#) (Pages 45-64)

The Board recommends you vote **FOR** each nominee

[Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm](#) (Pages 70-71)

The Board recommends you vote **FOR** this proposal

[Proposal 3: Advisory Vote to Approve Citi's 2018 Executive Compensation](#)(Pages 72-109)

The Board recommends you vote **FOR** this proposal

[Proposal 4: Approve the Citigroup 2019 Stock Incentive Plan](#) (Pages 110-118)

The Board recommends you vote **FOR** this proposal

**Stockholder Proposals 5-7** (Pages 119-124)

The Board recommends you vote **AGAINST** the stockholder proposals

#### Meeting and Voting Information

##### Date and Time

April 16, 2019, 9:00 a.m.

##### Place

Citi's Headquarters 388 Greenwich Street New York, NY 10013

##### Record Date

February 19, 2019

##### Voting

Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each Director nominee and one vote for each of the other proposals to be voted on.

##### Admission

###### \*New Procedures\*

An admission ticket or proof of ownership of Citi's stock is required to enter Citi's Annual Meeting. To attend Citi's 2019 Annual Meeting, go to the "Register for Meeting" link at [www.proxyvote.com](http://www.proxyvote.com).

#### Board and Corporate Governance Highlights

##### Summary of Director Nominees

The nominees for the Board of Directors each have the qualifications and experience to approve and guide Citi's strategy. The Board also oversees management's execution of that strategic vision. Citi's Board of Directors consists of individuals with the skills and backgrounds necessary to oversee Citi's efforts on delivering sustainable, client-led revenue growth while operating within a complex financial and regulatory environment.

##### Independence

87% of our Board Nominees are **Independent**.

##### Board

###### Refreshment

The average board tenure of our sitting nominees is **5 years** and no sitting nominee has served for **more than 10 years**. There have been **8 new Directors** elected within the last **5 years** and this year's slate includes a new nominee.

##### Diversity

Citi's Board is committed to ensuring that it is composed of individuals whose backgrounds reflect the **diversity represented by our employees, customers, and stakeholders**.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**PROXY STATEMENT HIGHLIGHTS  
Director Nominees

Name and Primary Qualifications	Age	Director Since	Principal Occupation and Other Current Public Company Directorships	Citi Committee Memberships*
Michael L. Corbat	58	2012	Chief Executive Officer, Citigroup Inc. Former President and CEO, BMO Financial Corporation, and Former U. S. Country Head, BMO Financial Group <i>Board: Diebold Nixdorf, Inc.</i>	AEC ENG POT PC RM
Ellen M. Costello	64	2016	CEO, Citibank, N. A.** <i>Board: DaVita Inc.</i>	
Barbara J. Desoer	66		Chair, Citigroup Inc.	
John C. Dugan	63	2017	Co-Founder and Partner, Atrevida Partners, LLC <i>Board: RenaissanceRe Holdings Ltd.</i>	
Duncan P. Hennes	62	2013	Dean Emeritus and W. R. Berkley Professor of Economics and Finance, New York University, Leonard N. Stern School of Business <i>Board: Nike, Inc.</i>	
Peter B. Henry	49	2015	Former Assistant Secretary for Intelligence and Analysis, U.S. Department of the Treasury, and National Intelligence Manager for Threat Finance, Office of the Director of National Intelligence	
S. Leslie Ireland	59	2017	Former President and Managing Director, Pacific Investment Management Company LLC (PIMCO) Chair and CEO, Ampere Computing, and Operating Executive, The Carlyle Group <i>Boards: Oracle Corporation, Sabre Corporation, and Vodafone Group Plc</i>	
Lew W. (Jay) Jacobs, IV	48	2018	Former Vice Chairman, Citigroup Inc. and Former CEO, Citibank, N. A. Operating Partner, General Atlantic LLC <i>Boards: Hewlett Packard Enterprise Company and Box Inc.</i>	
Renée J. James	54	2016	Former Superintendent of Banks, State of New York <i>Boards: Brookfield Asset Management and Sotheby's</i>	
Eugene M. McQuade	70	2015	Former Chairman and CEO, Ernst & Young <i>Boards: Emerson Electric Co., Intrexon Corporation, and Northrop Grumman Corporation</i>	
Gary M. Reiner	64	2013	Managing Director of U.S. Jobs and Economic Opportunity, Rockefeller Foundation	
Diana L. Taylor	64	2009	Director, Center for the Study of Globalization and Professor in the Field of International Economics and Politics, Yale University <i>Boards: Alcoa Corp. and Procter &amp; Gamble Company</i>	
James S. Turley	63	2013		
Deborah C. Wright	61	2017		
Ernesto Zedillo Ponce de Leon	67	2010		

Mr. Santomero will be retiring from the Board on April 1, 2019 and Mr. Humer will be retiring from the Board on April 16, 2019, both having reached the mandatory retirement age. Mr. Humer currently serves as the Chair of the Ethics and Culture Committee and Mr. Santomero serves as the Chair of the Risk Management Committee. The Board will appoint new Chairs for these Committees effective upon their retirements.

\* Ms. Desoer will retire as CEO of Citibank, N.A. before the Annual Meeting.

**Qualifications**

Compensation  
Consumer Business and Financial Services  
Corporate Affairs  
Corporate Governance  
Financial Reporting  
Institutional Business

International Business or Economics  
Legal Matters  
Operations and Technology  
Regulatory and Compliance  
Risk Management

committee member  
committee chair

Edgar Filing: CITIGROUP INC - Form DEF 14A

A Audit  
EC Ethics and Culture  
E Executive  
NGP Nomination, Governance and Public Affairs  
OT Operations and Technology  
PC Personnel and Compensation  
RM Risk Management

[www.citigroup.com](http://www.citigroup.com)

---



**Table of Contents**

PROXY STATEMENT HIGHLIGHTS  
 Corporate Governance Highlights

Citi is active in ensuring its governance practices are at the leading edge of best practices. Highlights include:

**Alignment with Stockholders**

In January 2019, the Board of Directors lowered the threshold for stockholders to call a Special Meeting from 25% to 20%

Citi adopted Proxy Access granting eligible stockholders the right to include stockholder Board nominees in the Company’s proxy materials

Stockholders have the right to act by written consent

Citi has an independent Chair

If there is no independent Chair of the Board, the Board will appoint a Lead Independent Director

Majority vote standard for uncontested Director elections

No super-majority vote provisions in our governing instruments

**Compensation Governance**

Emphasize pay-for-performance alignment

Majority of total compensation based on performance

The Personnel and Compensation Committee retains an independent compensation consultant

Clawback policies for employees

Executive officers and Directors are required to retain at least 75% of the equity awarded to them as incentive compensation as long as they serve as executive officers or Directors, respectively; executive officers are required to retain 50% of such equity awards for one year following the termination of their employment

Citi was the first financial institution to publicly release the results of a pay equity review comparing compensation of women to men, and U.S. minorities to U.S. non-minorities

In 2019, Citi was the first financial institution to publicly disclose our unadjusted or “raw” pay gap for women and U.S. minorities; see page 76 of this Proxy Statement for further information

**Adherence to Corporate Governance Best Practices**

Ethics and Culture Committee of the Board

Meaningful Political Activities Statement and disclosure of Citi’s political contributions on Citi’s website

Links on our website to federal and state government websites where Citi’s lobbying activities are reported

Names of significant trade and business associations, in which Citi is a participant, posted on Citi’s website

Members of Citi’s Board of Directors and Citi’s executive officers are not permitted to hedge their Citi securities or to pledge their Citi securities as collateral for a loan

Citi’s Nominees for Director include six women and three minorities

Ongoing Board refreshment, with new independent Directors added in 2015, 2016, 2017 and 2018 and a new nominee included on the slate for the 2019 Annual Meeting

All of Citi’s nominees have served fewer than 10 years

[Citi 2019 Proxy Statement](#)

**Table of Contents**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) HIGHLIGHTS

Our Investor Engagement Program\*

**Summer**

Members of senior management conduct follow-up calls with investors regarding votes at the Annual Meeting and other governance issues.

**Fall**

Members of the Board and senior management conduct calls with investors for input on a variety of governance, compensation, and environmental and social matters, including climate risk.

**Winter**

Senior management continues to conduct engagement calls with investors regarding governance, compensation, and environmental and social matters. The Board reviews shareholder feedback from these conversations.

**Spring**

Members of the Board and senior management conduct conversations with our institutional investors in advance of the Annual Meeting to provide an opportunity for discussion of compensation, management and stockholder proposals, and other governance and annual meeting matters.

*In the period following the 2018 Annual Meeting and prior to the issuance of the 2019 Proxy Statement, Citi engaged with investors regarding, among other topics, the following: executive compensation, climate change risk and disclosure including our work in response to the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations, gender pay equity, human and indigenous peoples' rights, diversity and inclusion, board refreshment and governance, and certain stockholder proposals. For information about our engagement efforts in advance of the \*2019 Annual Meeting, please see page 75 in this Proxy Statement.*

# Environmental, Social and Governance (ESG) Highlights

Citizenship and Sustainability Governance at Citi

Three Board-level committees have oversight responsibility for citizenship and sustainability-related activities and report to the full Board on these topics. Management organizations provide strategic guidance and senior-level review on citizenship and sustainability topics.

Nomination, Governance and Public Affairs Committee

Oversees citizenship and sustainability programs and company policies and procedures that impact citizenship and sustainability, including climate change, human rights and other issues; reviews engagement with major external stakeholders; and provides oversight of business practices

Ethics and Culture Committee

Oversees senior management's efforts to reinforce and enhance a culture of ethics throughout the firm

Risk Management Committee

Reviews Citi's risk appetite framework, including reputational risk appetite, and reviews and approves key risk policies, including those focused on environmental and social risk

Environmental and Social Advisory Council  
 Citizenship, Corporate Sustainability, and Environmental and Social Risk Management teams  
 Business Practices Committees



**Table of Contents**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) HIGHLIGHTS  
**Sustainability Framework**

Our Sustainable Progress Strategy focuses on Climate Change, Sustainable Cities, and People and Communities, with our sustainability activities organized under three primary pillars:

**Sustainable Progress Performance Highlights — 2018**

Financed and facilitated  
**\$38.4B**  
 toward our **\$100 BILLION ENVIRONMENTAL FINANCE GOAL** (\$95.3B from 2014-2018)

Formalized a new **COAL-FIRED POWER POLICY** to restrict financing for the construction or expansion of coal-fired power plants\*

Reached **62%** of our goal of **100% RENEWABLE ENERGY** for our global facilities by 2020

Issued **INAUGURAL GREEN BOND**, a **€1 BILLION** 3-year fixed rate notes offering (2019)

Instituted **U.S. COMMERCIAL FIREARMS POLICY** requiring retail sector clients and partners to adhere to responsible sales practices\*

Achieved **2020 OPERATIONAL FOOTPRINT GOALS** for **ENERGY**, **WASTE** and **WATER** reduction

**Implementing the TCFD Recommendations**

Citi continues to support the Paris Agreement and was an early supporter of the Task Force on Climate-related Financial Disclosures (TCFD), which promotes greater understanding of climate-related risks and opportunities through better climate disclosures. Our adoption of the TCFD Recommendations builds on over two decades of work promoting sustainability. Climate change is a central focus of Citi’s Sustainable Progress Strategy and we take action through strong governance, environmental financing, integration of climate risks into environmental and social risk management, and transparent reporting on climate-related metrics and targets.

To pilot climate scenario analysis, Citi worked jointly with 15 other banks and the UN Environment Finance Initiative to develop new methodologies and tools for the assessment of transition and physical risks and opportunities within banks’ lending portfolios. Citi piloted the transition risk methodology on our North American oil and gas exploration and production portfolio and the transition and physical risk methodologies on our U.S. utilities portfolio. We shared our process and findings in our first climate disclosure report, *Finance for a Climate-Resilient Future*, published in November 2018. By voluntarily adopting the TCFD framework, Citi is working to better understand our own climate risks and help navigate the transition to a low-carbon economy.

**ESG Ratings**

CDP Climate score of A- (Leadership Band), Supply Chain score of A  
 Sustainalytics overall score of 69 (79th percentile), Environmental score 87 (Leader)  
 MSCI score of BB  
 Inclusion in DJSI World and North America indices since 2001

## Edgar Filing: CITIGROUP INC - Form DEF 14A

*For more information about our environmental and social policies, please see Citi's Environmental and Social Policy Framework at*  
\* <https://www.citigroup.com/citi/sustainability/data/Environmental-and-Social-Policy-Framework.pdf>.  
[Citi 2019 Proxy Statement](#)

---

## **Table of Contents**

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) HIGHLIGHTS

#### Citizenship Approach

**Executing a business model that adds value to society**

**Taking a stand on issues that matter and driving solutions**

**Reporting transparently and learning through dialogue**

**Maintaining a focus on ethical decision making and responsible business practices**

**Catalyzing innovation through strategic philanthropy and employee engagement**

#### Citizenship Performance Highlights – 2018

Provided more than **\$6 BILLION** in loans for **AFFORDABLE HOUSING PROJECTS** in the U.S.

Citi **CHARITABLE GIVING TOTALS \$76 MILLION** in support of local communities around the globe

First in the industry to **DISCLOSE A GENDER PAY GAP** among global workforce; see page 76 of this Proxy Statement for further information

Engaged **100,000 CITI VOLUNTEERS** in projects in more than 450 cities across 90 countries as part of annual day of service, **GLOBAL COMMUNITY DAY**

Citi Foundation invested **\$78 MILLION**, including **\$49 MILLION** globally to tackle youth unemployment through **PATHWAYS TO PROGRESS** initiative

Set **REPRESENTATION GOALS** for Black talent in the U.S. and female talent globally to increase representation **ACROSS ALL LEVELS OF THE FIRM** by 2021

#### **Recognition**

World's Best Bank for Corporate Responsibility - Euromoney Awards for Excellence 2018  
Most Innovative Investment Bank for CSR - The Banker Investment Banking Awards 2018  
Civic 50 - Recognized as one of the most community-minded companies in the U.S.  
2018 Organizational Climate Leadership Award - Climate Leadership Conference  
100% Score: Corporate Equality Index - Human Rights Campaign  
2018 Bloomberg Gender-Equality Index

#### **The UN Sustainable Development Goals: Citi Priorities**

The United Nations Sustainable Development Goals (SDGs) are a set of 17 global development goals for 2030. While our activities have an impact on all of the goals, Citi is focused on seven SDGs where our core business and key initiatives can have the greatest impact. We highlight those efforts in our external reporting, including in our annual Global Citizenship Report and in a standalone report, entitled *Banking on 2030: Citi & the Sustainable Development Goals*.

**Table of Contents**

**About the 2019 Annual Meeting**

Q: [Who is soliciting my vote?](#)

A: The Board of Directors of Citigroup Inc. is soliciting your vote at the 2019 Annual Meeting of Citi's stockholders.

Q: [Where and when will the 2019 Annual Meeting take place?](#)

A: The Annual Meeting is scheduled to begin at 9:00 a.m. on April 16, 2019 at Citi's Headquarters, 388 Greenwich Street, New York, New York. Directions to the 2019 Annual Meeting location are provided on page 126 of this Proxy Statement. Live audio of the 2019 Annual Meeting will be webcast at [www.citigroup.com](http://www.citigroup.com).

Q: [Why did I receive a one-page Notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?](#)

A: Pursuant to rules adopted by the Securities and Exchange Commission (SEC), we have elected to mail to many of our stockholders a *Notice of Internet Availability of the Proxy Materials* (Notice) instead of a paper copy of the proxy materials. All stockholders receiving the Notice will have the ability to access the proxy materials over the Internet and receive a paper copy of the proxy materials by mail on request. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found in the Notice. In addition, the Notice contains instructions on how you may access proxy materials in printed form by mail or electronically on an ongoing basis. This process has allowed us to expedite our stockholders' receipt of proxy materials, lower the costs of distribution, and reduce the environmental impact of our 2019 Annual Meeting.

Q: [Why didn't I receive a Notice in the mail about the Internet availability of the proxy materials?](#)

A: We are providing some of our stockholders, including stockholders who have previously asked to receive paper copies of the proxy materials and some of our stockholders who are living outside of the United States, with paper copies of the proxy materials instead of a Notice. In addition, we are providing a Notice by e-mail to those stockholders who have previously elected delivery of the proxy materials electronically. Those stockholders should have received an e-mail containing a link to the website where those materials are available and a link to the proxy voting website.

Q: [How can I access Citi's proxy materials and Annual Report electronically?](#)

A: This Proxy Statement and the 2018 Annual Report are available on Citi's website at [www.citigroup.com](http://www.citigroup.com). Click on "About Us," then "Corporate Governance." Most stockholders can elect not to receive paper copies of future Proxy Statements and Annual Reports and can instead view those documents on the Internet. Information on or connected to our website (or the website of any third party) referenced in this Proxy Statement is in addition to and not a part of or incorporated by reference into this Proxy Statement.

If you are a stockholder of record, you can choose this option and save Citi the cost of producing and mailing these documents by following the instructions provided when you vote over the Internet. If you hold your Citi stock through a bank, broker, or other holder of record, please refer to the information provided by that entity for instructions on how to elect not to receive paper copies of future Proxy Statements and Annual Reports.

If you choose not to receive paper copies of future Proxy Statements and Annual Reports, you will receive an e-mail message next year containing the Internet address to use to access Citi's Proxy Statement and Annual Report. Your choice will remain in effect until you tell us otherwise or until your consent is deemed to be revoked under applicable law. You do not have to elect Internet access each year. To view, cancel, or change your enrollment profile, please go to [www.InvestorDelivery.com](http://www.InvestorDelivery.com).

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**ABOUT THE 2019 ANNUAL MEETING**

**Q: What will I be voting on?**

- A.** Election of Directors (*see pages 45-64*).
- A.** Ratification of KPMG as Citi’s independent registered public accounting firm for 2019 (*see pages 70-71*).
- An advisory vote to approve Citi’s 2018 executive compensation (*see pages 72-109*).
- Approve the Citigroup 2019 Stock Incentive Plan (*see pages 110-118*).
- Three stockholder proposals (*see pages 119-124*).
- An agenda will be distributed at the meeting.

**Q: How many votes do I have?**

- A.** You will have one vote for every share of Citi common stock you owned on February 19, 2019 (the record date).

**Q: How many votes can be cast by all stockholders?**

- A.** 2,340,491,298, consisting of one vote for each of Citi’s shares of common stock that were outstanding on the record date.
- There is no cumulative voting.

**Q: How many votes must be present to hold the meeting?**

- A.** To constitute a quorum to transact business at the 2019 Annual Meeting, the holders of a majority of the votes that can be cast, or 1,170,245,650 shares, must be present or represented by proxy at the Annual Meeting. We urge you to vote by proxy even if you plan to attend the Annual Meeting, so that we will know as soon as possible that enough votes will be present for us to hold the Annual Meeting. Persons voting by proxy will be deemed present at the meeting even if they abstain from voting on any or all of the proposals presented for stockholder action. Shares held by brokers who vote such shares on any proposal will be counted as present for purposes of establishing a quorum, and shares treated as broker non-votes for one or more proposals will nevertheless be deemed present for purposes of constituting a quorum for the Annual Meeting.

**Q: Does any single stockholder control 5% or more of any class of Citi’s voting stock?**

- A.** Yes, there are two stockholders that each control more than 5%. According to a Schedule 13G Information Statement filed by BlackRock, Inc. and certain subsidiaries (BlackRock) on February 11, 2019, BlackRock may be deemed to beneficially own 7.1% of Citi’s common stock. According to a Schedule 13G Information Statement filed by The Vanguard Group, Inc. (Vanguard) on February 11, 2019, Vanguard may be deemed to beneficially own 7.33% of Citi’s common stock.

For further information, *see Stock Ownership — Owners of More than 5% of Citi Common Stock* on page 44 in this Proxy Statement.

**Q: How do I vote?**

- A.** You can vote by proxy whether or not you attend the Annual Meeting. To vote by proxy, stockholders have a choice of voting over the Internet, by QR code, by phone, or by using a traditional proxy card by mail or in person.

<p><b>Vote by Internet</b> Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a>. You will need the 16-digit number included in your proxy card, voter instruction form, or Notice.</p>	<p><b>Vote by QR code</b> You can scan this QR code to vote your proxy card. You will need the 16-digit number included in your proxy card, voter instruction form, or Notice.</p>	<p><b>Vote by Phone</b> Call the number on your proxy card or the number on your voter instruction form. You will need the 16-digit number included in your proxy card, voter instruction form, or Notice.</p>	<p><b>Vote by Mail</b> Send the completed and signed proxy card or voter instruction form to the address on your proxy card or voter instruction form.</p>	<p><b>Vote in Person</b> See the instructions below regarding attendance at the Annual Meeting.</p>
--	--	--	--	---



**Table of Contents**

[ABOUT THE 2019 ANNUAL MEETING](#)

To reduce our administrative and postage costs, we ask that you vote using the Internet, by telephone, by mobile phone, or by QR code, all of which are available 24 hours a day. **To ensure that your vote is counted, please remember to submit your vote by 11:59 p.m. ET on April 15, 2019.** If you hold your shares in a Citi employee benefit plan, please submit your vote by the date indicated on your proxy card.

If you are a record holder of Citi common stock, you may attend the 2019 Annual Meeting and vote in person. If you want to vote in person at the Annual Meeting, and you hold your Citi common stock through a securities broker (that is, in “street name”), you must obtain a proxy from your broker and bring that proxy to the Annual Meeting.

**Q:** [How do I get a printed proxy card?](#)

**A:** If you received a Notice instead of the printed materials, there are three ways for stockholders to request a proxy card and a full set of materials at no charge. In all three examples you will need the 16-digit Control Number printed on the Notice.

**Requesting a proxy card**

By telephone: 1-800-579-1639;

By Internet: [www.proxyvote.com](http://www.proxyvote.com); or

By e-mail: [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com) (send a blank e-mail with the 16-digit Control Number in the subject line).

**Q:** [Can I change my vote?](#)

Yes. Just send in a new proxy card or voter instruction form with a later date, cast a new vote by telephone or Internet, or send a written notice of revocation to Citi’s Corporate Secretary, Rohan Weerasinghe, at 388 Greenwich Street, New York, New York 10013. If you attend the 2019 Annual Meeting and want to vote in person, you can request that your previously submitted

**A:** proxy not be used. **To ensure that your vote is counted, please remember to submit your vote by 11:59 p.m. ET on April 15, 2019.**

**Q:** [What if I don’t vote for some of the matters listed on my proxy card?](#)

If you return a signed proxy card without indicating voting instructions, your shares will be voted in accordance with the Board’s recommendation **FOR** the nominees listed on the card, **FOR** KPMG as independent registered public accounting firm for 2019, **FOR** Citi’s 2018 executive compensation, **FOR** the Citigroup 2019 Stock Incentive Plan, and **AGAINST** the stockholder

**A:** proposals. If you only vote for certain matters, the remaining matters will be voted as set forth above. See also “Could other matters be decided at the 2019 Annual Meeting?”

[Can my shares held in street name be voted if I don’t return my voter instruction card and don’t attend the 2019 Annual Meeting?](#)

**Q:** If you don’t vote your shares held in street name, your broker can vote your shares on matters that the New York Stock Exchange (NYSE) has ruled discretionary.

**Discretionary Items.** KPMG’s appointment is a discretionary item. NYSE member brokers who do not receive instructions from beneficial owners may vote on this proposal as follows: (i) a Citi affiliated member is permitted to vote your shares in the same proportion as all other shares are voted with respect to this proposal, and (ii) all other NYSE member brokers are permitted to vote your shares at their discretion.

**Non-discretionary Items.** Brokers will not be able to vote your shares on the election of Directors, the advisory vote to approve Citi’s 2018 executive compensation, the Citigroup 2019 Stock Incentive Plan, and the stockholder proposals if you fail to provide instructions. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given.

If your shares are registered directly in your name, not in the name of a bank or broker, you must vote your shares or your vote will not be counted. **Please vote your proxy so your vote can be counted.**

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

ABOUT THE 2019 ANNUAL MEETING

**Q: If I hold shares through Citigroup’s employee benefit plans and do not provide voting instructions, how will my shares be voted?**

**A:** If you hold shares of common stock through Citigroup’s employee benefit plans or stock incentive plans and do not provide voting instructions to the plans’ trustees or administrators, your shares will be voted in the same proportion as the shares beneficially owned through such plans for which voting instructions are received, unless otherwise required by law.

**Q: What vote is required, and how will my votes be counted, to elect Directors and to adopt the other proposals?**

**A:** The following chart describes the proposals to be considered at the meeting, the vote required to elect Directors and to adopt each of the other proposals, and the manner in which votes will be counted:

Proposal	Voting Options	Vote Required to Adopt the Proposal	Effect of Abstentions	Effect of “Broker Non-Votes” <sup>(1)</sup>
Election of Directors	For, against, or abstain on each nominee	A nominee for Director will be elected if the votes cast for such nominee exceed the votes cast against such nominee. The affirmative vote of a majority of the shares of common stock represented at the Annual Meeting and entitled to vote thereon.	No effect	No effect
Ratification of KPMG Advisory vote to approve Citi’s 2018 executive compensation	For, against, or abstain	The affirmative vote of a majority of the shares of common stock represented at the Annual Meeting and entitled to vote thereon.	Treated as votes against	Brokers have discretion to vote
The Citigroup 2019 Stock Incentive Plan	For, against, or abstain	The affirmative vote of a majority of the shares of common stock represented at the Annual Meeting and entitled to vote thereon.	Treated as votes against	No effect
Three stockholder proposals	For, against, or abstain	The affirmative vote of a majority of the shares of common stock represented at the Annual Meeting and entitled to vote thereon.	Treated as votes against	No effect

*A broker non-vote generally occurs when a broker is not permitted to vote on a matter without instructions from a customer having beneficial ownership in the securities and has not received such instructions. Broker non-votes will not be counted as shares entitled to vote on the (1) relevant proposal.*

If a nominee for Director is not re-elected by the required vote, he or she will remain in office until a successor is elected and qualified or until his or her earlier resignation or removal. Citi’s By-laws provide that in the event a Director nominee is not re-elected, such Director shall offer to resign from his or her position as a Director. Unless the Board decides to reject the offer or to postpone the effective date of the offer, the resignation shall become effective 60 days after the date of the election.

The result of the votes on an advisory vote on Citi’s 2018 executive compensation is not binding on the Board, whether or not the resolution is passed under the voting standards described above. In evaluating the stockholder vote on the advisory resolution, the Board will consider the voting results in their entirety.

**Table of Contents**

[ABOUT THE 2019 ANNUAL MEETING](#)

**Q: [Is my vote confidential?](#)**

**A.** In 2006, the Board adopted a confidential voting policy as part of its Corporate Governance Guidelines. Under the policy, except as necessary to meet applicable legal requirements or as otherwise described below, all votes, whether submitted by proxies, ballots, Internet voting, telephone voting, or otherwise are kept confidential for registered stockholders who request confidential treatment. If you are a registered stockholder and would like your vote kept confidential, please check the appropriate box on the proxy card or follow the instructions when submitting your vote by telephone, mobile phone, or by the Internet. If you hold your shares in “street name” or through an employee benefit plan or stock incentive plan, your vote already receives confidential treatment and you do not need to request confidential treatment in order to maintain the confidentiality of your vote.

The confidential voting policy will not apply in the event of a proxy contest or other solicitation based on an opposition Proxy Statement and in certain other limited circumstances. For further details regarding this policy, please see the Corporate Governance Guidelines, available on Citi’s website at [www.citigroup.com](http://www.citigroup.com).

**Q: [Could other matters be decided at the 2019 Annual Meeting?](#)**

We don’t know of any matters that will be considered at the Annual Meeting other than those described above. If a stockholder proposal that was excluded from this Proxy Statement is brought before the meeting, the Chair will declare such proposal out of order, and it will be disregarded, or we will vote the proxies **AGAINST** the proposal. If any other matters arise at the Annual Meeting that are properly presented at the meeting, the proxies will be voted at the discretion of the proxy holders.

**Q: [What happens if the meeting is postponed or adjourned?](#)**

**A.** Your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

[ABOUT THE 2019 ANNUAL MEETING](#)

[Do I need a ticket to attend the 2019 Annual Meeting?](#)

**Q: NEW ADMISSION PROCEDURES**

**A:** Yes, you will need an admission ticket or proof of ownership of Citi common stock to enter the Annual Meeting. Starting this year, we have streamlined the admission process for entry into the 2019 Annual Meeting. To promote an efficient admission process, we encourage all of our stockholders attending the meeting to pre-register and bring an admission ticket with them. Tickets can be printed by accessing Shareholder Meeting Registration at [www.proxyvote.com](http://www.proxyvote.com) and following the instructions provided (you will need the 16-digit Control Number included on your proxy card, voter instruction form or Notice of Internet Availability of Proxy Materials). If you are unable to print your ticket, please call Shareholder Meeting Registration Phone Support (toll free) at 1-844-318-0137 or (international toll call) at 1-925-331-6070 for assistance.

When you arrive at the Annual Meeting, you will be asked to present photo identification, such as a driver's license, and provide one of the form(s) of alternative documentation listed below. If you arrive at the meeting without an admission ticket, we will admit you only if we are able to verify that you are a Citi stockholder. If you hold your shares in a joint account, both owners can be admitted to the Annual Meeting provided that proof of joint ownership is given. Due to space limitations, Citi will not be able to accommodate guests at the Annual Meeting. Tickets to the Annual Meeting are not transferable. A stockholder may appoint only one proxy to represent him or her at the Annual Meeting.

Record Stockholder	Street Name Holder	Proxy for Record Stockholder	Proxy for Street Name Holder
			Valid and assignable written legal proxy naming you, signed by the street name holder's bank or brokerage firm
	One of the following:		<u>AND</u>
	A printed admission ticket available online at <a href="http://www.proxyvote.com">www.proxyvote.com</a>	Valid, written legal proxy naming you, signed by a record stockholder	<u>Either</u>
One of the following:	Notice of Internet Availability of Proxy Materials	<u>AND</u>	Notice of Internet Availability of Proxy Materials
A printed admission ticket available online by clicking "Register for Meeting" link at <a href="http://www.proxyvote.com">www.proxyvote.com</a>	Voting Instruction form from your bank or broker	<u>Either</u>	Voting Instruction form from the street name holder's bank or broker
Notice of Internet Availability of Proxy Materials	A recent brokerage statement or letter from a bank or broker	Notice of Internet Availability of Proxy Materials	<u>Or</u>
Proxy Card		<u>Or</u>	A recent brokerage statement or letter from a bank or broker
<a href="http://www.citigroup.com">www.citigroup.com</a>		Proxy Card	

**Table of Contents**

**Corporate Governance**

Citigroup Inc. (Citigroup, Citi, or the Company) continually strives to maintain the highest standards of ethical conduct: reporting results with accuracy and transparency and maintaining full compliance with the laws, rules, and regulations that govern Citi's businesses. Citi is active in ensuring its governance practices are at the leading edge of best practices. Below is a compilation of Citi's Corporate Governance initiatives:

A standing Ethics and Culture Committee of the Board of Directors oversees management's efforts to foster a culture of ethics within Citi;

No super-majority vote provisions in our Restated Certificate of Incorporation;

A declassified board structure;

By-laws provide that if Citi does not have an independent Chair of the Board, the Board is required to elect a lead independent Director;

87% of Citi's Board Nominees are independent;

Majority vote standard for uncontested Director elections; and

In 2019, we were the first large U.S. company to disclose our unadjusted or "raw" pay gap for women and U.S. minorities, which measures median total compensation unadjusted for factors such as job function, level, and geography. See page 76 of this Proxy Statement for further information.

In 2019, the Board, taking into account the result of the stockholder vote on a proposal presented at the 2018 Annual Meeting, amended Citi's By-laws to provide that stockholders holding at least 20% of the outstanding common stock have the right to call a special meeting;

Proxy access by-law; and

Stockholders may act by written consent.

Strong executive compensation governance practices, including clawback policies and a requirement that executive officers must hold a substantial amount of vested Citi common stock for at least one year after they cease being executive officers;

Stock ownership commitment for the Board and executive officers; and

Members of Citi's Board of Directors and Citi's executive officers (i.e., Section 16 Insiders) are not permitted to hedge their Citi securities or to pledge their Citi securities as collateral for a loan.

Political Activities Statement (formerly Citi's Political Contributions and Lobbying Statement) includes significant disclosure about our lobbying practices and oversight. The Political Activities Statement provides meaningful disclosure about our lobbying policies and procedures;

Nomination, Governance and Public Affairs Committee has oversight responsibility for trade association payments in addition to oversight responsibility for political contributions and lobbying activities; and

Transparency on practices around political contributions and trade and business associations through:

a link on our website to federal and state government websites where our lobbying activities are reported;

requiring trade and business associations to which Citi pays dues to attest that no portion of such payments is used for independent expenditures; and

listing the names of our significant trade and business associations on Citi's website.

**Good Governance**

**Stockholder Rights**

**Executive Compensation**

**Political Activity**



## **Table of Contents**

### [CORPORATE GOVERNANCE](#)

#### [Corporate Governance Materials Available on Citi's Website](#)

In addition to our Corporate Governance Guidelines, other information relating to corporate governance at Citi is available in the Corporate Governance section of our website at [www.citigroup.com](http://www.citigroup.com). Click on "About Us" and then "Corporate Governance."

Audit Committee Charter  
Ethics and Culture Committee Charter  
Nomination, Governance and Public Affairs Committee Charter  
Operations and Technology Committee Charter  
Personnel and Compensation Committee Charter  
Risk Management Committee Charter  
Code of Conduct  
Code of Ethics for Financial Professionals  
Citi's Compensation Philosophy  
By-laws and Restated Certificate of Incorporation  
Corporate Political Activities Statement  
Global Citizenship Report  
Banking on 2030: Citi & the Sustainable Development Goals  
Environmental and Social Policy Framework  
Finance for a Climate-Resilient Future: Citi's TCFD Report  
Statement on Human Rights  
Citi's U.K. Modern Slavery Act Statement  
A list of our 2018 Political Contributions and the names of Citi's significant trade and business associations

Citi stockholders may obtain printed copies of these documents by writing to Citigroup Inc., Corporate Governance, 388 Greenwich Street, 17th Floor, New York, New York 10013.

### [Annual Report](#)

If you received these materials by mail, you should have also received Citi's Annual Report to Stockholders for 2018 with them. The 2018 Annual Report is also available on Citi's website at [www.citigroup.com](http://www.citigroup.com). We urge you to read these documents carefully. In accordance with the SEC's rules, the Five-Year Performance Graph appears in the 2018 Annual Report on Form 10-K, which is included in Citi's Annual Report to Stockholders for 2018.

### [Corporate Governance Guidelines](#)

Citi's Corporate Governance Guidelines (the Guidelines) embody many of our long-standing practices, policies, and procedures, which are the foundation of our commitment to best practices. The Guidelines are reviewed at least annually, and revised as necessary, to continue to reflect best practices. The full text of the Guidelines, as approved by the Board, is set forth on Citi's website at [www.citigroup.com](http://www.citigroup.com). Click on "About Us," then "Corporate Governance," and then "Corporate Governance Guidelines." The Guidelines outline the responsibilities, operations, qualifications, and composition of the Board.

### [Director Independence](#)

Our goal is that at least two-thirds of the members of the Board be independent. Descriptions of our independence criteria and the results of the Board's independence determinations are set forth below.

### [Board Committees](#)

The Guidelines require that all members of the following committees of the Board: Audit; Nomination, Governance and Public Affairs; and Personnel and Compensation be independent. Committee members are appointed by the Board upon the recommendation of the Nomination, Governance and Public Affairs Committee. Committee membership and Chairs are rotated

Edgar Filing: CITIGROUP INC - Form DEF 14A

periodically. The Board and each Committee have the power to hire and fire independent legal, financial, or other advisors, as they may deem necessary, without consulting or obtaining the approval of management.

[www.citigroup.com](http://www.citigroup.com)

---



## **Table of Contents**

### CORPORATE GOVERNANCE

#### **Additional Board Service**

The number of other for-profit public or non-public company boards on which a Director may serve is subject to a case-by-case review by the Nomination, Governance and Public Affairs Committee, in order to ensure that each Director is able to devote sufficient time to performing his or her duties as a Director. Interlocking directorates are prohibited (inside Directors and executive officers of Citi may not sit on boards of companies where a Citi outside Director is an executive officer).

#### **Change in Status or Responsibilities**

If a Director has a substantial change in professional responsibilities, occupation, or business association, he or she is required to notify the Nomination, Governance and Public Affairs Committee and to offer his or her resignation from the Board. The Nomination, Governance and Public Affairs Committee will evaluate the facts and circumstances and make a recommendation to the Board whether to accept the resignation or request that the Director continue to serve on the Board. If a Director assumes a significant role in a not-for-profit entity, he or she is asked to notify the Nomination, Governance and Public Affairs Committee.

#### **Attendance at Meetings**

Directors are expected to attend Board meetings and meetings of the Committees on which they serve and the Annual Meeting of stockholders. All of the Directors then in office attended Citi's 2018 Annual Meeting.

#### **Evaluation of Board Performance**

The Nomination, Governance and Public Affairs Committee nominates one of the members of the Board to serve as Chair of the Board on an annual basis. The Nomination, Governance and Public Affairs Committee also conducts an annual review of Board performance in which the full Board participates, and each standing committee (except for the Executive Committee) conducts its own self-evaluation. As part of the self-evaluation, the Board engages in an examination of its own performance of its obligations with regards to such matters as regulatory requirements, strategic and financial oversight, oversight of risk management, executive compensation, succession planning, and governance matters, among many other topics. The committees evaluate their performance against the requirements of their charters and other aspects of their responsibilities. The full Board and each committee then discuss the results of their respective self-evaluations in executive session, highlighting actions to be taken in response to the discussion. See *Board Self-Assessment Process* on page 31 for further information.

#### **Directors Access to Senior Management and Director Orientation**

Directors have full and free access to senior management and other employees of Citi. New Directors are provided with an orientation program to familiarize them with Citi's businesses, regions, and functions as well as its legal, compliance, regulatory, and risk profile. Citi provides educational sessions on a variety of topics throughout the year for all members of the Board. These sessions are designed to allow Directors to, for example, develop a deeper understanding of a business issue or a complex financial product.

#### **Succession Planning**

The Board reviews the Personnel and Compensation Committee's report on the performance of senior executives in order to ensure that they are providing the highest quality leadership for Citi. The Board also works with the Nomination, Governance and Public Affairs Committee to evaluate potential successors to the Chief Executive Officer (CEO). With respect to regular succession of the CEO and senior management, Citi's Board evaluates internal, and, when appropriate, external candidates. To find external candidates, Citi seeks input from the members of the Board and senior management and/or from recruiting firms. To develop internal candidates, Citi engages in

## **Table of Contents**

### **CORPORATE GOVERNANCE**

a number of practices, formal and informal, designed to familiarize the Board with Citi's talent pool. The formal process involves an annual talent review conducted by senior management at which the Board studies the most promising members of senior management. The Board learns about each person's experience, skills, areas of expertise, accomplishments, and goals. This review is conducted at a regularly scheduled Board meeting on an annual basis. In addition, members of senior management are periodically asked to make presentations to the Board at Board meetings and Board strategy sessions. These presentations are made by senior managers of the various business units as well as those who serve in corporate functions. The purpose of the formal review and other interaction is to ensure that Board members are familiar with the talent pool inside and outside Citi from which the Board would be able to choose successors to the CEO and evaluate succession for other senior managers as necessary from time to time.

### **Charitable Contributions**

If a Director, or an immediate family member who shares the Director's household, serves as a director, trustee, or executive officer of a foundation, university, or other not-for-profit organization, and such entity receives contributions from Citi and/or the Citi Foundation, such contributions must be reported to the Nomination, Governance and Public Affairs Committee at least annually.

### **Insider Investments and Transactions**

Members of Citi's Board of Directors and Citi's executive officers (i.e., Section 16 Insiders) are not permitted to hedge their Citi securities or to pledge their Citi securities as collateral for a loan. The Guidelines restrict certain financial transactions between Citi and its subsidiaries on the one hand and Directors, senior management, and their immediate family members on the other. Personal loans from Citi or its subsidiaries to Citi's Directors and its most senior executives, or immediate family members who share any such person's household, are prohibited, except for margin loans to employees of a broker-dealer subsidiary of Citi, mortgage loans, home equity loans, consumer loans, credit cards, and overdraft checking privileges, all made on market terms in the ordinary course of business. See *Certain Transactions and Relationships, Compensation Committee Interlocks, and Insider Participation* on pages 38-39 of this Proxy Statement.

The Guidelines prohibit investments or transactions by Citi or its executive officers and those immediate family members who share an executive officer's household in a partnership or other privately held entity in which an outside Director is a principal, or in a publicly traded company in which an outside Director owns or controls more than a 10% interest. Directors and those immediate family members who share the Director's household are not permitted to receive initial public offering allocations. Directors and their immediate family members may participate in Citi-sponsored investment activities, provided they are offered on the same terms as those offered to similarly situated non-affiliated persons. Under certain circumstances, or with the approval of the appropriate committee, members of senior management may participate in certain Citi-sponsored investment opportunities. Finally, there is a prohibition on certain investments by Directors and executive officers in third-party entities when the opportunity comes solely as a result of their position with Citi.

### **Director Independence**

The Board has adopted categorical standards to assist the Board in evaluating the independence of each of its Directors. The categorical standards, which are set forth below, describe various types of relationships that could potentially exist between a Director or an immediate family member of a Director and Citi, and set thresholds at which such relationships would be deemed to be material. Provided that no relationship or transaction exists that would disqualify a Director under the categorical standards and no other relationships or transactions exist of a type not specifically mentioned in the categorical standards that, in the Board's opinion, taking into account all facts and circumstances, would impair a Director's ability to exercise his or her independent judgment, the Board will deem such person to be independent.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents****CORPORATE GOVERNANCE**

The Board and the Nomination, Governance and Public Affairs Committee reviewed certain information obtained from Directors' responses to a questionnaire asking about their relationships with Citi, and those of their immediate family members and primary business or charitable affiliations and other potential conflicts of interest, as well as certain data collected by Citi's businesses related to transactions, relationships, or arrangements between Citi on the one hand and a Director, immediate family member of a Director, or a primary business or charitable affiliation of a Director, on the other. The Board reviewed certain relationships or transactions between the Directors or immediate family members of the Directors or their primary business or charitable affiliations and Citi and determined that the relationships or transactions complied with the Corporate Governance Guidelines and the related categorical standards. The Board also determined that, applying the Guidelines and standards, which are intended to comply with the NYSE corporate governance rules, and all other applicable laws, rules, and regulations, each of the following Director nominees standing for re-election and current board members is independent:

Ellen M. Costello	Lew W. (Jay) Jacobs, IV	James S. Turley
John C. Dugan	Renée J. James	Deborah C. Wright
Duncan P. Hennes	Eugene M. McQuade	Ernesto Zedillo Ponce de Leon
Peter B. Henry	Gary M. Reiner	
S. Leslie Ireland	Diana L. Taylor	

The Board has determined that Mr. McQuade is independent because he retired from employment in May 2015, over three years ago. The Board has determined that Michael L. Corbat and Barbara Desoer are not independent. Mr. Corbat is our Chief Executive Officer and Ms. Desoer is the Chief Executive Officer of Citibank, N.A., our largest banking subsidiary. Ms. Desoer is scheduled to retire as the Chief Executive Officer of Citibank, N.A. before Citi's 2019 Annual Meeting.

**Independence Standards**

To be considered independent, a Director must meet the following categorical standards as adopted by our Board and reflected in our Corporate Governance Guidelines. In addition, there are other independence standards under NYSE corporate governance rules that apply to all directors and certain independence standards under SEC, Internal Revenue Code (IRC), and Federal Deposit Insurance Corporation (FDIC) rules that apply to specific committees.

**Categorical Standards****Advisory, Consulting and Employment Arrangements**

During any 12-month period within the last three years, neither a Director nor any Immediate Family Member of a Director shall have received more than \$120,000 in direct compensation from Citi, other than amounts paid (a) pursuant to Citi's Amended and Restated Compensation Plan for Non-Employee Directors, (b) pursuant to a pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) or (c) to an Immediate Family Member of a Director who is a non-executive employee of Citi or one of its subsidiaries.

In addition, no member of the Audit Committee may accept a direct or indirect consulting, advisory or other compensatory fee from Citi or one of its subsidiaries, other than (a) fees for service as a member of the Board of Directors of Citi or one of its subsidiaries (including committees thereof) or (b) receipt of fixed amounts of compensation under a Citi retirement plan, including deferred compensation, for prior service with Citi, provided that such compensation is not contingent in any way on continued service.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**CORPORATE GOVERNANCE**

**Business Relationships**

All business relationships, lending relationships, deposit and other banking relationships between the Company and a Director's primary business affiliation or the primary business affiliation of an immediate family member of a Director must be made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons.

In addition, the aggregate amount of payments for property or services in any of the last three fiscal years by the Company to, and to the Company from, any company of which a Director is an executive officer or employee or where an immediate family member of a Director is an executive officer, must not exceed the greater of \$1 million or 2% of such other company's consolidated gross revenues in any single fiscal year.

Loans may be made or maintained by the Company to a Director's primary business affiliation or the primary business affiliation of an immediate family member of a Director, only if the loan (i) is made in the ordinary course of business of the Company or one of its subsidiaries, is of a type that is generally made available to other customers, and is on market terms, or terms that are no more favorable than those offered to other customers; (ii) complies with applicable law, including the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley), Regulation O of the Board of Governors of the Federal Reserve, and the Federal Deposit Insurance Corporation (FDIC) Guidelines; (iii) when made does not involve more than the normal risk of collectability or present other unfavorable features; and (iv) is not classified by the Company as Substandard (II) or worse, as defined by the Office of the Comptroller of the Currency in its "Rating Credit Risk" Comptroller's Handbook.

**Charitable Contributions**

Annual contributions in any of the last three calendar years from the Company and/or the Citi Foundation to a charitable organization of which a Director, or an immediate family member who shares the Director's household, serves as a Director, trustee, or executive officer (other than the Citi Foundation and other charitable organizations sponsored by the Company) may not exceed the greater of \$250,000 or 10% of the charitable organization's annual consolidated gross revenue.

**Employment/Affiliations**

A Director shall not:

- (i) be or have been an employee of the Company within the last three years;  
be part of, or within the past three years have been part of, an interlocking directorate in which a current executive officer of the Company serves or has served on the compensation committee of a company that concurrently employs or employed the
- (ii) Director as an executive officer; or  
be or have been affiliated with or employed by (a) Citi's present or former primary outside auditor or (b) any other outside auditor
- (iii) of Citi and personally worked on Citi's audit, in each case within the three-year period following the auditing relationship.

A Director may not have an immediate family member who:

- (i) is an executive officer of the Company or has been within the last three years;  
is, or within the past three years has been, part of an interlocking directorate in which a current executive officer of the Company serves or has served on the compensation committee of a company that concurrently employs or employed such immediate
- (ii) family member as an executive officer; or  
(a) is a current partner of Citi's primary outside auditor, or a current employee of Citi's primary outside auditor and personally works on Citi's audit, or (b) was within the last three years (but is no longer) a partner or employee of Citi's primary auditor and
- (iii) personally worked on Citi's audit within that time.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

[CORPORATE GOVERNANCE](#)

**Immaterial Relationships and Transactions**

The Board may determine that a Director is independent notwithstanding the existence of an immaterial relationship or transaction between Citi and (i) the Director, (ii) an immediate family member of the Director or (iii) the Director's or immediate family member's business or charitable affiliations, provided Citi's Proxy Statement includes a specific description of such relationship as well as the basis for the Board's determination that such relationship does not preclude a determination that the Director is independent. Relationships or transactions between Citi and (i) the Director, (ii) an immediate family member of the Director or (iii) the Director's or immediate family member's business or charitable affiliations that comply with the Corporate Governance Guidelines, including, but not limited to, the Director Independence Standards that are part of the Corporate Governance Guidelines and the sections titled Financial Services, Personal Loans and Investments/Transactions, are deemed to be categorically immaterial and do not require disclosure in the Proxy Statement (unless such relationship or transaction is required to be disclosed pursuant to Item 404 of SEC Regulation S-K).

**Definitions**

For purposes of these Corporate Governance Guidelines, (i) the term "immediate family member" means a Director's or executive officer's (designated as such pursuant to Section 16 of the Securities Exchange Act of 1934, as amended ("Exchange Act")) spouse, parents, step-parents, children, step-children, siblings, mother- and father-in law, sons- and daughters-in-law, and brothers- and sisters-in-law and any person (other than a tenant or domestic employee) who shares the Director's household; (ii) the term "Primary Business Affiliation" means an entity of which the Director or executive officer, or an immediate family member of such a person, is an officer, partner or employee or in which the Director, executive officer or immediate family member owns directly or indirectly at least a 5% equity interest; and (iii) the term "Related Party Transaction" means any financial transaction, arrangement or relationship in which (a) the aggregate amount involved will or may be expected to exceed \$120,000 in any fiscal year, (b) Citi is a participant, and (c) any Related Person (any Director, any executive officer of Citi, any nominee for Director, any shareholder owning in excess of 5% of the total equity of Citi, and any immediate family member of any such person) has or will have a direct or indirect material interest.

[Citi 2019 Proxy Statement](#)

---

## **Table of Contents**

### CORPORATE GOVERNANCE

#### Meetings of the Board of Directors and Committees

The Board of Directors met 20 times in 2018. During 2018, the Audit Committee met 21 times, the Ethics and Culture Committee met 4 times, the Nomination, Governance and Public Affairs Committee met 10 times, the Operations and Technology Committee met 5 times, the Personnel and Compensation Committee met 13 times, and the Risk Management Committee met 13 times. In addition, a subcommittee of the Risk Management Committee met 9 times. The Executive Committee did not meet in 2018.

During 2018, substantially all of the members of the Board served on and/or chaired one or more ad hoc committees covering compliance matters or served on an international subsidiary board. In addition, during 2018, Mses. Costello and Ireland and Messrs. Hennes, McQuade, Santomero, and Turley, served on the Board of Directors of Citibank, N.A., which is a wholly owned subsidiary of Citi.

Each incumbent Director attended at least 75% of the meetings of the Board and of the standing committees of which he or she was a member during 2018.

#### Meetings of Non-Management Directors

Citi's non-management Directors meet in executive session without any management Directors in attendance whenever the full Board convenes for a regularly scheduled meeting. During 2018, Mr. O'Neill presided at each executive session of the non-management Directors. In addition, the independent Directors met in executive session during 2018.

#### Board Leadership Structure

Citi currently has an independent Chair separate from the CEO, a structure that has been in place since 2009. The Board believes it is important to maintain flexibility in its Board leadership structure and has had in place different leadership structures in the past, depending on the Company's needs at the time, but firmly supports having an independent Director in a Board leadership position at all times. Accordingly, Citi's Board, on December 15, 2009, adopted a By-law amendment which provides that if Citi does not have an independent Chair, the Board will elect a lead independent Director having similar duties to an independent Chair, including leading the executive sessions of the non-management Directors at Board meetings. Citi's Chair provides independent leadership of the Board. Having an independent Chair or Lead Director enables non-management Directors to raise issues and concerns for Board consideration without immediately involving management. The Chair or Lead Director also serves as a liaison between the Board and senior management. Citi's Board has determined that the current structure, an independent Chair separate from the CEO, is the most appropriate structure at this time, while ensuring that, at all times, there will be an independent Director in a Board leadership position. The Board believes its approach to risk oversight, including, importantly, having a standing Risk Management Committee and the reporting line of the Chief Risk Officer to the Risk Management Committee, ensures that the Board can choose many leadership structures without experiencing a material impact on its oversight of risk.

Citi has had an independent Chair since 2009. Following Michael O'Neill's retirement as Chair on January 1, 2019, the Board appointed John Dugan as independent Chair to succeed him.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

CORPORATE GOVERNANCE

Board Diversity

Diversity is among the critical factors that the Nomination, Governance and Public Affairs Committee considers when evaluating the composition of the Board. For a company like Citi, which operates in more than 100 countries around the globe, diversity includes race, ethnicity, and gender as well as the diversity of the communities and geographies in which Citi operates. Included in the qualifications for Directors listed in the Company's Corporate Governance Guidelines is "whether the candidate has special skills, expertise and background that would complement the attributes of the existing Directors, taking into consideration the diverse communities and geographies in which the Company operates." Citi's Board is committed to ensuring that it is composed of individuals whose backgrounds reflect the diversity represented by our employees, customers, and stakeholders. The candidates nominated for election at Citi's 2019 Annual Meeting exemplify that diversity: six nominees are women and three nominees are African-American or Hispanic. In addition, each Director candidate contributes to the Board's overall diversity by providing a variety of perspectives, personal and professional experiences, and backgrounds, as well as other characteristics, such as global and international business experience. The Board believes that the current nominees reflect an appropriate diversity of gender, age, race, geographical background, and experience and is committed to continuing to consider diversity issues in evaluating the composition of the Board.

Director Education Program

Citi has a robust Director Education Program that begins with an orientation for newly appointed Directors, providing two days of in-depth training covering all aspects of our business, including coverage of Citi's institutional and consumer businesses; financial reporting; an overview of the Company's risk management, audit, compliance, and legal functions; and an overview of Citi's primary banking subsidiary, Citibank, N.A. There is also a continuing education program, which includes presentations focusing on industry, regulatory and governance topics and presentations from the various lines of our business on emerging issues or strategic initiatives to provide our Directors with the opportunity to expand their insight into Citi's business operations and activities. Directors also have access to external programming and seminars to supplement their Citi-provided education.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

CORPORATE GOVERNANCE

Board Self-Assessment Process

*\*Each standing committee conducts an annual self-assessment and reports the results to the Board, which include how each committee's effectiveness may be enhanced.*

Board's Role in Risk Oversight

The Board oversees Citi's global risk management framework.

**Risk Management Committee**

- approves Citi's Risk Governance Framework
- reviews and approves risk management policies on the establishment of risk limits and reviews risk management programs for Citi and its subsidiaries
- consults with management on the effectiveness of risk identification, measurement, and monitoring processes, and the adequacy of staffing and action plans
- provides oversight of, among others, matters related to Citi's Comprehensive Capital Analysis and Review (CCAR) practices, Resolution and Recovery Planning, and cybersecurity

**Chief Risk Officer**

- delivers risk report at regularly scheduled Board meetings
- responsible for Global Risk Management
- responsible for an integrated effort to identify, assess, and manage risks
- reports to the Chief Executive Officer and Risk Management Committee
- reports at least twice annually to the Personnel and Compensation Committee on incentive compensation

**Board Committees:**

**Audit Committee**

- provides oversight of compliance risk, cybersecurity risk, fraud risk, financial reporting/internal control risk, and operational risk matters

**Ethics and Culture Committee**

- provides oversight of Citi's Conduct Risk Management Program

**Nomination, Governance and Public Affairs Committee**

- provides oversight of reputational issues and legal and regulatory compliance risks as they



relate to Corporate Governance matters

**Operations and Technology Committee**

provides oversight of cybersecurity as well as  
privacy and data security

**Personnel and Compensation Committee**

provides oversight of incentive compensation  
plans and risk related to compensation

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

**CORPORATE GOVERNANCE**

At each regularly scheduled Board meeting, the Board receives a risk report from the Chief Risk Officer with respect to the Company’s approach to management of major risks, including management’s risk mitigation efforts, where appropriate. Global Risk Management, led by the Chief Risk Officer, is a company-wide function that is responsible for an integrated effort to identify, assess, and manage risks that may affect Citi’s ability to execute on its corporate strategy and fulfill its business objectives. The Board’s role is to oversee this effort.

The Risk Management Committee enhances the Board’s oversight of risk management. The Committee’s role is one of oversight, recognizing that management is responsible for executing Citi’s risk management policies.

**Board’s Role in Cybersecurity Oversight**

The Board of Directors provides oversight of management’s efforts to address cybersecurity risk. The Board and various Committees receive periodic reports and engage in discussions throughout the year on the effectiveness of Citi’s overall cybersecurity program, exploring Citi’s inherent risks, the road map for addressing these risks, and Citi’s progress in doing so. Board members receive contemporaneous reporting on any significant cyber events that may occur—which includes efforts at response, discussions of legal obligations, and the status of outreach to regulators—and provides guidance to management as appropriate.

**Committees of the Board of Directors**

The following are the standing committees of the Board of Directors:

**Committee Roles and Responsibilities:**

The Audit Committee assists the Board in fulfilling its oversight responsibility relating to:

**Members:**

- Ellen M. Costello
- John C. Dugan
- Peter B. Henry
- Lew W. (Jay) Jacobs, IV
- Anthony M. Santomero
- James S. Turley (Chair)
- Deborah C. Wright

- the integrity of Citigroup’s consolidated financial statements, financial reporting process, and systems of internal accounting and financial controls;
- the performance of the internal audit function (“Internal Audit”);
- the annual independent integrated audit of Citigroup’s consolidated financial statements and effectiveness of Citigroup’s internal control over financial reporting, the engagement of the independent registered public accounting firm (“Independent Auditors”), and the evaluation of the Independent Auditors’ qualifications, independence and performance;
- policy standards and guidelines for risk assessment and risk management;
- Citigroup’s compliance with legal and regulatory requirements, including Citigroup’s disclosure controls and procedures; and
- the fulfillment of the other responsibilities set out in the Audit Committee’s charter. The report of the Committee required by the rules of the SEC is included in this Proxy Statement.

**Committee Meetings in 2018:**

21

**Charter:**

The Audit Committee Charter, as adopted by the Board, is available on our website at [www.citigroup.com](http://www.citigroup.com). Click on “About Us,” then “Corporate Governance,” and then “Citigroup Board of Directors’ Committee Charters.”

The Board has determined that each of Ms. Costello and Messrs. Dugan, Jacobs, Santomero and Turley qualifies as an “audit committee financial expert” as defined by the SEC and each such Director as well as Ms. Wright and Mr. Henry is considered “financially literate” under NYSE rules, and, in addition to being independent according to the Board’s independence standards as set out in its Corporate Governance Guidelines, each is independent within the meaning of applicable SEC rules, the corporate governance rules of the NYSE, and the FDIC guidelines.

[Citi 2019 Proxy Statement](#)

**Table of Contents**

**CORPORATE GOVERNANCE**

**Members:**

Peter B. Henry  
Franz B. Humer (Chair)  
Lew W. (Jay) Jacobs, IV  
Deborah C. Wright  
Ernesto Zedillo  
Ponce de Leon

**Committee Meetings  
in 2018:**

4

**Charter:**

The Ethics and Culture Committee Charter, as adopted by the Board, is available on our website at [www.citigroup.com](http://www.citigroup.com). Click on "About Us," then "Corporate Governance," and then "Citigroup Board of Directors' Committee Charters."

**Committee Roles and Responsibilities:**

The Ethics and Culture Committee oversees management's efforts to foster a culture of ethics within the organization; oversees and helps shape the definition of Citi's value proposition; oversees management's efforts to enhance and communicate Citi's value proposition, evaluates management's progress, and provides feedback on these efforts; reviews and assesses the culture of the organization to determine if further enhancements are needed to foster ethical decision-making by employees; and oversees management's efforts to support ethical decision-making in the organization, evaluates management's progress, and provides feedback on these efforts. The Committee also reviews and assesses the adequacy of Citi's Code of Conduct and Code of Ethics for Financial Professionals and approves any waivers to either Code. The Committee also provides oversight of Citi's Conduct Risk Management Program, whose objective is to enhance Citi's culture of compliance and control through the management, minimization, and mitigation of Citi's conduct risks.

**Members:**

John C. Dugan (Chair)  
Duncan P. Hennes  
Franz B. Humer  
Gary M. Reiner  
Anthony M. Santomero  
Diana L. Taylor  
James S. Turley

**Committee Meetings  
in 2018:**

None  
[www.citigroup.com](http://www.citigroup.com)

**Committee Roles and Responsibilities:**

The Executive Committee acts on behalf of the Board if a matter requires Board action before a meeting of the full Board can be held.

**Table of Contents**

CORPORATE GOVERNANCE

**Committee Roles and Responsibilities:**

**Members:**

John C. Dugan  
 Peter B. Henry  
 Diana L. Taylor (Chair)  
 Ernesto Zedillo  
 Ponce de Leon

The Nomination, Governance and Public Affairs Committee is responsible for identifying individuals qualified to become Board members and recommending to the Board the Director nominees for the next Annual Meeting of stockholders. It leads the Board in its annual review of the Board's performance and makes recommendations as to the composition of the committees for appointment by the Board. The Committee takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board the Corporate Governance Guidelines and monitoring Citi's compliance with these policies and practices and the Guidelines. The Committee is responsible for reviewing and approving all related party transactions involving a Director or an immediate family member of a Director and any related party transaction involving an executive officer or immediate family member of an executive officer if the transaction is valued at \$50 million or more, in each case, other than certain enumerated ordinary course transactions. See *Certain Transactions and Relationships, Compensation Committee Interlocks, and Insider Participation* on pages 38-39 of this Proxy Statement for a complete description of the Policy on Related Party Transactions.

**Committee Meetings in 2018:**

10

**Charter:**

The Nomination, Governance and Public Affairs Committee Charter, as adopted by the Board, is available on our website at [www.citigroup.com](http://www.citigroup.com). Click on "About Us," then "Corporate Governance," and then "Citigroup Board of Directors' Committee Charters."

The Committee, as part of the Board's executive succession planning process, evaluates and nominates potential successors to the CEO and provides an annual report to the Board on CEO succession. The Committee also reviews Director Compensation and Benefits. The Committee is responsible for reviewing Citi's policies and programs that relate to public issues of significance to Citi and the public at large and reviewing relationships with external constituencies and issues that impact Citi's reputation. The Committee also has the responsibility for reviewing public policy and reputational issues facing Citi; reviewing political contributions and lobbying expenditures and payments to trade associations made by Citi, and charitable contributions made by Citi and the Citi Foundation; reviewing Citi's policies and practices regarding supplier diversity; reviewing the work of Citi's Business Practices Committees; and reviewing Citi's Citizenship and Sustainability policies and programs, including environmental and human rights policies. The Committee's focus is global, reflecting Citi's global footprint. The Committee also makes recommendations to the Board regarding amendments to the Company's Major Expenditure Program – Limits of Authority.

The Board has determined that, in addition to being independent according to the Board's independence standards as set out in its Corporate Governance Guidelines, each of the members of the Nomination, Governance and Public Affairs Committee is independent according to the corporate governance rules of the NYSE.

[Citi 2019 Proxy Statement](#)

**Table of Contents**

CORPORATE GOVERNANCE

**Members:**

S. Leslie Ireland  
Renée J. James  
Gary M. Reiner (Chair)

**Committee Meetings  
in 2018:**

5

**Charter:**

The Operations and Technology Committee Charter, as adopted by the Board, is available on our website at [www.citigroup.com](http://www.citigroup.com).

Click on "About Us," then "Corporate Governance," and then "Citigroup Board of Directors' Committee Charters." [www.citigroup.com](http://www.citigroup.com)

**Committee Roles and Responsibilities:**

The Operations and Technology Committee oversees the scope, direction, quality, and execution of Citi's technology strategies formulated by management, and provides guidance on technology as it may pertain to, among other things, Citi business products and technology platforms.

---

**Table of Contents**

CORPORATE GOVERNANCE

**Committee Roles and Responsibilities:**

**Members:**

John C. Dugan  
 Duncan P. Hennes (Chair)  
 Lew W. (Jay) Jacobs, IV  
 Gary M. Reiner  
 Diana L. Taylor

The Personnel and Compensation Committee has been delegated broad authority to oversee compensation of employees of the Company and its subsidiaries and affiliates. The Committee regularly reviews Citi’s management resources and performance of senior management. The Committee is responsible for determining the compensation for the CEO and approving the compensation of other executive officers of the Company and members of Citi’s Operating Committee. The Committee is also responsible for approving the incentive compensation structure for other members of senior management and certain highly compensated employees (including discretionary incentive awards to covered employees as defined in applicable bank regulatory guidance), in accordance with guidelines established by the Committee from time to time. The Committee also has broad oversight of compliance with bank regulatory guidance governing Citi’s incentive compensation.

**Committee Meetings in 2018:**

13

**Charter:**

The Personnel and Compensation Committee Charter is available on our website at [www.citigroup.com](http://www.citigroup.com). Click on “About Us,” then “Corporate Governance,” and then “Citigroup Board of Directors’ Committee Charters.”

The Committee annually reviews and discusses the Compensation Discussion and Analysis required to be included in the Company’s Proxy Statement with management, and, if appropriate, recommends to the Board that the Compensation Discussion and Analysis be included. Additionally, the Committee reviews and approves the overall goals of Citi’s material incentive compensation programs, including as expressed through Citi’s Compensation Philosophy, and provides oversight for Citi’s incentive compensation programs so that they both (i) appropriately balance risk and financial results in a manner that does not encourage employees to expose Citi to imprudent risks, and (ii) are consistent with bank safety and soundness. Toward that end, the Committee meets periodically with Citi’s Chief Risk Officer to discuss the risk attributes of Citi’s incentive compensation programs.

The Committee has the power to hire and fire independent compensation consultants, legal counsel, or financial or other advisors as it may deem necessary to assist it in the performance of its duties and responsibilities, without consulting or obtaining the approval of senior management of the Company. The Committee has retained Frederic W. Cook & Co. (FW Cook) to provide the Committee with advice on Citi’s compensation programs for senior management. The amount paid to FW Cook in 2018 for advice on executive compensation matters is disclosed in the *Compensation Discussion and Analysis* on page 97 of this Proxy Statement.

The Board has determined that in addition to being independent according to the Board’s independence standards as set out in its Corporate Governance Guidelines, each of the members of the Personnel and Compensation Committee is independent according to the corporate governance rules of the NYSE. Each of such Directors is a “non-employee Director,” as defined in Section 16 of the Securities Exchange Act of 1934, and is an “outside Director,” as defined by Section 162(m) of the Internal Revenue Code.

[Citi 2019 Proxy Statement](#)

**Table of Contents**

**CORPORATE GOVERNANCE**

**Members:**

Ellen M. Costello  
 John C. Dugan  
 Duncan P. Hennes  
 Franz B. Humer  
 Renée J. James  
 Eugene M. McQuade  
 Anthony M. Santomero (Chair)  
 James S. Turley  
 Ernesto Zedillo  
 Ponce de Leon

**Committee Meetings in 2018:**

13

**Charter:**

The Risk Management Committee Charter is available on our website at [www.citigroup.com](http://www.citigroup.com). Click on "About Us," then "Corporate Governance," and then "Citigroup Board of Directors' Committee Charters."

**Committee Roles and Responsibilities:**

The Risk Management Committee has been delegated authority to assist the Board in fulfilling its responsibility with respect to (i) oversight of Citigroup's risk management framework, including the significant policies and practices used in managing credit, market, operational, and certain other risks, (ii) oversight of Citigroup's policies and practices relating to funding risk, liquidity risk, and price risk, which constitute significant components of market risk, and risks pertaining to capital management, and (iii) oversight of the performance of the Fundamental Credit Risk ("FCR") credit review function. The Committee reports to the Board of Directors regarding Citigroup's risk profile and its risk management framework, including the significant policies and practices employed to manage risks in Citigroup's businesses, and the overall adequacy of the Risk Management function. The Committee provides oversight of Citi's CCAR and Resolution and Recovery Planning efforts. The Committee also reviews risk related to information security and cybersecurity, including steps taken by management to control such risks, and coordinates with the Personnel and Compensation Committee in relation to that committee's role with respect to risk matters related to compensation, which includes the approval of the Global Head of FCR's base compensation, adjustments and incentive compensation.

The Risk Management Committee created a subcommittee in 2016 to provide oversight of data governance, data quality, and data integrity. Ms. James and Messrs. Santomero (Chair) and Turley are members of the Risk Subcommittee. The Risk Subcommittee met 9 times in 2018.

			Nomination, Governance and Public Affairs	Operations and Technology	Personnel and Compensation	Risk Management
Audit	Ethics and Culture	Executive				

Michael L. Corbat  
 Ellen M. Costello  
 John C. Dugan  
 Duncan P. Hennes  
 Peter B. Henry  
 Franz B. Humer  
 S. Leslie Ireland  
 Lew W. (Jay) Jacobs, IV  
 Renée J. James  
 Eugene M. McQuade  
 Gary M. Reiner  
 Anthony M. Santomero  
 Diana L. Taylor  
 James S. Turley  
 Deborah C. Wright  
 Ernesto Zedillo  
 Ponce de Leon  
 committee member  
 committee chair  
[www.citigroup.com](http://www.citigroup.com)





**Table of Contents**

**CORPORATE GOVERNANCE**

**Involvement in Certain Legal Proceedings**

There are no legal proceedings to which any Director, officer, or The Vanguard Group (which owns more than 5% of Citi's common stock), or any affiliate thereof, is a party adverse to Citi or in which any such person has a material interest adverse to Citi. In lieu of participating in class action settlements of claims entered into by Citi and other banks relating to alleged manipulation of the foreign exchange market, and which received final court approval in 2018, numerous BlackRock funds and other plaintiffs filed a complaint in U.S. District Court for the Southern District of New York on November 7, 2018 against Citi and 15 other banks. In this action, plaintiffs assert that defendants conspired to manipulate the foreign exchange market between 2003 and 2013. BlackRock, Inc. owns more than 5% of Citi's common stock.

**Certain Transactions and Relationships, Compensation Committee Interlocks, and Insider Participation**

The Board has adopted a policy setting forth procedures for the review, approval, and monitoring of transactions involving Citi and related persons (Directors, Senior Managers, 5% stockholders, Immediate Family Member or Primary Business Affiliations). A copy of Citi's Policy on Related Party Transactions is available on our website at [www.citigroup.com](http://www.citigroup.com). Click on "About Us," then "Corporate Governance," and then "Citi Policies." Under the policy, the Nomination, Governance and Public Affairs Committee is responsible for reviewing and approving all related party transactions involving related persons. Directors may not participate in any discussion or approval of a related party transaction in which he or she or any member of his or her immediate family is a related person, except that the Director must provide all material information concerning the related party transaction to the Nomination, Governance and Public Affairs Committee. The Nomination, Governance and Public Affairs Committee is also responsible for reviewing and approving all related party transactions valued at more than \$50 million involving an executive officer or an Immediate Family Member of an executive officer. The Transaction Review Committee, composed of Citi's President, General Counsel, Chief Financial Officer, Chief Compliance Officer, Chief Risk Officer, and Head of Human Resources, is responsible for reviewing and approving all related party transactions valued at less than \$50 million involving an executive officer or an Immediate Family Member of an executive officer. The policy also contains a list of categories of transactions involving related persons that are pre-approved under the policy, and therefore need not be brought to the Nomination, Governance and Public Affairs Committee or the Transaction Review Committee for approval.

The Nomination, Governance and Public Affairs Committee and the Transaction Review Committee will review the following information when assessing a related party transaction:

- the terms of such transaction;
- the related person's interest in the transaction;
- the purpose and timing of the transaction;
- whether Citi is a party to the transaction, and if not, the nature of Citi's participation in the transaction;
- if the transaction involves the sale of an asset, a description of the asset, including date acquired and cost basis;
- information concerning potential counterparties in the transaction;
- the approximate dollar value of the transaction and the approximate dollar value of the related person's interest in the transaction;
- a description of any provisions or limitations imposed as a result of entering into the proposed transaction;
- whether the proposed transaction includes any potential reputational risk issues that may arise as a result of, or in connection with, the proposed transaction; and
- any other relevant information regarding the transaction.

Based on information contained in a Schedule 13G filed with the SEC, BlackRock and Vanguard reported that they beneficially owned 5% or more of the outstanding shares of Citi's common stock as of December 31, 2018 — see *Stock Ownership — Owners of More than 5% of Citi Common Stock* in this Proxy Statement on page 44. During 2018, our subsidiaries provided ordinary course lending, trading, and other financial services to BlackRock and Vanguard and their respective affiliates and clients. These transactions were entered into on an arm's length

**Table of Contents**

**CORPORATE GOVERNANCE**

basis and contain customary terms and conditions and were on substantially the same terms as comparable transactions with unrelated third parties. Acciones y Valores Banamex, S.A. de C.V., Servicios Corporativos de Finanzas, S.A. de C.V., and Grupo Financiero Citibanamex, S.A. de C.V. ("Citibanamex") entered into an agreement with BlackRock, Inc. and certain of its affiliates pursuant to which BlackRock would acquire the asset management business of Citibanamex in Mexico. The transaction includes the sale of Impulsora de Fondos Banamex, S.A. de C.V., ("Impulsora") legal vehicle, and its advisory role for 52 mutual funds and certain managed account relationships, and certain intellectual property and vendor contracts required to operate the business. The closing for this transaction occurred in September 2018. Consideration for the sale consisted of \$350 million and certain future payments if defined targets are met. In connection with the closing, Citibanamex and BlackRock also entered into a long-term distribution agreement to offer BlackRock asset management products to Citibanamex clients in Mexico. The agreement provides a framework under which Citibanamex would distribute BlackRock products in Mexico and includes terms relating to pricing, preferential access, and product support. The Nomination, Governance and Public Affairs Committee reviewed the terms of the sale and approved the transaction in accordance with the Related Party Transaction Policy. Based on information contained in a Schedule 13G filed with the SEC, BlackRock reported that it beneficially owns more than 5% of Citi's common stock.

Citi has established funds in which employees have invested. In addition, certain of our executive officers have from time to time invested their personal funds directly, or directed that funds for which they act in a fiduciary capacity be invested, in funds arranged by Citi's subsidiaries on the same terms and conditions as the other outside investors in these funds, who are not our executive officers, or employees. Other than certain "grandfathered" investments, in accordance with Sarbanes-Oxley and the Citi Corporate Governance Guidelines, executive officers may invest in certain Citi-sponsored investment opportunities only under certain circumstances and with the approval of the appropriate committee. In 2018, there were no distributions from the funds that require disclosure.

In 2018, Citi performed corporate banking and securities brokerage services in the ordinary course of our business for certain organizations in which some of our Directors are officers or directors. In addition, in the ordinary course of business, Citi may use the products or services of organizations in which some of our Directors are officers or directors.

The persons listed on page 98 of this Proxy Statement are the current members of the Personnel and Compensation Committee. No current or former member of the Personnel and Compensation Committee was a part of a "compensation committee interlock" during fiscal year 2018 as described under SEC rules. In addition, none of our executive officers served as a director or member of the compensation committee of another entity that would constitute a "compensation committee interlock." No member of the Personnel and Compensation Committee had any material interest in a transaction with Citi or is a current or former officer of Citi, and no member of the Personnel and Compensation Committee is a current employee of Citi or any of its subsidiaries. In addition, no member of the Board, or any immediate family member of the Board, engaged FW Cook for any compensation-related services in 2018.

Mr. Corbat has entered into an Aircraft Time Sharing Agreement with Citigroup Inc. that allows him to reimburse Citi for the cost of his personal use of corporate aircraft based on the aggregate incremental cost of the flight to Citi. Aggregate incremental cost is calculated based on a cost-per-flight-hour charge developed by a nationally recognized and independent service or, if higher, the charge allowed under Federal Aviation Regulation 91.501(d). Mr. Corbat reimbursed Citi \$223,132 related to his personal use of corporate aircraft during 2018.

An adult child of Mr. Humer, a Director, has been employed by Citi since 2010 and is currently employed by Citi's Institutional Clients Group. He received 2018 compensation of \$951,239. A sibling of Sara Wechter, the Head of Human Resources, has been employed by Citi since 2008, first as an intern and then, beginning in 2010, as a full-time employee. She is employed by the Consumer Banking Group and received 2018 compensation of \$479,139. An adult child of John Gerspach, Citi's former CFO, has been employed by Citi since 2009 and is currently employed in Citi's Compliance Group. He received 2018 compensation of \$154,765. The compensation for these employees was established by Citi in accordance with its employment and compensation practices applicable to employees with equivalent qualifications and responsibilities and holding similar positions. These individuals do not have an interest in the employment relationship of, nor do they share a household with, their respective family members who are employees of Citi.

[www.citigroup.com](http://www.citigroup.com)

---

## **Table of Contents**

### CORPORATE GOVERNANCE

#### Indebtedness

Other than certain “grandfathered” margin loans, in accordance with Sarbanes-Oxley and the Citi Corporate Governance Guidelines, no margin loans may be made to any executive officer unless such person is an employee of a broker-dealer subsidiary of Citi and such loan is made in the ordinary course of business.

Certain transactions in excess of \$120,000 involving loans, deposits, credit cards, and sales of commercial paper, certificates of deposit, and other money market instruments and certain other banking transactions occurred during 2018 between Citibank, N.A. and other Citi banking subsidiaries on the one hand, and certain Directors or executive officers of Citi, members of their immediate families, corporations or organizations of which any of them is an executive officer or partner or of which any of them is the beneficial owner of 10% or more of any class of securities, or associates of the Directors, the executive officers or their family members, on the other. The transactions were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, that prevailed at the time for comparable transactions with other persons not related to the lender and did not involve more than the normal risk of collectability or present other unfavorable features. Personal loans made to any Director or an executive officer must comply with Sarbanes-Oxley, Regulation O, and the Corporate Governance Guidelines, and must be made in the ordinary course of business.

#### Business Practices Committees

The business practices committees, which are composed of our most senior executives, provide the guidance necessary for Citi's business practices to meet the highest standards of professionalism, integrity, and ethical behavior consistent with Citi's Mission and Value Proposition. The business practices committees for the corporate level and each of Citi's businesses and regions review business activities, transactions, sales practices, product design, potential conflicts of interest, and other franchise or reputational risk issues escalated to these committees.

Business practices concerns may be raised through a variety of sources, including business practices working groups, other in-business committees, or the control functions. Relevant issues from the business practices committees are reported on a regular basis to the Nomination, Governance and Public Affairs Committee of the Board.

#### Ethics and Culture

At Citi, our mission is to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress.

We foster a culture of ethics through our governance framework, programs and efforts that embed our culture and expectations for behavior throughout the organization, and collaboration with key stakeholders outside Citi to improve Citi's and the banking industry's culture.

#### Governance over Culture

The cornerstone of our approach to culture is our governance framework, which begins with a strong “tone from the top” starting with the Citigroup Board of Directors. In 2014, Citi's Board established a standing Ethics and Culture Committee of the Board to oversee senior management's ongoing efforts to foster a culture of ethics throughout Citi. For more information, please see the Ethics and Culture Committee Charter, which is set forth on Citi's website at [www.citigroup.com](http://www.citigroup.com).

[Citi 2019 Proxy Statement](#)

---

## **Table of Contents**

### **CORPORATE GOVERNANCE**

With oversight from the Ethics and Culture Committee, senior management has undertaken a number of efforts in support of Citi's culture, including developing Citi's Mission and Value Proposition and Leadership Standards. On an ongoing basis, the Ethics and Culture Committee remains responsible for overseeing senior management's efforts to reinforce and enhance a culture of ethics within Citi, which includes:

Overseeing efforts to enhance and communicate Citi's Mission and Value Proposition, evaluating management's progress, and providing feedback on these efforts;

Reviewing and assessing Citi's culture to determine if further enhancements are needed to foster ethical decision-making by employees and overseeing efforts to support ethical decision-making by employees; and

Reviewing Citi's Code of Conduct and Code of Ethics for Financial Professionals.

### **Programs and Efforts that Embed Culture**

To promote ethical conduct and enhance Citi's culture, Citi focuses on empowering individuals by establishing global policies, programs, and processes that embed our values throughout the organization and guide and support our employees in making ethical decisions and adhering to Citi's standards of conduct. Under the oversight of and with input and feedback from the Ethics and Culture Committee, senior management has prioritized a number of efforts to further embed our values and conduct expectations into the organization. The following are a few examples of our programs and associated efforts to set, reinforce, and embed our culture at Citi:

**Communications and awareness efforts concerning our Mission and Value Proposition**, including Citi-wide videos from senior management articulating our core principles and providing examples of these principles in action.

**Embedding the Leadership Standards into key aspects of our employee life cycle**, such as hiring and performance reviews.

**Training of employees on key culture-related themes**, including on our Code of Conduct, ethical decision-making, and the importance of leadership.

### **Code of Ethics for Financial Professionals**

The Citi Code of Ethics for Financial Professionals applies to Citi's Chief Executive Officer (Principal Executive Officer), Chief Financial Officer (Principal Financial Officer), Controller (Principal Accounting Officer), and all finance professionals and administrative staff in a finance role, including Controllers, Finance & Risk Shared Services, Finance and Risk Infrastructure, Financial Planning & Analysis and Strategy, Treasury, Tax, M&A, Investor Relations, and the Regional/Business teams. Citi expects all of its employees to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules, and regulations, to deter wrongdoing, and abide by the Citi Code of Conduct and other policies and procedures adopted by Citi that govern the conduct of its employees. The Code of Ethics for Financial Professionals is intended to supplement the Citi Code of Conduct. A copy of the Code of Ethics for Financial Professionals is available on our website at [www.citigroup.com](http://www.citigroup.com). Click on "About Us," then "Corporate Governance," and then "Code of Ethics for Financial Professionals." We will disclose amendments to, or waivers from, the Code of Ethics for Financial Professionals, if any, on our website.

### **Ethics Hotline**

Citi expects employees to raise concerns or questions regarding ethics, discrimination or harassment matters, and to promptly report suspected violations of law, regulation, rule, or breaches of Citi policy, procedure, standard, or the Citi Code of Conduct. Citi offers several channels by which employees and others may report ethical concerns, including concerns about accounting, internal controls, or auditing matters. We provide a global Ethics Hotline, a toll-free number that is available 24 hours a day, seven days a week, 365 days a year, and is staffed by live operators who can connect to translators to accommodate multiple languages.

[www.citigroup.com](http://www.citigroup.com)

---

## **Table of Contents**

### **CORPORATE GOVERNANCE**

Calls to the Ethics Hotline are received by a third-party vendor, located in the United States, which reports the calls to the Citi Ethics Office for handling. Ethical concerns may also be reported through a dedicated e-mail address, multilingual website submission, fax line, and conventional mailing address. Any individual may also raise a concern by accessing Citi's public-facing corporate website. Individuals may choose to remain anonymous to the extent permitted by applicable laws and regulations. We prohibit retaliatory actions against anyone who raises concerns or questions in good faith, or who participates in a subsequent investigation of such concerns. The Ethics Office reports on concerns it receives via the Citi Ethics Hotline to the Audit Committees of the Board of Directors of Citigroup Inc. and Citibank, N.A. on a quarterly basis.

### **Code of Conduct**

The Board has adopted a Code of Conduct, which provides an overview of the laws, regulations, and Citi policies and procedures applicable to the activities of Citi, and sets forth Citi's Mission and Value Proposition, as well as the standards of ethics and professional behavior expected of employees and representatives of Citi. The Code of Conduct applies to every director, officer, and employee of Citi and its consolidated subsidiaries. All Citi employees, directors, and officers are required to read and comply with the Code of Conduct. In addition, other persons performing services for Citi may be subject to the Code of Conduct by contract or other agreement. The Code of Conduct is publicly available in multiple languages at [www.citigroup.com](http://www.citigroup.com). Click on [About Us](#), then [Corporate Governance](#), and then [Code of Conduct](#).

### **Communications with the Board**

Stockholders or other interested parties who wish to communicate with a member or members of the Board, including the Chair or the non-management Directors as a group, may do so by addressing their correspondence to the Board member or members, c/o the Corporate Secretary, Rohan Weerasinghe, Citigroup Inc., 388 Greenwich Street, New York, NY 10013. The Board of Directors has approved a process pursuant to which the office of the Corporate Secretary will review and forward correspondence to the appropriate person or persons for response.

[Citi 2019 Proxy Statement](#)

---

Table of Contents**Stock Ownership**

Citi has long encouraged stock ownership by its Directors, officers, and employees to align their interests with the long-term interests of stockholders. The Board and executive officers are subject to a stock ownership commitment, which requires these individuals to maintain a minimum ownership level of Citigroup stock. Executive officers are required to retain at least 75% of the equity awarded to them as incentive compensation (net of amounts required to pay taxes and option exercise prices) as long as they are executive officers. In addition, a stock holding period applies after the executive officer leaves Citi, or is no longer an executive officer. He or she must retain, for one year after ending executive officer status, 50% of the shares previously subject to the stock ownership commitment. Directors are similarly required to retain at least 75% of the net equity awarded to them, further aligning their interests with stockholders. The Board may revise the terms of the stock ownership commitment from time to time to reflect legal and business developments warranting a change. In addition, Directors and executive officers may not enter into hedging transactions in respect of Citi's common stock or other securities issued by Citi, including securities granted by the Company to the Director or executive officer as part of his or her compensation and securities purchased or acquired by the Director or executive officer in a non-compensatory transaction.

The following table shows the beneficial ownership of Citi common stock by our Directors, nominee, named executive officers, current CFO, and Directors and executive officers as a group at February 23, 2019. For purposes of this table, "beneficial ownership" is determined in accordance with Rule 13d-3 under the Exchange Act, pursuant to which a person, or group of persons, is deemed to have "beneficial ownership" of any shares of common stock that such person has the right to acquire within 60 days of the date of determination.

**BENEFICIAL OWNERSHIP TABLE**

Name	Common Stock Beneficially Owned Excluding Options <sup>(1)</sup>	Options Exercisable Within 60 days	Owned by or Tenant in Common with Family Member, Trust, or Mutual Fund <sup>(2)</sup>	Total Beneficial Ownership <sup>(3)</sup>	Receipt Deferred <sup>(4)</sup>	Total Ownership <sup>(5)</sup>
Stephen Bird	170,674	—	95,000	265,674	120,952	386,626
Michael L. Corbat	325,778	—	1,781	327,559	273,968	601,527
Ellen M. Costello	15,885	—	—	15,885	2,402	18,287
Barbara J. Desoer	44,754	—	—	44,754	80,222	124,976
John D. Dugan	2,516	—	—	2,516	2,402	4,918
James A. Forese	361,856	—	—	361,856	221,764	583,620
Jane Nind Fraser	37,687	—	—	37,687	99,297	136,984
John Gerspach*	152,183	—	125,601	277,784	125,878	403,662
Duncan P. Hennes	15,624	—	—	15,624	2,402	18,026
Peter B. Henry	18,287	—	—	18,287	2,402	20,689
Franz B. Humer	23,206	—	—	23,206	600	23,806
S. Leslie Ireland	2,566	—	—	2,566	2,402	4,968
Lew W. (Jay) Jacobs, IV	1,037	—	1,179	2,216	2,402	4,618
Renée J. James	8,926	—	—	8,926	2,402	11,328
Mark Mason**	276	—	—	276	60,928	61,204
Eugene M. McQuade	126,279	—	3,098	129,377	2,402	131,779
Gary M. Reiner	28,544	—	—	28,544	2,402	30,946
Anthony M. Santomero	38,159	—	—	38,159	600	38,759
Diana L. Taylor	31,619	—	—	31,619	2,402	34,021
James S. Turley	16,750	—	—	16,750	2,402	19,152
Deborah C. Wright	4,693	—	—	4,693	2,402	7,095
Ernesto Zedillo Ponce de Leon	30,209	—	—	30,209	2,402	32,611
<b>Total (29 Directors and Executive Officers as a group)</b>	<b>1,663,290</b>	<b>—</b>	<b>422,513</b>	<b>2,085,803</b>	<b>1,424,879</b>	<b>3,510,682</b>

\* Retired as Chief Financial Officer on February 22, 2019.

\*\* Chief Financial Officer as of February 23, 2019.

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents**

**STOCK OWNERSHIP**

The stock reported for certain Directors in this column includes deferred common stock, which is fully vested and which the Director or Directors (1) have the right to acquire within 60 days.

Stock held as a tenant-in-common with a family member or trust, owned by a family member, held by a trust for which the Director or executive (2) officer is a trustee but not a beneficiary, or held by a mutual fund which invests substantially all of its assets in Citi common stock.

At February 23, 2019, no Director or executive officer beneficially owned more than 1% of Citi's outstanding common stock. At February 23, (3) 2019, all of the Directors and executive officers as a group beneficially owned approximately 0.09% of Citi's common stock.

Amounts represent Directors' deferred common stock. The deferred common stock becomes distributable approximately on the second anniversary of the date of grant; however, if a Director retired or resigned from the Board during the year when the award was granted, the (4) Director would forfeit a pro rata portion of the award. Amounts also represent, as applicable, unvested shares of executive officers.

(5) Total Ownership reflects the amount represented in the Section 16 filings of the relevant Director or executive officer.

Mr. Reiner also owns 485 depository shares of Citi's 5.9% Fixed Rate/Floating Rate Noncumulative Preferred Stock, Series B, which represents 0.065% of such series of preferred stock.

**OWNERS OF MORE THAN 5% OF CITI COMMON STOCK**

Name and Address of Beneficial Owner	Beneficial Ownership	Percent of Class
BlackRock, Inc. <sup>(a)</sup> 55 East 52nd Street, New York, NY 10055	172,569,709	7.1%
The Vanguard Group, Inc. <sup>(b)</sup> 100 Vanguard Blvd., Malvern, PA 19355	179,143,858	7.33%

Based on the Schedule 13G filed with the SEC on February 11, 2019 by BlackRock, Inc. and certain subsidiaries, BlackRock reported that it had sole voting power over 150,855,815 shares and had sole dispositive power over 172,569,709 shares. The Schedule 13G states that the shares are beneficially owned by funds and accounts managed by BlackRock and any economic interests of the securities covered are held by

(a) BlackRock for the benefit of the funds and accounts and not for BlackRock's own account.

Based on the Schedule 13G filed with the SEC on February 11, 2019 by Vanguard and certain subsidiaries, Vanguard reported that it had sole voting power over 2,870,416 shares; sole dispositive power over 175,778,663 shares; shared voting power over 558,273 shares; and shared dispositive power over 3,365,195 shares. Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 2,071,666 shares or .08% of Citi's common stock as a result of its serving as investment manager of collective trust accounts. In addition, Vanguard Investments Australia, Ltd., a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of

(b) 2,062,626 shares or .08% of Citi's common stock as a result of its serving as investment manager of Australian investment offerings.

[Citi 2019 Proxy Statement](#)



**Table of Contents**

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires Citi's Section 16 officers and Directors, and persons who own more than 10% of a registered class of Citi's equity securities, to file reports of ownership and changes in ownership with the SEC and the NYSE, and to furnish Citi with copies of the forms. Based on its review of the forms it received, or written representations from reporting persons, Citi believes that, during 2018, each of its Section 16 officers and Directors complied with all such filing requirements.

**Proposal 1: Election of Directors**

The Board has nominated all of the current Directors for re-election at the 2019 Annual Meeting, except for Mr. Humer and Mr. Santomero, who will not stand for re-election to the Board having reached the retirement age under Citi's Corporate Governance Guidelines. Directors are not eligible to stand for re-election after reaching the age of 72. Mr. O'Neill retired from the Board on January 1, 2019 having reached the retirement age. Mr. Santomero will retire from the Board on April 1, 2019 and Mr. Humer will retire from the Board on April 16, 2019. Mr. Jacobs was elected by the Board in June 2018. Mr. Jacobs was identified as a potential Director by Egon Zehnder, the Board's nominating consultant and by a retired Board member. In addition, the Board has nominated Ms. Desoer for election to the Board at the 2019 Annual Meeting. Ms. Desoer was recommended as a candidate for election to the Citigroup Board by her fellow directors on the Citibank Board, all of whom are members of Citi's Board. If elected, each nominee will hold office until the 2020 Annual Meeting or until his or her successor is elected and qualified.

**Director Criteria and Nomination Process**

The Nomination, Governance and Public Affairs Committee considers all qualified candidates identified by members of the Nomination, Governance and Public Affairs Committee, by other members of the Board, by senior management, and by security holders. During 2018, the Committee engaged Egon Zehnder to assist in identifying and evaluating potential nominees. Stockholders who would like to propose a Director candidate for consideration by the Nomination, Governance and Public Affairs Committee may do so by submitting the candidate's name, résumé, and biographical information to the attention of the Corporate Secretary, Rohan Weerasinghe, Citigroup Inc., 388 Greenwich Street, New York, New York 10013. All proposals for nominations received by the Corporate Secretary will be presented to the Committee for its consideration.

In considering the composition of the Board of Directors, the Nomination, Governance and Public Affairs Committee inventories the categories of risks faced by Citi, given its size, business mix, and geographical presence, and seeks to identify candidates with the skills and experience necessary to enable the Board of Directors to provide proper oversight of those risks. The Nomination, Governance and Public Affairs Committee also takes Director tenure into consideration when making Director nomination decisions and believes that it is desirable to maintain a mix of longer-tenured, experienced Directors and newer Directors with fresh perspectives. The Nomination, Governance and Public Affairs Committee and the Board also believe that longer-tenured, experienced Directors are a significant strength of the Board, given the large size of our Company, the breadth of our product offerings, and the international scope of our organization. The Board's composition, and the individuals nominated for consideration by stockholders, are the result of careful consideration by the Committee of the correspondence between the risk inventory and skills and experience of the Board members and candidates. In addition to the ability

[www.citigroup.com](http://www.citigroup.com)

---



## **Table of Contents**

### **PROPOSAL 1: ELECTION OF DIRECTORS**

to assist the Board in its oversight of a particular risk or risks, as more fully described in each nominee's biography, the members of the Board are assessed based on a variety of factors, including the following criteria, which have been developed by the Nomination, Governance and Public Affairs Committee and approved by the Board:

Whether the candidate has exhibited behavior that indicates he or she is committed to the highest ethical standards;

Whether the candidate has had business, governmental, non-profit or professional experience at the chair, chief executive officer, chief operating officer, or equivalent policy-making and operational level of a large organization with significant international activities across many regulatory jurisdictions and regions that indicates that the candidate will be able to make a meaningful and immediate contribution to the Board's discussion of and decision-making on the array of complex issues facing a large financial services business that operates on a global scale;

Whether the candidate has special skills, expertise and background that would complement the attributes of the existing Directors, taking into consideration the diverse communities and geographies in which the Company operates;

Whether the candidate has the financial expertise required to provide effective oversight of a diversified financial services business that operates on a global scale;

Whether the candidate has achieved prominence in his or her business, governmental, or professional activities and has built a reputation that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make;

Whether the candidate will effectively, consistently, and appropriately take into account and balance the legitimate interests and concerns of all of the Company's stockholders and other stakeholders in reaching decisions, rather than advancing the interests of a particular constituency;

Whether the candidate possesses a willingness to challenge management while working constructively as part of a team in an environment of collegiality and trust; and

Whether the candidate will be able to devote sufficient time and energy to the performance of his or her duties as a Director.

Application of these factors involves the exercise of judgment by the Nomination, Governance and Public Affairs Committee and the Board.

Based on its assessment of each candidate's independence, skills and qualifications and the criteria described above, the Nomination, Governance and Public Affairs Committee will make recommendations regarding potential Director candidates to the Board.

The Nomination, Governance and Public Affairs Committee follows the same process and uses the same criteria for evaluating candidates proposed by stockholders, members of the Board of Directors, and members of senior management. For the 2019 Annual Meeting, Citi did not receive notice from any stockholders regarding a nomination to the Board of Directors.

## **Director Qualifications**

The nominees for the Board of Directors each have the qualifications and experience to approve and guide Citi's strategy and to oversee management's execution of that strategic vision. Citi's Board of Directors consists of individuals with the skills, experience, and backgrounds necessary to oversee Citi's efforts toward becoming a simpler, smaller, safer, and stronger financial institution, while mitigating risk and operating within a complex financial and regulatory environment.

The nominees listed below are leaders in business, the financial community, and academia because of their intellectual acumen and analytic skills, strategic vision, ability to lead and inspire others to work with them, and records of outstanding accomplishments over a period of decades. Each has been chosen to stand for election in part because of his or her ability and willingness to ask difficult questions, understand Citi's unique challenges, and evaluate the strategies proposed by management, as well as their implementation.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**PROPOSAL 1: ELECTION OF DIRECTORS**

Each of the nominees has a long record of professional integrity, a dedication to his or her profession and community, a strong work ethic that includes a commitment to coming fully prepared to meetings and being willing to spend the time and effort needed to fulfill professional obligations and the ability to maintain a collegial environment.

Many of our nominees are either current or former chief executive officers or chairs of other large international corporations or have experience operating large, complex academic or governmental departments. As such, they have a deep understanding of, and extensive experience in, many of the areas that are outlined below as being of critical importance to Citi's proper operation and success. For the purposes of its analysis, the Board has determined that nominees who have served as a chief executive officer or a chair of a major corporation or large, complex institution have extensive experience with financial statement preparation, compensation determinations, regulatory compliance (if their businesses are or were regulated), corporate governance, public affairs, and legal matters.

In evaluating the composition of the Board, the Nomination, Governance and Public Affairs Committee seeks to find and retain individuals who, in addition to having the qualifications set forth in Citi's Corporate Governance Guidelines, have the skills, experience and abilities necessary to meet Citi's unique needs as a highly regulated financial services company with operations in the corporate and consumer businesses within the United States and more than 100 countries around the globe. The Committee has determined it is critically important to Citi's proper operation and success that its Board has, in addition to the qualities described above, expertise and experience in the following areas:

Citi's Personnel and Compensation Committee is responsible for determining the compensation of the CEO and approving the compensation of other executive officers of the Company and members of Citi's Operating Committee. In order to properly carry out its responsibilities with respect to compensation, Citi's Board must include members who have experience evaluating the structure of compensation for senior executives. They must understand the various forms of compensation that can be utilized, the purpose of each type and how various elements of compensation can be used to motivate and reward executives and drive performance, while not encouraging imprudent risk-taking or simply having short-term goals.

With more than 200 million customer accounts, Citi provides services to its retail customers in connection with its retail banking, private banking, credit cards, real estate lending, personal loans, investment services, small- and middle-market commercial banking, and other financial services. Citi looks to its Board members with extensive consumer experience to assist it in evaluating its business model and strategies for reaching and servicing its retail customers domestically and around the world. Citi is a global diversified bank whose businesses provide a broad range of financial services to consumer and institutional customers, making it critically important that its Board include members who have deep financial services backgrounds.

Citi's reputation is a vital asset in building trust with its clients and other stakeholders, and Citi makes every effort to communicate its corporate values to its stockholders and clients, its achievements in the areas of corporate social responsibility, sustainability, and philanthropy, and its efforts to improve the communities in which we live and work. Members of the Board with experience in the areas of corporate affairs, philanthropy, community development, communications, and corporate social responsibility assist management by reviewing Citi's policies and programs that relate to significant public issues, including environmental, social and governance factors, as well as by reviewing Citi's relationships with external stakeholders and issues that impact Citi's reputation.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

**PROPOSAL 1: ELECTION OF DIRECTORS**

Citi aspires to the highest standards of corporate governance and ethical conduct: doing what we say, reporting results with accuracy and transparency, and maintaining compliance with the laws, rules, and regulations that govern the Company's businesses. The Board is responsible for shaping corporate governance policies and practices, including adopting the corporate governance guidelines applicable to the Company and monitoring the Company's compliance with governance policies and the guidelines. To carry out these responsibilities, the Board must include experienced leaders in the area of corporate governance who must be familiar with governance issues, the constituencies most interested in those issues, and the impact that governance policies have on the functioning of a company.

Citi's internal controls over financial reporting are designed to ensure that Citi's financial reporting and its financial statements are prepared in accordance with generally accepted accounting principles. While the Board and its committees are not responsible for preparing our financial statements, they have oversight responsibility, including the selection of outside independent auditors, subject to stockholder ratification, and lead engagement partner. The Board must include members with direct or supervisory experience in the preparation of financial statements, as well as finance, audit, and accounting expertise.

Citi provides a wide variety of services to its corporate clients, including strategic and financial advisory services, such as mergers, acquisitions, financial restructurings, loans, foreign exchange, cash management, underwriting and distributing equity, and debt and equity derivative services, markets and securities services, retail structured products, liquidity management, treasury and trade solutions and securities and fund services. With a corporate business as extensive and complex as Citi's, it is crucial that members of the Board have the depth of understanding and experience necessary to guide management's conduct of these lines of business.

As a company with a broad international reach, Citi's Board values the perspectives of Directors with international business or governmental experience or expertise in global economics. Citi's presence in markets outside the United States is an important competitive advantage for Citi, because it allows us to serve U.S. and foreign businesses and individual clients whose activities span the globe. Directors with international business experience can use the experience that they have developed through their own business dealings to assist Citi's Board and management in understanding and successfully navigating the business, political, and regulatory environments in countries in which Citi does or seeks to do business. Directors with global economics expertise can help guide Citi management in understanding the challenges faced by other markets and in developing its global strategy.

In addition to the regulatory supervision described below, Citi is subject to myriad laws and regulations and is party to legal actions and regulatory proceedings from time to time. Citi's Board has an important oversight function with respect to compliance with applicable requirements, monitors the progress of legal proceedings, and evaluates major settlements. Citi's Board must include members with experience in regulatory compliance, as well as an understanding of complex litigation and litigation strategies.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**PROPOSAL 1: ELECTION OF DIRECTORS**

Citi has a long history as a technology innovator—Citibank, N.A. was one of the first banks to offer automatic teller machines for its customers during the 1970s. Since then, Citi has continued to leverage new technologies to deliver enhanced products and services to its clients and customers such as online banking, mobile and tablet banking, and mobile check deposit. In addition, Citi deploys new technology and platform innovations to gather, process, analyze, and provide information to execute transactions and meet the needs of its clients and customers. In this context, Citi must be able to access reliable data to ensure that it complies with regulatory requirements, including anti-money laundering and sanctions, and to meet other information security and control objectives. Citi must ensure that its operations are efficient and there is a continuous focus on enhancing productivity to meet its operational and strategic goals. The Board must include members who have knowledge and experience in technology, including such technology-centric issues as cybersecurity, data privacy and data management, and the changing supervisory and regulatory technology landscape. Members of the Board must be qualified to provide oversight of the development and maintenance of Citi's technology platforms; Citi's compliance with regulatory requirements; Citi's operational efficiency and productivity strategies; the operations and reliability of Citi's systems; and the protection of client and customer data.

Citi and its subsidiaries are regulated and supervised by numerous regulatory agencies, both domestically and internationally, including in the U.S. the Federal Reserve Board, the Office of the Comptroller of the Currency, the FDIC, the Consumer Financial Protection Bureau, and state banking and insurance departments, as well as international financial services authorities. Having Directors with experience interacting with regulators or operating businesses subject to extensive regulation is important to furthering Citi's continued compliance with its many regulatory requirements and fostering productive relationships with its regulators. Several of Citi's Board members have experience with ethics and compliance and building an effective, values-based ethics and compliance program.

Risk management is a critical function of a complex global financial services company and its proper supervision requires Board members with sophisticated risk management skills and experience. Directors provide oversight of the Company's risk management framework, including the significant policies, procedures, and practices used in managing credit, market, and certain other risks, including liquidity, capital, and balance sheet risks, as well as capital markets risks, and review recommendations by management regarding risk mitigation. Given increased cybersecurity threats, Citi's Board must have members who have sufficient experience to enable them to oversee management's efforts to monitor, detect and prevent cyber threats to Citi. Citi's Board must include members with risk expertise to assist Citi in its efforts to properly identify, measure, monitor, report, analyze, and control or mitigate risk.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

**PROPOSAL 1: ELECTION OF DIRECTORS**

**The Nominees**

The following tables give information provided by the nominees about their principal occupation, business experience, and other matters.

Each nominee's biography highlights his or her particular skills, qualifications, and experience that support the conclusion of the Nomination, Governance and Public Affairs Committee that the nominee is extremely qualified to serve on Citi's Board.

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

Director of Citigroup  
since 2012

Other Directorships:  
None

Previous Directorships within the last five years:  
None

**Other Activities:**

The Clearing House Association (Chairman of the Supervisory Board), Financial Services Forum (Vice Chairman), Bank Policy Institute (Permanent Board Member), The Partnership for New York City (Executive Committee Member), The Business Council (Member), Business Roundtable (Member), International Business Council of WEF (Member), and The U.S. Ski & Snowboard Team Foundation (Trustee)

**Chief Executive Officer  
Citigroup Inc.**

- Chief Executive Officer, Citigroup Inc. – October 2012 to Present
- Chief Executive Officer, Europe, Middle East, and Africa – December 2011 to October 2012
- Chief Executive Officer, Citi Holdings – January 2009 to December 2011
- Chief Executive Officer, Citi's Global Wealth Management – September 2008 to January 2009
- Head of Global Corporate Bank and Global Commercial Bank – March 2008 to September 2008
- Head of Global Corporate Bank – April 2007 to March 2008
- Head of Global Relationship Bank – March 2004 to April 2007
- Head of EM Sales & Trading and Capital Markets, FICC – October 2001 to March 2004
- Head of EM Sales & Fixed Income Origination – March 1988 to October 2001

**Skills and Qualifications**

Mr. Corbat is an experienced financial services executive and finance professional, and has been nominated to serve on the Board because of his extensive experience and expertise in the areas of Financial Services, Risk Management, Financial Reporting, Institutional Business, Corporate and Consumer Businesses, Regulatory and Compliance, and Corporate Affairs. In his role as Chief Executive Officer of Citigroup Inc., his prior position as Citi's CEO of Europe, Middle East, and Africa, and his extensive career at Citi he has gained experience in all of Citi's business operations, including consumer banking, corporate and investment banking, securities and trading, and private banking services. In these roles, Mr. Corbat has gained extensive financial services, financial reporting, corporate business, and risk management experience. Additionally, in his role as CEO of Citi Holdings, Citi's

## Edgar Filing: CITIGROUP INC - Form DEF 14A

portfolio of non-core businesses and assets, he oversaw the divestiture of more than 40 businesses, including the IPO and sale of Citi's remaining stake in Primerica. Mr. Corbat also successfully oversaw the restructuring of Citi's consumer finance and retail partner cards businesses and divested more than \$500 billion in assets, reducing risk on the Company's balance sheet and freeing up capital to invest in Citi's core banking business.

### Primary Qualifications

Financial Reporting  
Institutional Business  
Regulatory and Compliance  
Risk Management

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

PROPOSAL 1: ELECTION OF DIRECTORS

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

Director of Citigroup  
since 2016

Director of Citibank, N.A.  
since 2016

Other Directorships:  
Diebold Nixdorf, Inc.

Previous Directorships within the last five years:  
DH Corporation

Other Activities:

Chicago Council on Global Affairs (Board) and The Economic Club of Chicago (Member)

**Former President, Chief Executive Officer, BMO Financial Corporation and Former U.S. Country Head, BMO Financial Group**

President and CEO, BMO Financial Corporation and U.S. Country Head, BMO Financial Group – 2011 to 2013

Group Head, Personal and Commercial Banking, U.S. and President and Chief Executive Officer, BMO Harris Bank N.A., BMO Financial Group – 2006 to 2011

Vice Chairman and Head, Securitization and Credit Investment Management, Merchant Banking and Head of N.Y. Office, Capital Markets Group, BMO Financial Group – 2000 to 2006

Executive Vice President, Strategic Initiatives, Capital Markets Group, BMO Financial Group – 2000

Executive Vice President and Head, Global Treasury Group, BMO Financial Group – 1997 to 1999

Senior Vice President and Deputy Treasurer, Global Treasury Group, BMO Financial Group – 1995 to 1997

Managing Director and Regional Treasurer, Asia Pacific, Global Treasury Group, BMO Financial Group – 1993 to 1994

Managing Director and Head, North American Financial Product Sales, Global Treasury Group, BMO Financial Group – 1991 to 1993

**Skills and Qualifications**

Ms. Costello is an accomplished financial services executive and through her prominent roles in the areas of Financial Services, Risk Management, Institutional and Consumer Businesses, Financial Reporting, Operations and Technology, and Regulatory and Compliance, has been nominated to serve on the Board. Because Citi is an international financial services company with both consumer and institutional businesses, having former banking executives with extensive banking experience, like Ms. Costello, as Board members enables the Board to provide knowledgeable oversight to its business and regulatory activities. In her 30 years at BMO Financial Group, a global financial institution, Ms. Costello acquired extensive experience in personal and commercial banking, wealth management and capital markets businesses in Canada, Asia, and the U.S. In her roles in Global Treasury and Global Capital Markets, she gained experience in corporate, institutional and investment banking, securities, trading and asset management. As CEO of BMO Harris Bank N.A., Ms. Costello gained experience in personal and commercial banking, strategic planning, marketing, regulatory compliance, financial reporting, and personnel matters. Additionally, as CEO of BMO Financial Corporation and U.S. Country Head of BMO Financial Group, she gained further experience in regulatory compliance, including capital and resolution planning, risk management, and governance. Her prior board service at DH Corporation and her current board service at Diebold Nixdorf provide her with experience in global operations and financial technologies businesses. Ms. Costello's extensive financial services background also adds significant value to Citi's and Citibank's relationships with various regulators and stakeholders.

**Primary Qualifications**

Consumer Business and Financial Services

Edgar Filing: CITIGROUP INC - Form DEF 14A

Financial Reporting  
Operations and Technology  
Risk Management

[www.citigroup.com](http://www.citigroup.com)

---



**Table of Contents**

[PROPOSAL 1: ELECTION OF DIRECTORS](#)

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

[New Nominee](#)

[Other Directorships:](#)

DaVita Inc.

[Previous Directorships within the last five years:](#)

None

[Other Activities:](#)

Board of Visitors of the University of California, Berkeley (Member)

**[Chief Executive Officer, Citibank, N.A.\\*](#)**

Chief Executive Officer, Citibank, N.A. – April 2014 to April 2019

Chief Operating Officer, Citibank, N.A. – October 2013 to April 2014

President, Bank of America Home Loans, Bank of America – 2008 to 2012

Global Technology & Operations Executive, Bank of America – 2004 to 2008

**[Skills and Qualifications](#)**

Ms. Desoer has been nominated to serve on the Board because of her significant insight into the financial services industry, including client services, and extensive expertise in financial management, risk management and the management of regulatory issues at large financial institutions. She has over 40 years of large bank experience, as the CEO of Citibank, N.A. for five years and a 35-year career at Bank of America, serving in such roles as the President of Bank of America Home Loans and as a Global Technology & Operations Executive. Ms. Desoer's knowledge of and experience in the financial services industries qualifies her to serve on Citi's Board. Her primary qualifications are in the following areas: Consumer Business and Financial Services through her roles at Citibank, N.A. and Bank of America; Operations and Technology experience while serving as a Global Technology & Operations Executive at the Bank of America where she enabled growth and innovation through technology; Regulatory and Compliance through her service as the CEO of Citibank, N.A. and previously as the head of Citi's Anti-Money Laundering Program; and Risk Management through her oversight of Citi's Comprehensive Capital Analysis and Review Process and serving on Citibank's Risk Management Committee. Ms. Desoer will be a significant asset to Citi's Board because of her expertise in financial regulation, leadership in the operations of a large global financial institution, and technology and management expertise.

**[Primary Qualifications](#)**

Consumer Business and Financial Services  
Operations and Technology  
Regulatory and Compliance  
Risk Management

\* *Ms. Desoer will retire as CEO of Citibank, N.A. before the Annual Meeting.*

**Table of Contents**

**PROPOSAL 1: ELECTION OF DIRECTORS**

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

Director of Citigroup  
since 2017

Other Directorships:  
None

Previous Directorships within the last five years:  
None

**Other Activities:**

University of Michigan, "Michigan in Washington" program (Advisory Board)

**Chair**

**Citigroup Inc.**

Chair, Citigroup Inc. – January 2019 to Present

Director, Citigroup Inc. – October 2017 to Present

Partner and Chair, Financial Institutions Group, Covington & Burling LLP – 2011 to 2017

Comptroller of the Currency – 2005 to 2010

Partner (1995 to 2005) and Of Counsel (1993 to 1995), Covington & Burling LLP

Assistant Secretary for Domestic Finance and Deputy Assistant Secretary for Financial Institutions Policy, U.S. Department of the Treasury – 1989 to 1993

Minority General Counsel and Counsel for the U.S. Senate Committee on Banking, Housing, and Urban Affairs – 1985 to 1989

**Skills and Qualifications**

Mr. Dugan is an experienced former banking regulator and former law firm partner and has been nominated to serve on the Board because of his extensive skills and knowledge in the areas of Risk Management, Financial Services, Legal Matters, Corporate Governance, and Regulatory and Compliance. Because Citi operates in a highly regulated industry, having Board members like Mr. Dugan, with valuable expertise and perspective in regulatory, legal, and compliance matters, is vital to enhancing the Board's oversight of the Company. During his tenure as Comptroller of the Currency, Mr. Dugan led the agency through the financial crisis and the ensuing recession that resulted in numerous regulatory, supervisory, and legislative actions for national banks. As a former partner at Covington & Burling LLP, Mr. Dugan advised financial institution clients, including boards of directors, on a range of issues arising from increased regulatory requirements resulting from the financial crisis, including the implementation of the Dodd-Frank Act. In the international arena, Mr. Dugan developed important expertise and insights from serving on the Basel Committee on Banking Supervision as it formulated the "Basel III" regulatory standards; chairing the Joint Forum of banking, securities, and insurance supervisors; performing an active role at the Financial Stability Board; and serving as a member of the Global Advisory Board of Mitsubishi UFJ Financial Group, Inc. Mr. Dugan also developed valuable perspective on accounting issues from his five years of service as Trustee of the Financial Accounting Foundation, which oversees the Financial Accounting Standards Board and the Government Accounting Standards Board.

**Primary Qualifications**

Corporate Governance  
Legal Matters  
Regulatory and Compliance  
Risk Management

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents**

[PROPOSAL 1: ELECTION OF DIRECTORS](#)

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

[Director of Citigroup](#)  
since 2013

[Director of Citibank, N.A.](#)  
since 2013

[Other Directorships:](#)  
RenaissanceRe Holdings Ltd.

[Previous Directorships within the last five years:](#)  
Syncora Holdings, Ltd.

[Other Activities:](#)

Freeman & Co.  
(Advisory Board)

**[Co-Founder and Partner](#)**  
**[Atrevida Partners, LLC](#)**

Co-Founder and Partner, Atrevida Partners, LLC June 2007 to Present  
Co-Founder and Partner, Promontory Financial Group 2000 to 2006  
Chief Executive Officer, Soros Fund Management 1999 to 2000  
Executive Vice President/Treasurer, Bankers Trust Corporation 1987 to 1999  
Audit Manager, Arthur Andersen & Co. 1979 to 1987

**[Skills and Qualifications](#)**

Mr. Hennes is an experienced financial services professional and has been nominated to serve on the Board because of his considerable expertise in the areas of Compensation, Financial Services, Risk Management, Financial Reporting, Institutional Business, and Regulatory and Compliance. Because Citi is an international financial services company with a significant institutional business and a need to ensure proper risk management, having an executive, like Mr. Hennes, with extensive institutional and risk management experience, enables the Board to provide knowledgeable oversight of its institutional business and its risk management function. In his role as the Co-Founder of Atrevida Partners, LLC and his prior experience at Promontory Financial Group and Bankers Trust Corporation, Mr. Hennes has developed wide-ranging skills and experience in financial services, regulatory compliance, corporate and investment banking, and securities and trading. While at Bankers Trust Corporation, Mr. Hennes was Chairman of Oversight Partners I, the consortium of 14 firms that participated in the equity recapitalization of Long-Term Capital Management. As the Chairman of Oversight Partners I, Mr. Hennes gained experience in credit and risk management, and personnel matters. In his capacity as CEO of Soros Fund Management, Mr. Hennes gained experience in investing, operational infrastructure, and trading, including arbitrage activities. Mr. Hennes's experience as a Certified Public Accountant has also given him audit, financial reporting, and risk management expertise.

**[Primary Qualifications](#)**

Compensation  
Institutional Business  
Regulatory and Compliance  
Risk Management

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

[PROPOSAL 1: ELECTION OF DIRECTORS](#)

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

[Director of Citigroup](#)  
since 2015

[Other Directorships:](#)  
Nike, Inc.

[Previous Directorships within the last five years:](#)  
General Electric Company, Kraft Foods Inc. and Kraft Foods Group, Inc. (split into two companies in October 2012)

[Other Activities:](#)

British-American Business Council, National Bureau of Economic Research (Board), The Economic Club of New York (Board), and Federal Reserve Bank of New York (Economic Advisory Panel)

[Dean Emeritus and W. R. Berkley Professor of Economics and Finance  
New York University, Leonard N. Stern School of Business](#)

Dean Emeritus and W. R. Berkley Professor of Economics and Finance, New York University, Leonard N. Stern School of Business  
December 2017 to Present

Dean, New York University, Leonard N. Stern School of Business January 2010 to December 2017

Faculty Member, Stanford University 1997 to 2009

Fellow, National Science Foundation 1993 to 1996

[Skills and Qualifications](#)

Mr. Henry, a leading academic and seasoned international economist, has been nominated to serve on the Board because of his extensive expertise in the areas of International Business or Economics, Financial Services, Risk Management, Financial Reporting, Institutional Business, and Corporate Governance. As a renowned international economist, he shares important perspectives with the Board on emerging markets, which is a focus of Citi's strategy. The experience he gained in his role as Dean of the Leonard N. Stern School of Business enables him to provide an important perspective to the Board's discussions on public affairs, financial, and operational matters. As a member of the Board of Nike, Inc. and its Corporate Responsibility and Sustainability and Governance Committees, Mr. Henry has gained valuable insights about the consumer business environment, sustainability issues, and governance. Mr. Henry's governmental advisory roles, including leadership of President Obama's Transition Team's review of international lending agencies and his service as an economic advisor to governments in developing and emerging markets, have given him valuable insights and perspectives on international business and financial services. Mr. Henry brings to the Board valuable insight in executive leadership at a large private university, including a robust understanding of the issues facing companies and governments in both mature and emerging markets around the world.

[Primary Qualifications](#)

Corporate Governance  
Financial Reporting  
Institutional Business  
International Business or Economics

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

PROPOSAL 1: ELECTION OF DIRECTORS

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

Director of Citigroup  
since 2017

Director of Citibank, N.A.  
since 2017

Other Directorships:  
None

Previous Directorships within the last five years:  
None

**Other Activities:**

Intelligence and National Security Alliance (INSA) (Vice-Chair of the Financial Threats Council) and The Stimson Center (Board)  
**Former Assistant Secretary for Intelligence and Analysis, U.S. Department of the Treasury, and National Intelligence Manager for Threat Finance, Office of the Director of National Intelligence**

Head of the Office of Intelligence and Analysis, U.S. Department of the Treasury 2010 to 2016

National Intelligence Manager for Threat Finance 2010 to 2016

President's Daily Intelligence Briefer 2008 to 2010

Iran Mission Manager 2005 to 2008

Executive Advisor to the Director and Deputy Director on Central Intelligence, CIA – 2004 to 2005

Various Leadership, Staff and Analytical positions (classified), CIA 1985 to 2003

**Skills and Qualifications**

Ms. Ireland, former Assistant Secretary for Intelligence and Analysis for the U.S. Department of the Treasury and National Intelligence Manager for Threat Finance, brings to Citi significant knowledge and expertise from her career in financial intelligence and cybersecurity, both in the U.S. and internationally. Ms. Ireland has been nominated to serve on the Board because of her experience in the areas of Institutional Business, International Business or Economics, Operations and Technology, Regulatory and Compliance, and Risk Management. During her service to the U.S. Government, Ms. Ireland provided global economic and financial intelligence, developed and strengthened infrastructure to protect U.S. national security, and advised and oversaw financial intelligence processes. Ms. Ireland is able to offer insight and perspective to Citi's Board on financial threats faced by organizations in the public and private sectors, including cybersecurity and money laundering. Ms. Ireland's expertise in protecting IT systems from internal and external cybersecurity threats, and setting and evaluating organizational risks, helps enhance the Board's oversight of cybersecurity and risk management practices.

**Primary Qualifications**

Institutional Business  
International Business or Economics  
Operations and Technology  
Risk Management

Citi 2019 Proxy Statement

---

**Table of Contents**

[PROPOSAL 1: ELECTION OF DIRECTORS](#)

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

[Director of Citigroup](#)  
since 2018

[Other Directorships:](#)  
None

[Previous Directorships within the last five years:](#)  
None

[Other Activities:](#)

The Peterson Institute for International Economics (Board Member), Commercial Trust Company (Board Member), Georgetown University (Fellow), and Washington University (Trustee)

[Former President and Managing Director; Pacific Investment Management Company LLC \(PIMCO\)](#)

President and Managing Director; Executive Committee Member, Compensation Committee Member, Global Risk Committee Chair, PIMCO – 2014 to 2017

President (non-executive), Commercial Trust Company – 1998 to Present

Managing Director and Global Head of Human Resources, PIMCO – 2008 to 2014

Managing Director and Head of Fixed Income – Germany, PIMCO – 2006 to 2008

Executive Vice President and Head of Fixed Income – Germany, PIMCO – 2003 to 2006

Executive Vice President (2003), Senior Vice President (2001 to 2003), Vice President (2000 to 2001), and Associate (1998 to 2000), Office of the CEO, PIMCO – 1998 to 2003

[Skills and Qualifications](#)

Mr. Jacobs is an experienced financial services professional and has been nominated to serve on the Board because of his considerable expertise in the areas of Human Resources, Compensation, Financial Reporting, Institutional Business, and Risk Management. Citi is an international financial services company with a significant institutional business and a large diverse workforce and Mr. Jacobs, with extensive human resources experience, enhances the Board's ability to provide knowledgeable oversight of one of its most important elements, its employees. He has been responsible for overseeing and managing executive teams and a sizeable worldwide workforce, developing and marketing of fixed-income products, and aligning financial and strategic initiatives. As a result of this experience, Mr. Jacobs brings to our Board an understanding of the global financial services industry; experience in providing insight and guidance in overseeing executive management, including executive compensation; and oversight of the challenges and risks facing large companies with complex global operations. Mr. Jacobs' finance expertise enables him to provide a critical perspective on operational and financial aspects of the Company, including accounting and corporate finance matters.

[Primary Qualifications](#)

Compensation  
Financial Reporting  
Institutional Business  
Risk Management

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

PROPOSAL 1: ELECTION OF DIRECTORS

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

Director of Citigroup  
since 2016

**Other Directorships:**

Oracle Corporation, Sabre Corporation and Vodafone Group Plc

**Previous Directorships within the last five years:**

VMware, Inc.

**Other Activities:**

President's National Security Telecommunications Advisory Committee (Chair) and University of Oregon (Trustee)

**Chair and CEO, Ampere Computing, and Operating Executive, The Carlyle Group**

Chair and CEO, Ampere Computing – February 2018 to Present

Operating Executive, The Carlyle Group – February 2016 to Present

President, Intel Corporation – 2014 to 2016

Executive Vice President and Head, Group GM Intel Software and Services Business – 2004 to 2013

Group Vice President and Division General Manager, Sales and Marketing; Group and General Manager, Microsoft Program Office, Intel – 2001 to 2004

Division Chief Operating Officer, Intel Online Solutions – 1999 to 2001

Chief of Staff to Intel Chairman and CEO Andrew Grove – 1995 to 1999

**Skills and Qualifications**

Ms. James is a seasoned technology leader with large-scale, broad international operations experience. An accomplished operational executive, Ms. James has been nominated to serve on the Board because of her expertise in the areas of Technology, Risk Management, and International and Consumer Businesses. She is an accomplished technology executive with wide-ranging international experience managing large-scale, complex global operations. Through her 28-year career as a technology executive at Intel and in her current role as Chair and CEO of Ampere Computing, a private technology company, and her role as Operating Executive with the Media and Technology Practice at The Carlyle Group, as well as in her role as the Chair of the National Security Telecommunications Advisory Committee to the President of the United States, Ms. James developed extensive expertise in cybersecurity and emerging technologies. These skills are particularly important to Citi as a member of an industry facing cyber threats and as a company embracing innovation and new technologies. Through her career at Intel and her service on the boards of other prominent international companies (Oracle Corporation, Sabre Corporation, and Vodafone Group Plc), Ms. James has had executive experience with consumer risk management and corporate governance issues.

**Primary Qualifications**

Consumer Business and Financial Services  
International Business or Economics  
Operations and Technology  
Risk Management

Citi 2019 Proxy Statement

---

**Table of Contents**

[PROPOSAL 1: ELECTION OF DIRECTORS](#)

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

[Director of Citigroup Inc.](#)  
since 2015

[Director of Citibank, N.A.](#)  
since 2009

[Other Directorships:](#)  
None

[Previous Directorships within the last five years:](#)  
XL Group, Ltd. (Chairman)

[Other Activities:](#)

Promontory Financial Group (Vice Chairman), a subsidiary of IBM, Boys and Girls Clubs of America (Governor), American Ireland Fund (Director), and Catholic Charities of New York (Chairman)

**[Former Vice Chairman, Citigroup Inc. and Former Chief Executive Officer, Citibank, N.A.](#)**

Vice Chairman, Citigroup Inc. – 2014 to May 2015

Chief Executive Officer, Citibank, N.A. – July 2009 to April 2014

Vice Chairman and President, Merrill Lynch Bank – 2008 to 2009

President and Chief Operating Officer, Freddie Mac – 2004 to 2007

President, Bank of America – 2004

President and Chief Operating Officer, FleetBoston Financial – 2002 to 2004

Vice Chairman and Chief Financial Officer, FleetBoston Financial – 1997 to 2002

**[Skills and Qualifications](#)**

Mr. McQuade is an experienced financial services executive and has been nominated to serve on the Board because of his extensive skills and experience in the areas of Financial Services, Risk Management, Institutional and Consumer Businesses, Financial Reporting, Legal Matters, and Regulatory and Compliance. As the former Chief Executive Officer of Citibank, N.A., he has a deep understanding of all aspects of Citi's institutional and consumer businesses and has managed Citibank's capital structure, regulatory compliance, enterprise risk, and strategic planning. While a member of management, he provided oversight of Citi's CCAR process, which enables him to significantly enhance the Board and the Risk Management Committee's oversight of this process. Mr. McQuade has acquired valuable financial services knowledge and expertise through his service in management positions such as CEO, president, vice chairman, chief financial officer, and chief operating officer of several global, publicly traded financial institutions. He has developed broad experience in consumer banking and commercial banking through his previous experience at Bank of America, FleetBoston Financial, and Merrill Lynch. In addition, his prior board service at XL Group, Ltd. gives him greater insight into the oversight of global operations and regulated businesses. Mr. McQuade's extensive financial services background also adds significant value to Citi's and Citibank's relationships with various regulators and stakeholders.

**[Primary Qualifications](#)**

Consumer Business and Financial Services  
Institutional Business  
Regulatory and Compliance  
Risk Management

[www.citigroup.com](http://www.citigroup.com)



**Table of Contents**

PROPOSAL 1: ELECTION OF DIRECTORS

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

Director of Citigroup  
since 2013

Other Directorships:  
Hewlett Packard Enterprise Company and Box Inc.

Previous Directorships within the last five years:  
None

Other Activities:  
None

**Operating Partner  
General Atlantic LLC**

Operating Partner, General Atlantic LLC – September 2010 to Present  
Senior Vice President and Chief Information Officer, General Electric Company – 1996 to 2010  
Partner, Boston Consulting Group – 1986 to 1991

**Skills and Qualifications**

Mr. Reiner is an experienced executive and has been nominated to serve on the Board because of his experience in the areas of Operations and Technology, Financial Reporting, Compensation, Corporate Governance, and International and Consumer Businesses. In his current role as Operating Partner of General Atlantic LLC, he has continued to broaden his considerable expertise in technology and management. Through his tenure as Chief Information Officer at General Electric, Mr. Reiner gained extensive experience in the management of a large, complex, multinational operation, developing technology innovations, strategic planning, and marketing to an international consumer and institutional customer base. He also has significant knowledge and insight in information technology through his many years of service as a partner of Boston Consulting Group, where he focused on strategic issues for technology businesses and in advising on cybersecurity issues. Mr. Reiner's expertise as an innovative technology leader assists Citi in meeting the operational, technology, and cybersecurity challenges inherent in operating a financial services company in the 21st century. Through his service on the Hewlett Packard Board of Directors, Mr. Reiner has developed additional leadership and corporate governance expertise as the Chair of its Nominating, Governance and Social Responsibility Committee.

**Primary Qualifications**

Compensation  
Consumer Business and Financial Services  
International Business or Economics  
Operations and Technology

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**PROPOSAL 1: ELECTION OF DIRECTORS**

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

Director of Citigroup  
since 2009

**Other Directorships:**  
Brookfield Asset Management and Sotheby's

**Previous Directorships within the last five years:**  
Brookfield Office Properties

**Other Activities:**

Accion (Chair), Columbia Business School (Board of Overseers), Girls Educational & Mentoring Services (GEMS) (Member), Hudson River Park Trust (Chair), Friends of Hudson River Park, Ideas42, International Women's Health Coalition, Mailman School of Public Health (Board of Overseers), The After School Corporation (Member), The Economic Club of New York, Council on Foreign Relations (Member), and Hot Bread Kitchen (Board Chair)

**Former Superintendent of Banks, State of New York**

- Vice Chair, Solera Capital LLC – July 2014 to 2018
- Managing Director, Wolfensohn Fund Management, L.P. – 2007 to 2014
- Superintendent of Banks, State of New York – 2003 to 2007
- Deputy Secretary, Governor Pataki, State of New York – 2002 to 2003
- Chief Financial Officer, Long Island Power Authority – 2001 to 2002
- Vice President, KeySpan Energy – 1999 to 2001
- Assistant Secretary, Governor Pataki, State of New York – 1996 to 1999
- Executive Vice President, Muriel Siebert & Company – 1993 to 1994
- President, M.R. Beal & Company – 1988 to 1993 and 1995 to 1996

**Skills and Qualifications**

Ms. Taylor is an experienced financial services executive and regulator and has been nominated to serve on the Board because of her wide-ranging experience in the areas of Financial Services, Institutional Business, Regulatory and Compliance, Risk Management, Corporate Affairs, Compensation, Corporate Governance, and Legal Matters. Citi's Board provides oversight of Citi's banking businesses and regulatory relationship, areas where Ms. Taylor is highly skilled; it also provides oversight of Citi's compensation programs and governance, including public affairs matters, where Ms. Taylor is able to use her valuable perspective to enhance the Board's oversight. Ms. Taylor has broad bank regulatory and risk management experience, having served as the Superintendent of Banks for the New York State Banking Department. Her financial services and corporate business experience includes in-depth private equity, fund management, and investment banking experience as a Vice Chair at Solera Capital LLC and as a Managing Director of Wolfensohn Fund Management, L.P., a fund manager; and Founding Partner and President of M.R. Beal & Company, a full-service investment banking firm. Ms. Taylor also served as Chief Financial Officer of the Long Island Power Authority. In addition, through her work on the Sotheby's Compensation Committee, the Brookfield Properties Governance Committee, as chair of Accion and the Hudson River Park Trust, and former chair of the New York Women's Foundation and the YMCA of Greater New York, Ms. Taylor has gained additional knowledge in corporate affairs, corporate governance, financial reporting, compensation, and legal matters.

**Primary Qualifications**

- Compensation
- Corporate Affairs
- Corporate Governance
- Regulatory and Compliance



**Table of Contents**

PROPOSAL 1: ELECTION OF DIRECTORS

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

Director of Citigroup  
since 2013

Director of Citibank, N.A.  
since 2013

Other Directorships:  
Emerson Electric Co., Intrexon Corporation and Northrop Grumman Corporation

Previous Directorships within the last five years:  
None

Other Activities:  
Boy Scouts of America (Chairman), Boy Scouts of Greater St. Louis (Board Member), World Scout Foundation (Board Member), Theatre Forward (Board Member), Municipal Theatre Association of St. Louis (Board Member), and Forest Park Forever (Board Member)

**Former Chairman and CEO  
Ernst & Young**

Chairman and CEO, Ernst & Young – 2001 to June 2013  
Regional Managing Partner, Ernst & Young – 1994 to 2001

**Skills and Qualifications**

Mr. Turley, the retired Global Chair and CEO of Ernst & Young, brings to Citi his insights and expertise from his exceptional career in the accounting profession, both in the U.S. and internationally, as well as his executive experience from leading a major public accounting firm. Mr. Turley has been nominated to serve on the Board because of his extensive knowledge and expertise in the areas of Financial Reporting, Legal Matters, Corporate Affairs, International Business, Regulatory and Compliance, and Risk Management. As Chair of the Audit Committee and a member of the Risk Management Committee, Mr. Turley adds significant value to the Board's oversight of financial reporting, regulatory matters, compliance, internal audit, legal issues, and risk. Having served as Chair and CEO of Ernst & Young, he has developed significant expertise in the areas of compensation, litigation, and corporate affairs. Mr. Turley, the former Chairman of the Board of Catalyst, is recognized as a champion of diversity, having received the prestigious Crystal Leadership Award for his support of equal marketplace access for women and the groundbreaking programs he oversaw at Ernst & Young that enable the strategic development of women-owned businesses, and provides guidance to Citi on diversity matters as well.

**Primary Qualifications**

Financial Reporting  
International Business or Economics  
Regulatory and Compliance  
Risk Management

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**PROPOSAL 1: ELECTION OF DIRECTORS**

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

Director of Citigroup  
since 2017

Other Directorships:  
None

Previous Directorships within the last five years:  
Carver Bancorp, Inc., Time Warner Inc. and Voya Financial, Inc.

Other Activities:  
None

**Managing Director of U.S. Jobs and Economic Opportunity Rockefeller Foundation**

Managing Director, Rockefeller Foundation – 2018 to Present  
Chairman, Carver Bancorp, Inc. – 2005 to 2016  
President and Chief Executive Officer of Carver Bancorp, Inc. and Carver Federal Savings Bank – 1999 to 2014  
President and Chief Executive Officer of the Upper Manhattan Empowerment Zone Development Corporation, a redevelopment fund – 1996 to 1999  
Commissioner of the Department of Housing Preservation and Development – 1994 to 1996  
Member of the New York City Housing Authority Board – 1992 to 1994, and served on the New York City Planning Commission – 1990 to 1992

**Skills and Qualifications**

Ms. Wright is an experienced financial services executive and through her prominent roles in the areas of Financial Services, Consumer Business, Risk Management, Corporate Affairs, Financial Reporting, and Regulatory and Compliance, has been nominated to serve on the Board. As a highly regulated financial services company with an extensive consumer business and a commitment to community development, Citi benefits from having Directors, like Ms. Wright, with distinguished careers in financial services and who are knowledgeable about, and committed to, community development. Ms. Wright's experience as the former Chairman and Chief Executive Officer of Carver Bancorp, Inc. and Carver Federal Savings Bank, where she acquired significant experience in personal and commercial banking, strategic planning, marketing, regulatory compliance, financial reporting, and personnel matters, brings leadership qualities to Citi and demonstrates a practical understanding of organizations, processes, strategy, and risk management. She has valuable insight into corporate affairs through her current role as a Managing Director of U.S. Jobs and Economic Opportunity at The Rockefeller Foundation. Ms. Wright has also developed financial reporting experience as former Chair of the Audit and Finance Committee at Time Warner Inc. As a former board member of Voya Financial, Inc., and through her prior long-term service as a director of Kraft Foods Inc., she also brings the perspective and in-depth knowledge of overseeing firms that provide a wide variety of consumer products to customers.

**Primary Qualifications**

Consumer Business and Financial Services  
Financial Reporting  
Regulatory and Compliance  
Risk Management

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents**

PROPOSAL 1: ELECTION OF DIRECTORS

**Name and Age at Record Date**

**Position, Principal Occupation, Business Experience and Directorships**

Director of Citigroup  
since 2010

**Other Directorships:**

Alcoa Corp. and Procter & Gamble Company

**Previous Directorships within the last five years:**

Grupo Prisa

**Other Activities:**

BP (Member of International Advisory Board), Credit Suisse Research Institute (Advisor), The Group of Thirty (Member), Natural Resource Governance Institute (Chair of the Board), and Presidential Counselor of Laureate International Universities

**Director, Center for the Study of Globalization and Professor in the Field of International Economics and Politics, Yale University**

Director, Center for the Study of Globalization and Professor in the Field of International Economics and Politics, Yale University – September 2002 to Present

President of Mexico – 1994 to 2000

Secretary of Education, Government of Mexico – 1992 to 1993

Secretary of Economic Programming and the Budget, Government of Mexico – 1988 to 1992

Undersecretary of the Budget, Government of Mexico – 1987 to 1988

Banco de México – Economist, Deputy Manager of Economic Research, Director General of FICORCA, Deputy Director – 1978 to 1987

**Skills and Qualifications**

Mr. Zedillo Ponce de Leon is the former President of Mexico, a seasoned economist, and an academic. He has been nominated to serve on the Board because of his extensive experience in the areas of International Business or Economics, Corporate Affairs, Risk Management, and Corporate Governance. As a financial services company with a significant business in Mexico, Citi benefits from having Mr. Zedillo Ponce de Leon on its Board to provide a greater understanding of the business, governmental, regulatory, and economic environment in Mexico. Through his extensive governmental experience, including his service from 1978 to 1987 at the Central Bank of Mexico, as Undersecretary of the Budget for the Mexican government from 1987 to 1988, as Secretary of Economic Programming and the Budget from 1988 to 1992, and as President of Mexico from 1994 to 2000, as well as his academic experience, including his roles as the Director of the Center for the Study of Globalization, Professor of International Economics and Politics and Professor of International and Area Studies at Yale, he has had extensive experience in the areas of international business, regulatory compliance, and risk management. His service as Chair of the Global Development Network, Chair of the High Level Commission on Modernization of World Bank Group Governance, on the Group of Thirty, and on the International Advisory Boards of BP and the Coca-Cola Company, has given him extensive international business and corporate affairs experience. Mr. Zedillo Ponce de Leon has gained experience in risk management, corporate governance, and corporate affairs as a member of the Board of Alcoa Corp., serving on the Audit Committee and Public Issues Committee; at Procter & Gamble Company, as a member of the Governance and Public Responsibility Committee; as a member of the Innovation and Technology Committee, Grupo Prisa of Spain; as a past Director of the Union Pacific Corporation, where he served on the Audit and Finance Committees; as a past Director of EDS, where he served on the Governance Committee; and as Director of Grupo Prisa of Spain until November 2017, where he served as Chair of the Governance Committee.

**Primary Qualifications**

Corporate Affairs  
Corporate Governance  
International Business or Economics



## **Table of Contents**

### **PROPOSAL 1: ELECTION OF DIRECTORS** **Directors' Compensation**

The key objectives of our Director Compensation Program are to attract qualified talent, provide pay that is commensurate with the substantial time commitment associated with service, and to foster commonality of interest between Board members and our stockholders.

Directors' compensation is determined by the Board and the Nomination, Governance and Public Affairs Committee makes recommendations to the Board based on periodic benchmarking assessments and advice received from FW Cook, its independent advisor. In making recommendations to the Board, the Committee considers the competitive positioning of the aggregate and individual components of compensation, as well as the mix of pay and structure versus both direct competitors and other comparable organizations. The Committee also considers the unique skill set required to serve on our Board and the intense time commitment associated with preparation for and attendance at meetings of the Board and its committees as well as external commitments, such as engagement with our stockholders and regulators. Since our initial public offering in 1986, Citi has paid outside Directors all or a portion of their compensation in common stock to ensure that the Directors have an ownership interest in common with other stockholders.

In 2018, FW Cook provided benchmarking assessments and advice on peer and broad market practices. After considering the assessments and advice as well as the factors described above, the Committee determined that the current Director Compensation Program payment structure was appropriate.

### **Annual Cash Retainer and Deferred Stock Award**

Non-employee Directors receive an annual cash retainer of \$75,000 and a deferred stock award valued at \$150,000. The deferred stock award is generally granted on the same date that annual incentives are granted to the senior executives. The deferred stock award generally becomes distributable on the second anniversary of the date of the grant, and Directors may elect to defer receipt of the award beyond that date. In the event a Director leaves the Board voluntarily prior to the conclusion of the two-year deferral period and before attaining age 72, the deferred stock award will be pro-rated based on the number of calendar quarters the Director served. Directors may elect to receive all or a portion of their cash retainer in the form of common stock, and Directors may elect to defer receipt of this common stock.

### **Fees for Service on Citi's Board Committees, Citibank's Board, and other Board Service**

A Citi Director who serves as Chair of the Audit Committee, Personnel and Compensation Committee or Risk Management Committee is entitled to an annual \$50,000 Committee Chair Fee per committee. A Director who serves as Chair of any other Committee is entitled to an annual \$35,000 Committee Chair Fee per committee. A Citi Director who serves as a member of the Audit Committee, Personnel and Compensation Committee, or Risk Management Committee is entitled to an annual \$30,000 Committee Fee per committee. A Citi Director who serves as a member of any other Committee (excluding the Executive Committee and the Preferred Stock Committee) is entitled to an annual \$15,000 Committee Fee per committee. Directors are permitted to receive all or a part of their Committee Fee(s) and Committee Chair Fee(s) in common stock.

Mses. Costello and Ireland and Messrs. Hennes, McQuade, Santomero, and Turley serve on Citibank's Board of Directors. Each non-employee Director of Citibank is entitled to receive \$25,000 as an annual cash retainer. The Chair of Citibank's Board is entitled to an annual \$50,000 Chair Fee.

Citi reimburses its Board members for expenses incurred in attending Board and Committee meetings or performing other services for Citi in their capacities as Directors. Such expenses include food, lodging, and transportation.

All Annual Retainers, Committee Fees, and Committee Chair Fees for Citi and Citibank are paid in four equal quarterly



installments per annum. These fees are reported in the Non-Employee Director Compensation Table on page 67. Ms. Taylor serves on the Board of Citigroup Global Markets Limited, an international subsidiary Board of Citi.

[www.citigroup.com](http://www.citigroup.com)

---

## **Table of Contents**

### PROPOSAL 1: ELECTION OF DIRECTORS

#### Chair Compensation

Citi's Chair receives annual compensation in the form of a \$500,000 Chair Fee, the amount of which was set by the Board in 2012 in recognition of the significant commitment of time and energy required to serve as Citi's Chair. This Fee is in addition to the Retainer and the Deferred Stock Award payable to all Directors, as well as any relevant Committee Chair and/or Committee Fees. Throughout his term as Chair, Mr. O'Neill, our prior Chair, waived receipt of any compensation other than the Chair Fee, which was payable 75% in deferred shares of Citi common stock and 25% in cash or deferred shares of Citi common stock. The three elements of Chair compensation for our new Chair, Mr. Dugan – the Chair Fee, the Retainer and Deferred Stock Award, and Committee Fees – remain unchanged from prior practice except regarding the mix of cash and equity in the Chair Fee; specifically, beginning in 2019, the Chair Fee is payable 50% in deferred shares of Citi's common stock and 50% in cash or deferred shares of Citi's common stock. Mr. Dugan has agreed to accept the first two elements of Chair compensation, which consist of the Chair Fee of \$500,000 and the Retainer and Deferred Stock Award of \$225,000 that all Directors receive. However, while Mr. Dugan will actively participate in the four Board Committees of which he is a member – Audit; Nomination, Governance and Public Affairs; Personnel and Compensation; and Risk Management – and will attend as many meetings of Citi's other Committees as is feasible, he has determined to waive the Committee Fees to which he is otherwise entitled. His total annual compensation therefore is \$725,000, which the Board believes is appropriate in reflection of the evolving role of the Chair and the virtually full-time nature of the Chair's responsibilities. In reaching this conclusion, the Board considered many factors including Mr. Dugan's extensive experience and knowledge of the regulatory environment, the expected time commitment attributable to both internal and external responsibilities, and the compensation paid for similar roles among direct competitors, including U.S. and non-U.S. banks as well as other high-profile global organizations.

#### What We Do

Citi's Director Compensation Program is primarily equity based.

Directors have a robust Stock Ownership Commitment.

Subject to approval by stockholders at the Annual Meeting, Citi's 2019 Stock Incentive Plan provides that the maximum number of shares subject to awards to an individual Director in a calendar year, taken together with any cash fees paid during the calendar year to the Director for services as a member of the Board, may not exceed \$1 million in value. While the Board may approve a higher limit for the non-Executive Chair, as noted above, amounts to be paid to the Chair are substantially below the \$1 million cap.

[Citi 2019 Proxy Statement](#)

#### What We Don't Do

Directors who are employees of Citi or its subsidiaries do not receive any compensation for their services as Directors.

Directors are not paid Meeting Fees.

Citi does not offer a Retirement Program for its Directors.

Directors are not permitted to hedge or pledge their Citi common stock.

**Table of Contents****PROPOSAL 1: ELECTION OF DIRECTORS**

The following table provides information on 2018 compensation for non-employee Directors:

**2018 DIRECTOR COMPENSATION**

Name	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)</sup>	Total (\$)
Ellen M. Costello	\$ 171,250	\$ 150,000	\$ 321,250
John C. Dugan	\$ 165,000	\$ 150,000	\$ 315,000
Duncan P. Hennes	\$ 260,000	\$ 150,000	\$ 410,000
Peter B. Henry	\$ 146,250	\$ 150,000	\$ 296,250
Franz B. Humer	\$ 170,000	\$ 150,000	\$ 320,000
S. Leslie Ireland	\$ 130,000	\$ 150,000	\$ 280,000
Lew W. Jacobs, IV	\$ 75,000	\$ 75,000	\$ 150,000
Renée J. James	\$ 135,000	\$ 150,000	\$ 285,000
Eugene M. McQuade	\$ 180,000	\$ 150,000	\$ 330,000
Michael E. O'Neill <sup>(3)</sup>	\$ 500,000	—	\$ 500,000
Gary M. Reiner	\$ 155,000	\$ 150,000	\$ 305,000
Anthony M. Santomero	\$ 260,000	\$ 150,000	\$ 410,000
Diana L. Taylor	\$ 220,000	\$ 150,000	\$ 370,000
James S. Turley	\$ 260,000	\$ 150,000	\$ 410,000
Deborah C. Wright	\$ 135,000	\$ 150,000	\$ 285,000
Ernesto Zedillo Ponce de Leon	\$ 135,000	\$ 150,000	\$ 285,000

Directors may elect to receive all or a portion of the cash retainer in the form of Citi common stock and may elect to defer receipt of Citi common stock. Certain Directors elected to defer receipt of the shares. Ms. Costello and Mr. Henry elected to receive all of their Citigroup 2018 cash retainer and Committee Fees in deferred stock as represented in the chart below. Mr. O'Neill elected to receive his entire Chair Fee in deferred stock as represented in the chart below. Messrs. Jacobs and Reiner elected to receive their cash retainers in stock (100%), but did not elect to defer receipt of their retainers; therefore, their 1,179 and 2,310 shares, respectively, were distributed to them quarterly on January 1, April 1, July 1, and October 1. The price used to determine the number of shares awarded was the average consolidated NYSE closing price of (1) Citigroup common stock for the first 10 days of the last month of the quarter.

Name	Fees Paid Currently in Cash (\$)	Deferred Fees to Be Paid in Stock Number of Units	Value of Units
Ellen M. Costello	\$ 25,000	2,186	\$146,250
John C. Dugan	\$165,000	—	—
Duncan P. Hennes	\$260,000	—	—
Peter B. Henry	—	2,186	\$146,250
Franz B. Humer	\$170,000	—	—
S. Leslie Ireland	\$130,000	—	—
Lew W. Jacobs, IV	—	—	—
Renée J. James	\$135,000	—	—
Eugene M. McQuade	\$180,000	—	—
Michael E. O'Neill	—	7,458	\$500,000
Gary M. Reiner	—	—	—
Anthony M. Santomero	\$260,000	—	—
Diana L. Taylor	\$220,000	—	—
James S. Turley	\$260,000	—	—
Deborah C. Wright	\$135,000	—	—
Ernesto Zedillo Ponce de Leon	\$135,000	—	—

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents**

## PROPOSAL 1: ELECTION OF DIRECTORS

The values in this column represent the aggregate grant date fair values of the 2018 Deferred Stock Awards. The grant date fair value is based on a grant date of February 15, 2018 and a grant price determined by the average NYSE closing prices of Citi's common stock on the immediately preceding five trading days. The amounts in the chart below represent Deferred Stock Awards only and not shares awarded in lieu (2) of the cash retainer and/or Chair or Committee Chair Fees. The grant date fair value of the Deferred Stock Awards is set forth below:

Director	Deferred Stock Granted in 2018 (#)	Grant Date Fair Value (\$)
Ellen M. Costello	2,015	\$150,000
John C. Dugan	2,015	\$150,000
Duncan P. Hennes	2,015	\$150,000
Peter B. Henry	2,015	\$150,000
Franz B. Humer	2,015	\$150,000
S. Leslie Ireland	2,015	\$150,000
Lew W. Jacobs, IV*	1,028	\$75,000
Renée J. James	2,015	\$150,000
Eugene M. McQuade	2,015	\$150,000
Michael E. O'Neill	—	—
Gary M. Reiner	2,015	\$150,000
Anthony M. Santomero	2,015	\$150,000
Diana L. Taylor	2,015	\$150,000
James S. Turley	2,015	\$150,000
Deborah C. Wright	2,015	\$150,000
Ernesto Zedillo Ponce de Leon	2,015	\$150,000

\* The Deferred Stock Award granted to Mr. Jacobs was prorated based on the date he commenced service on Citi's Board.

Mr. O'Neill received an annual Chair Fee of \$500,000 for his service as Citi's Chair. He elected to waive all other fees in relation to his service as (3) a Director or Committee member.

The aggregate number of shares of deferred stock outstanding for each Director at the end of 2018 was:

Name	Number of Shares
Ellen M. Costello	15,884
John C. Dugan	2,515
Duncan P. Hennes	15,212
Peter B. Henry	15,971
Franz B. Humer	23,206
S. Leslie Ireland	2,565
Lew W. Jacobs, IV	1,036
Renée J. James	8,925
Eugene M. McQuade	8,613
Michael E. O'Neill	89,987
Gary M. Reiner	4,564
Anthony M. Santomero	38,159
Diana L. Taylor	31,618
James S. Turley	15,212
Deborah C. Wright	4,692
Ernesto Zedillo Ponce de Leon	30,208

[Citi 2019 Proxy Statement](#)

**Table of Contents**

**Audit Committee Report**

The Audit Committee (“Committee”) operates under a charter that specifies the scope of the Committee’s responsibilities and how it carries out those responsibilities.

The Board of Directors has determined that all seven members of the Committee are independent based upon the standards adopted by the Board, which incorporate the independence requirements under applicable laws, rules and regulations.

Management is responsible for the financial reporting process, the system of internal controls, including internal control over financial reporting, risk management and procedures designed to ensure compliance with accounting standards and applicable laws and regulations. KPMG LLP, Citigroup’s independent registered public accounting firm (“independent auditors”) is responsible for the integrated audit of the consolidated financial statements and internal control over financial reporting. The Committee’s responsibility is to monitor and oversee these processes and procedures. The members of the Committee are not professionally engaged in the practice of accounting or auditing and are not professionals in these fields. The Committee relies, without independent verification, on the information provided to us and on the representations made by management regarding the effectiveness of internal control over financial reporting, that the financial statements have been prepared with integrity and objectivity and that such financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Committee also relies on the opinions of the independent auditors on the consolidated financial statements and the effectiveness of internal control over financial reporting.

The Committee’s meetings facilitate communication among the members of the Committee, management, the internal auditors, and Citigroup’s independent auditors. The Committee separately met with each of the internal and independent auditors with and without management, to discuss the results of their examinations and their observations and recommendations regarding Citigroup’s internal controls. The Committee also discussed with Citigroup’s independent auditors all communications required by PCAOB Auditing Standard Nos. 1301 and 2410.

The Committee reviewed and discussed the audited consolidated financial statements of Citigroup as of and for the year ended December 31, 2018 with management, the internal auditors, and Citigroup’s independent auditors.

The Committee has received the written disclosures required by PCAOB Rule 3526 - “Communication with Audit Committees Concerning Independence.” The Committee discussed with the independent auditors any relationships that may have an impact on their objectivity and independence and satisfied itself as to the auditors’ independence.

The Committee has reviewed and approved the amount of fees paid to the independent auditors for audit, audit related and tax compliance and other services. The Committee concluded that the provision of services by the independent auditors did not impair their independence.

Based on the above-mentioned review and discussions, and subject to the limitations on our role and responsibilities described above and in the Committee charter, the Committee recommended to the Board that Citigroup’s audited consolidated financial statements be included in Citigroup’s Annual Report on Form 10-K for the year ended December 31, 2018 for filing with the SEC.

**The Audit Committee:**

James S. Turley (Chair)  
Ellen M. Costello  
John C. Dugan  
Peter B. Henry  
Lew W. (Jay) Jacobs, IV  
Anthony M. Santomero  
Deborah C. Wright

Dated: March 5, 2019

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents****Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm**

The Audit Committee has selected KPMG LLP (KPMG) as the independent registered public accounting firm of Citi for 2019. KPMG has served as the independent registered public accounting firm of Citi and its predecessors since 1969.

Arrangements have been made for representatives of KPMG to attend the 2019 Annual Meeting. The representatives will have the opportunity to make a statement, if they desire to do so, and will be available to respond to appropriate stockholder questions.

**Disclosure of Independent Registered Public Accounting Firm Fees**

The following is a description of the fees earned by KPMG for services rendered to Citi for the years ended December 31, 2018 and 2017:

	2018 (in millions of dollars)		2017
Audit Fees	\$ 64.2		\$ 64.7
Audit-Related Fees	\$ 24.5		\$ 22.8
Tax Fees	\$ 10.1		\$ 10.3
All Other Fees	\$ 0.0		\$ 0.0
<b>Total Fees</b>	<b>\$ 98.8</b>		<b>\$ 97.8</b>

**Audit Fees**

This includes fees earned by KPMG in connection with the annual integrated audits of Citi's consolidated financial statements and internal control over financial reporting under Sarbanes-Oxley Section 404, audits of subsidiary financial statements, comfort letters and consents related to SEC registration statements and other capital-raising activities and certain reports relating to Citi's regulatory filings, reports on internal control reviews required by regulators, evaluation of accounting for completed transactions, and reviews of Citi's interim financial statements.

**Audit-Related Fees**

This includes fees for services performed by KPMG that are closely related to audits and in many cases could only be provided by our independent registered public accounting firm. Such services may include accounting consultations, internal control reviews not required by regulators, securitization-related services, employee benefit plan audits, certain attestation services as well as certain agreed upon procedures, and due diligence services related to contemplated mergers and acquisitions.

**Tax Fees**

This includes preparation and review of corporate tax returns, expense allocation reports for tax purposes, and other tax compliance services.

**All Other Fees**

Citi engaged KPMG for one service in 2018 classified under "All Other Fees." The aggregate fee amount of \$11,400 is included in the total amount; however, due to rounding, this fee is not represented in the "All Other Fees" column.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
Approval of Independent Registered Public Accounting Firm Services and Fees**

Citi's Audit Committee has reviewed and approved all fees earned in 2018 and 2017 by Citi's independent registered public accounting firm and actively monitored the relationship between audit and non-audit services provided. The Audit Committee has concluded that the fees earned by KPMG were consistent with the maintenance of the external auditors' independence in the conduct of its auditing functions.

The Audit Committee must pre-approve all services provided and fees earned by Citi's independent registered public accounting firm. The Audit Committee annually considers the provision of audit services and, if appropriate, pre-approves certain defined audit fees, audit-related fees, and tax-compliance fees with specific dollar-value limits for each category of service. The Audit Committee also considers on a case-by-case basis specific engagements that are not otherwise pre-approved (e.g., internal control and certain tax compliance engagements) or that exceed pre-approved fee amounts. On an interim basis, any proposed engagement that does not fit within the definition of a pre-approved service may be presented to the Chair of the Audit Committee for approval and to the full Audit Committee at its next regular meeting.

The Accounting Firm Engagement Standard is the primary basis upon which management ensures the independence of its independent registered public accounting firm. Administration of the Standard is centralized in, and monitored by, Citi senior corporate financial management, which reports the engagements earned by KPMG throughout the year to the Audit Committee. The Standard also includes limitations on the hiring of KPMG partners and other professionals to ensure that Citi satisfies applicable auditor independence rules.

KPMG has served as the independent registered public accounting firm of Citi and its predecessors since 1969. As in prior years, Citi and its Audit Committee have engaged in a review of KPMG in connection with the Audit Committee's consideration of whether to recommend that stockholders ratify the selection of KPMG as Citi's independent auditor for the following year. In that review, the Audit Committee considers both the continued independence of KPMG and whether retaining KPMG is in the best interests of Citi and its stockholders. Citi's management prepares an annual assessment of KPMG for the Audit Committee that includes (i) the results of a management survey of KPMG's overall performance; (ii) an analysis of KPMG's known legal risks and significant proceedings that may impair KPMG's ability to perform Citi's annual audit; and (iii) KPMG's fees and services provided to Citi both on an absolute basis, noting, of course, that KPMG does not provide any non-audit services, other than those described in the Proxy Statement, to Citi, and compared to services provided by other auditing firms to peer institutions. In addition, KPMG reviews with the Audit Committee its analysis of its independence in accordance with the Accounting Firm Engagement Standard and PCAOB Rule 3526. In performing its analysis, the Audit Committee considered the length of time KPMG has been Citi's independent auditor, the breadth and complexity of Citi's business and its global footprint and the resulting demands placed on its auditing firm in terms of expertise in Citi's businesses, the quantity and quality of staff, and global reach. The Audit Committee recognized the ability of KPMG to provide both the necessary expertise to audit Citi's business and the matching global footprint to audit Citi worldwide and other factors, including the policies that KPMG follows with respect to rotation of the key audit personnel, so that there is a new partner-in-charge at least every five years. Citi's Audit Committee oversees the process for, and ultimately approves, the selection of the independent auditor's lead engagement partner at the five-year mandatory rotation period. At the Audit Committee's instruction, KPMG selects candidates to be considered for the lead engagement partner role, who are then interviewed by members of Citi's senior management. After considering the candidates recommended by KPMG, senior management makes a recommendation to the Audit Committee regarding the new lead engagement partner. After discussing the qualifications of the proposed lead engagement partner with the current lead engagement partner and senior leadership of KPMG, the members of the Audit Committee, individually and/ or as a group, interview the leading candidate. The Audit Committee then considers the appointment and votes as an Audit Committee on the selection. The Audit Committee also reviewed external data on audit quality and performance, including recent PCAOB reports on KPMG and its peer firms. Based on the results of its review this year, the Audit Committee concluded that KPMG is independent and that it is in the best interests of Citi and its investors to appoint KPMG to serve as Citi's independent registered accounting firm for 2019.

Table of Contents

# Proposal 3: Advisory Vote to Approve Citi's 2018 Executive Compensation

We are seeking a nonbinding, advisory vote approving the compensation of Citi's named executive officers as disclosed in this Proxy Statement, as required by Section 14A and Rule 14a-21(a) of the Securities Exchange Act of 1934. We ask for this advisory vote annually. You are asked to vote on the following nonbinding advisory resolution:

**RESOLVED**, that the compensation paid to Citi's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion, is hereby **APPROVED**.

## Compensation Discussion and Analysis

Our Compensation Discussion and Analysis is organized into five sections:

- 2018 Company Performance (pages 72-74);
- Summary of Pay Decisions (pages 75-80);
- 2018 Executive Compensation Awards (pages 81-93);
- Long-Term Incentives (pages 94-95); and
- Additional Compensation Practices (pages 95-98).

The 2018 Summary Compensation Table and Compensation Information follow on pages 99-107.

### 2018 Company Performance

#### [2018 Company Performance – Solid Progress](#)

The Personnel and Compensation Committee of the Citigroup Inc. Board of Directors (the Compensation Committee) recognized the following when awarding executive incentive pay for 2018:

#### **Citi made solid progress in 2018 toward improving its profitability and returns, despite a more challenging revenue environment.**

For 2018, Citi reported net income of \$18.0 billion on revenues of \$72.9 billion, compared to a net loss of \$6.8 billion on revenues of \$72.4 billion in 2017.<sup>(1)</sup> Excluding the one-time impact of the Tax Cuts and Jobs Act (Tax Reform) in both periods, Citi's net income increased 14% compared to the prior year.

Citi's earnings per share were \$6.65 for 2018, up 25% from the prior year, compared to \$5.33 per share for 2017, excluding the one-time impact of Tax Reform in both periods.

Our return on tangible common equity<sup>(2)</sup> improved to 10.9% in 2018, compared to 8.1% in 2017, excluding the one-time impact of Tax Reform in both periods.

*Results in 2018 included a one-time benefit of \$94 million, or \$0.03 per share, due to the finalization of the provisional component of the impact of Tax Reform based on Citi's analysis as well as additional guidance received from the U.S. Treasury Department. Results in 2017 included a one-time, non-cash charge of \$22.6 billion, or (\$8.31) per share, related to the enactment of Tax Reform. As used throughout this Compensation Discussion and Analysis, Citi's results of operations excluding the impact of Tax Reform are non-GAAP financial measures. For a reconciliation (1) of all adjusted results to reported results, please see Annex A to this Proxy Statement.*

*Return on tangible common equity, or RoTCE, is a non-GAAP financial measure. For a reconciliation of all adjusted results to reported results, (2) please see Annex A to this Proxy Statement.*

[Citi 2019 Proxy Statement](#)



**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

Citi's revenues increased 1% in 2018, including 3% underlying revenue growth in Global Consumer Banking and Institutional Clients Group, excluding the impact of previously disclosed gains on sale in 2018 and 2017.<sup>(1)</sup> Citi reported revenue growth in all regions in Global Consumer Banking, reflecting continued loan and overall deposit growth, partially offset by the near-term impact of weak market sentiment on Asia wealth management revenues, as well as the impact from partnership renewal terms that went into effect in 2018 in Citi-branded cards in North America Global Consumer Banking. Citi had solid revenue growth across treasury and trade solutions, private bank, securities services, equity markets, and corporate lending in Institutional Clients Group, partially offset by weakness in fixed income as well as softness in equity and debt underwriting.

Citi demonstrated strong expense discipline, resulting in a 1% decrease in expenses and an improved operating efficiency ratio of approximately 57%, even as Citi continued to make ongoing investments.

Citi's positive operating leverage in 2018, combined with continued credit discipline, resulted in an improvement in pretax earnings.

**We continued to optimize our capital base while maintaining a strong capital and liquidity position.**

We received a non-objection from the Federal Reserve Board for the capital plan submitted as part of the 2018 Comprehensive Capital Analysis and Review (CCAR).

In 2018, Citi returned \$18.4 billion of capital to common stockholders through share repurchases and dividends. Citi repurchased over 200 million shares during the last year, resulting in an 8% reduction in outstanding common shares.

Notwithstanding the substantial capital return in 2018, we ended the year with capital ratios well above regulatory minimum requirements.

**Summary of 2018 Business Performance**

The following graphs demonstrate our achievements and progress against key metrics.

*Efficiency ratio is total operating expenses divided by total revenues (net of interest expense). As a result, a lower efficiency ratio is generally (1) better than a higher efficiency ratio.*

*Results are presented excluding the impact of Tax Reform in both periods. For a reconciliation of all adjusted results to reported results, please (2) see Annex A to this Proxy Statement.*

*(3) Return on assets is net income divided by average assets.*

*Return on tangible common equity is net income available to common stockholders (net income less preferred dividends) divided by average (4) tangible common equity.*

*(5) Distributions include buybacks of Citi common stock and dividends on Citi common stock.*

*(6) The payout ratio is distributions to common stockholders divided by net income available to common stockholders.*

---

*Citi's reported revenues reflected the impact of foreign currency translation into U.S. dollars for reporting purposes (FX translation) as well as previously disclosed gains on sale in 2018 and 2017. Citi's results of operations excluding the impact of FX translation and gains on sale are (1) non-GAAP financial measures.*

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

[PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION](#)  
[2018 Financial Objectives](#)

During our outreach to stockholders, we heard that they wanted disclosure of performance against goals used in our executive scorecards to better understand company performance. Accordingly, the chart to the right shows how Citi performed in 2018 against the principal goals we set for our executives in their scorecards. We set each 2018 goal at a level that exceeded the achievement in 2017, reflecting the challenging nature of our goals.

<a href="#">EFFICIENCY RATIO</a>	<a href="#">RETURN ON TANGIBLE COMMON EQUITY(1)</a>	<a href="#">RETURN ON ASSETS(1)</a>
----------------------------------	---	-------------------------------------

*Results are presented excluding the impact of Tax Reform. For a reconciliation of all adjusted results to reported results, please see Annex A to (1) this Proxy Statement.*

[Relative Total Shareholder Return](#)

The group of companies shown in the following graphs is our compensation peer group. As explained on page 83, we believe this group reflects the competitive market for talent in certain key roles, including the CEO role. While our relative total shareholder returns declined from 2017 to 2018, primarily as a result of deterioration in December 2018, one- and three-year relative stock performance through November 2018 and more recent performance in 2019 are more aligned with the stronger returns for periods ending on December 31, 2017.

[2018 ONE-YEAR TOTAL SHAREHOLDER RETURN\(1\)](#)

[2018 THREE-YEAR CUMULATIVE TOTAL SHAREHOLDER RETURN\(1\)](#)

[2017 ONE-YEAR TOTAL SHAREHOLDER RETURN\(1\)](#)

[2017 THREE-YEAR CUMULATIVE TOTAL SHAREHOLDER RETURN\(1\)](#)

*Increase in share price plus reinvested dividends over one- and three-year periods ending on December 31, 2017, and December 31, 2018, (1) expressed as a percentage of the share price at the beginning of such periods. Source: third-party public databases and company websites. [Citi 2019 Proxy Statement](#)*

---

## **Table of Contents**

### PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION

#### Summary of Pay Decisions

#### Our Stockholder Engagement

Our current executive compensation program reflects extensive stockholder engagement over the past three years. Throughout this period, the Compensation Committee and management undertook a comprehensive review of our executive compensation program, and as part of this process, we held meetings with each stockholder who accepted our invitation to engage.

In 2018, we held two sets of stockholder outreach meetings with holders of meaningful percentages of our outstanding shares, given the size of our shareholder base.

**Spring 2018:** Following the awards for 2017 performance but in advance of our 2018 Annual Meeting, Mr. O'Neill, then our Board Chair, and Mr. Hennes, the Chair of our Compensation Committee, led a stockholder outreach effort seeking feedback on last year's executive compensation awards. In this round of engagement, we spoke to stockholders representing about 27.5% of our outstanding shares. The feedback we received on our executive pay program was broadly favorable, reflecting the numerous changes made in previous years in direct response to stockholder comments.

**Fall 2018/Winter 2019:** In addition, in the fall of 2018 and into early 2019, we engaged with stockholders representing about 31% of our outstanding shares in a series of meetings that focused on sustainability issues, including climate change and human capital management. In the area of human capital management, the topics we addressed with stockholders included executive compensation practices, diverse representation in senior roles at Citi, talent development and succession planning, and identifying unintended biases in Citi's people processes, including gender pay equity.

We were pleased with the positive feedback from our stockholders and their endorsement of our executive compensation program, which resulted in a 94.58% favorable Say on Pay vote at our 2018 Annual Meeting. In response to this favorable result, we kept the core structure of our pay program and our disclosure consistent with last year. We also increased the performance targets in the Performance Share Units awarded for 2018 performance over prior-year targets and prior-year performance to reflect our improving performance and to further align the program with stockholder interests.

#### OUR STOCKHOLDER-RESPONSIVE EXECUTIVE PAY PROGRAM

As set forth below, all the material features of our executive compensation program are designed to be aligned with stockholder interests and in most cases are directly responsive to stockholder feedback we have received during the past three years.

**Transparent disclosure of annual goals.** Each executive's total incentive award (including the annual cash bonus component of the total incentive award) is based on the overall achievements of Citi and individual executive performance against predetermined goals set at the beginning of each year. We disclose three key goals — efficiency ratio, return on tangible common equity, and return on assets — after the end of the year so stockholders can directly assess executive performance.

**Extensive disclosure of pay rationales.** Our extensive scorecard disclosure clarifies the rigorous process we use for determining compensation.

**Equity-based compensation.** Seventy percent of the total CEO incentive opportunity is awarded as equity-based, deferred long-term incentive compensation.

**Operational performance metrics.** Our Performance Share Unit program includes two performance metrics: return on tangible common equity and cumulative earnings per share, which are forward-looking operational metrics used by investors to assess our performance over time. We disclose the metric targets at the start of the performance period to enable stockholders to assess the challenging nature of our goals.

**Rigorous targets.** Our Performance Share Unit metrics require substantial operational improvements for target payout and exceptional performance for maximum payout. Targets have been set at higher levels each year.

**Robust clawbacks.** Incentive compensation is subject to broad clawbacks, as described on page 97.

**U.S. peer group.** Our 13-firm compensation peer group is a reasonable representation of the market for executive talent in which we compete.

**Limit on cash bonuses.** We have a \$20 million limit on individual executive officer cash bonuses.

**Governance.** We have strong compensation governance practices, including an executive stock ownership commitment. Additional details on practices we employ and avoid in support of our performance-oriented culture are set forth in the table on page 80.

[www.citigroup.com](http://www.citigroup.com)



**Table of Contents**

[PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION  
Compensation Philosophy and Framework](#)

We seek to design our executive pay program to motivate balanced behaviors, consistent with our focus on balanced long-term strategic goals. Our Compensation Philosophy, as summarized as a set of objectives below, is designed to encourage prudent risk-taking while attracting the world-class talent necessary to Citi's success.

**OUR COMPENSATION PHILOSOPHY**

- Reinforce a business culture based on the highest ethical standards
- Manage risks to Citi by encouraging prudent decision-making
- Reflect regulatory guidance in compensation programs
- Attract and retain the best talent to lead Citi to success
- Align compensation programs, structures, and decisions with stockholder and other stakeholder interests

**OUR LEADERSHIP ON PAY EQUITY**

We continue to align our compensation programs with stakeholder interests through our pay equity disclosures, related changes to pay, and announced representation goals. In 2017, Citi was the first large U.S. financial institution to publicly release the results of a pay equity review. Our 2017 review compared compensation of women to men in the U.S., the U.K., and Germany, and, in the U.S., minorities to non-minorities. Our review adjusted pay to account for a number of factors to make the comparisons meaningful, including job function, level, and geography, and we modified pay in response to the results. In 2018, we extended our pay equity review to include employees globally, and we found that in 2018 women globally were paid on average 99% of what men are paid at Citi and that there is no statistically significant difference between what U.S. minorities and non-minorities are paid at Citi. As in 2017, we modified pay in 2018 in response to the findings.

Earlier this year, we were the first large U.S. company to disclose our unadjusted or "raw" pay gap for women and U.S. minorities, which measures median total compensation unadjusted for factors such as job function, level, and geography. The analysis shows that the median pay at Citi for women globally is 71% of the median for men, and the median pay at Citi for U.S. minorities is 93% of the median for non-minorities. We are committing to reduce the raw pay gap numbers over time by increasing the representation of women and U.S. minorities in senior and higher-paying roles. As a starting point, our goal is to increase the representation in mid- and senior-level roles to at least 40% for women globally and 8% for Black employees in the U.S. by the end of 2021.

**OUR EXECUTIVE COMPENSATION FRAMEWORK**

Our Compensation Philosophy is reflected in our executive compensation Framework, which enables incentive compensation awards to closely reflect business and individual performance, consistent with our pay-for-performance approach. Full information on our executive compensation Framework appears on page 82.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents****PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION  
2018 CEO Compensation**

As it has done the past several years, the Compensation Committee evaluated 2018 CEO performance using our executive compensation Framework that measures results against quantitative and qualitative goals set at the beginning of the year. As explained in more detail on page 81, we use a rating system of 1 to 5 to assess performance against each goal, with 1 being the highest (Significant Outperform) and 5 being the lowest (Significant Underperform). The green color coding signifies that a quantitative goal set for 2018 was met or exceeded.

**SUMMARY OF CEO SCORECARD RESULTS**

Quantitative Goal (Glossary on Page 127)	2018 Result <sup>(1)(2)</sup>	Rating <sup>(2)</sup>
Citigroup Income from Continuing Operations Before Taxes	\$23.4 billion	3
Citigroup Efficiency Ratio	57.4%	3
Citigroup Return on Tangible Common Equity	10.9%	2
Citigroup Return on Assets	0.93%	3
<b>Risk</b>		
Citigroup Risk Appetite Ratio	151%	
Citigroup Risk Appetite Surplus	\$7.61 billion	1
<b>Qualitative Goal</b>	<b>Rating<sup>(2)</sup></b>	
Protect and enhance our reputation	3	
Develop client-relevant value propositions	2	
Produce extraordinary client experiences	2	
Deliver our financial commitments	3	

*Return on Tangible Common Equity and Return on Assets exclude the impact of Tax Reform in 2018. In addition, as used throughout this Compensation Discussion and Analysis, Risk Appetite Ratio and Risk Appetite Surplus are non-GAAP financial measures. For a reconciliation of (1) all adjusted results to reported results, please see Annex A to this Proxy Statement.*

*(2) Explanations of the colors and ratings used in the scorecards appear on page 81.*

Pages 84-85 present a detailed overview of the CEO's scorecard and the performance evaluation process, which resulted in the Compensation Committee awarding Mr. Corbat \$24 million in total annual compensation for 2018. His total annual compensation consisted of his base salary of \$1.5 million (unchanged since 2013) and a total annual incentive award of \$22.5 million, representing a 4% increase over his 2017 total annual compensation of \$23 million. Using Citi's balanced scorecard approach to determining pay, the Compensation Committee favorably assessed Mr. Corbat's leadership in multiple critical areas, including enhancing our reputation, delivering value to clients, and continued progress toward Citi's longer-term targets. In addition to Citi's positive operating results, the Compensation Committee also considered market levels of pay for the CEO role at peer institutions.

**LINKING 2018 CEO PAY ELEMENTS TO PERFORMANCE**

Over 90% variable pay for 2018.

70% of variable pay is deferred long-term incentives subject to multi-year vesting and clawbacks.

70% of variable pay is equity-based to align stockholder and executive interests.

Total incentive award and annual bonus are based on the overall achievements of Citi and individual performance against goals set at the beginning of the year.

PSUs are earned only to the extent Citi performs against two forward-looking metrics: RoTCE in 2021 and cumulative EPS over the 2019-2021 performance period.

PSU metrics require substantial operational improvements for target payout and exceptional performance for maximum payout.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

**2018 Pay Elements**

Citi's incentive awards delivered to the CEO and the other named executive officers (NEOs) are a mix of cash bonus, Performance Share Units, and Deferred Stock Awards. This incentive structure establishes a balance between annual and long-term compensation, with the majority of incentive compensation delivered in Performance Share Units and Deferred Stock Awards that vest over multiple years. In determining the percentages to award as cash bonuses, Performance Share Units, and Deferred Stock Awards, the Compensation Committee considered applicable regulatory requirements and guidelines for deferral as well as market practices.

ELEMENT	% OF VARIABLE PAY		AWARD TYPE	PERFORMANCE LINK AND VESTING	COMPENSATION TYPE
	CEO	NEOs			
<b>Fixed</b>					
<b>Salary Variable</b>	N/A	N/A	<b>Base Pay</b>	Fixed portion of total pay at a competitive level that enables Citi to attract and retain talent	Cash
<b>Annual Incentive</b>	30%	40%	<b>Annual Bonus</b>	Scorecard assessment determines value Plan limits on executive officer cash bonuses	Cash
			<b>Performance Share Units (50% of LTI)</b>	Scorecard assessment determines target number of units Earned units based 50% on return on tangible common equity in 2021 and 50% on cumulative earnings per share over 2019-2021 Ultimate value of earned units linked to Citi total shareholder returns Award capped at 100% of target if Citi's total shareholder return is negative over 2019-2021 Subject to clawbacks Other than increases in targets, no change in award terms as compared to last year	Equity-based, but settled in cash to limit dilution to stockholders
<b>Deferred/ Long-Term Incentives (LTI)</b>	70%	60%	<b>Deferred Stock Awards (50% of LTI)</b>	Scorecard assessment determines number of shares granted Ultimate value based on Citi total shareholder returns Vest ratably over a four-year period Subject to reduction in the event of pretax losses in any year of the deferral period Subject to clawbacks No change in award terms as compared to prior years	Equity

We have consistently set challenging targets for our Performance Share Units. For the Performance Share Units awarded for 2018 performance:

We have set a target return on tangible common equity achievement of 14% by 2021, which is meaningfully higher than the 10.9% we achieved in 2018 (excluding the impact of Tax Reform). Although this metric is stated as a 2021 target, it also incentivizes consistent improvement in returns throughout the performance period.

We have set a cumulative earnings per share target for the three-year performance period 2019 through 2021 of \$26.25, which is reflective of significant earnings per share growth over the period. Cumulative earnings per share mitigates potential risk associated with a single year-end target and drives balanced improvement in operational performance over the performance period.

[Citi 2019 Proxy Statement](#)





**Table of Contents**

[PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION](#)

As a matter of policy, our preference is to redeploy earned capital within our businesses, provided that such investments are expected to produce returns above our cost of capital. To the extent that the capital we generate exceeds our ability to productively redeploy it in our businesses, we intend to return it to stockholders.

We have several mechanisms in place to ensure that our earnings per share measure drives appropriate long-term decision-making. Buyback levels are subject to oversight by both the Citigroup Board and the Federal Reserve Board (through the CCAR process), and they are calibrated against a range of considerations, including current capital levels, alternative uses for excess capital, and safety and soundness.

To reflect and focus on our improving performance, we set the targets at levels that are more challenging than the targets for last year's awards, which were a return on tangible common equity of 13% by 2020 and cumulative earnings per share of \$22.50 for the three-year performance period 2018 through 2020.

Full details on our Performance Share Units for performance in 2018 appear on page 94.

### Performance Share Unit Payouts

The variability of the value of our Performance Share Unit awards demonstrates the strong link between Citi's executive pay and Citi's performance. As an example, the following chart compares the grant date value of Mr. Corbat's recent Performance Share Units to the value ultimately earned.

### [CEO PERFORMANCE SHARE UNIT PAYOUTS](#)

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents****PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION****Compensation Governance Practices**

In addition to our performance-sensitive direct compensation structure, Citi has strong compensation governance practices. Over the past several years, we have refined many of our governance practices as a result of feedback obtained through our ongoing engagement with stockholders.

**PRACTICES WE EMPLOY**

**Ongoing investor outreach.** Regular stockholder engagement to solicit feedback on compensation and governance.

**Performance-based compensation.** For 2018, variable performance-based incentive compensation was at least 94% of named executive officer annual compensation. The deferred variable award is further at risk based on the value of Citi common stock over multi-year vesting periods.

**Limit on cash bonus.** Limit of \$20 million on the portion of each executive officer's annual incentive award that may be paid in cash.

**Clawbacks.** Subjected Performance Share Units and Deferred Stock Awards to clawbacks, as described on page 97.

**Stock ownership commitment.** Executive officers are required to hold at least 75% of the net after-tax shares acquired through our incentive compensation programs as long as they are executive officers.

**Post-employment stock holding requirement.** Effective January 1, 2013, each executive officer must retain at least 50% of the shares subject to the stock ownership commitment for one year after ceasing to be an executive officer, even if he or she is no longer employed by Citi.

**Peer group review.** Annual evaluation of peer group to ensure ongoing relevance of each member.

**Risk management.** Strong risk and control policies and consideration of risk management factors in making compensation decisions, as described on pages 95-97.

**Independent advice.** Independent compensation consultant input into the Compensation Committee's decisions, as described on page 97.

[Citi 2019 Proxy Statement](#)

**PRACTICES WE AVOID**

**No excessive perks.** We do not provide personal perquisites such as free personal use of private aircraft or special executive medical benefits.

**No executive pensions.** Executive officers are not eligible for additional benefit accruals under nonqualified executive retirement programs.

**No hedging or pledging of Citi stock.** We have a blanket prohibition against hedging or pledging Citi common stock by executive officers.

**No tax gross-ups.** Citi does not allow tax gross-ups except through its tax equalization program for expatriates, which is available to all salaried employees.

**No multi-year compensation guarantees.** We avoid features that could incentivize imprudent risk-taking, such as multi-year guarantees.

**No "single trigger" upon a change of control.** Our stock incentive plan has a "double trigger" change-of-control feature, meaning that both a change of control of Citigroup and an involuntary termination of employment not for gross misconduct must occur for awards to vest.

**No change-of-control or other "golden parachute" agreements.** Executive officers do not have special agreements covering their compensation in the event of a change of control and are not entitled to severance pay upon termination of employment in excess of broad-based benefits.

**No unearned dividends paid.** We do not pay dividend equivalents on unearned Performance Share Units or unvested Deferred Stock Awards. Dividend equivalents on earned awards commence payment at the time of vesting, and the dividend rate is the same for the executive officers as for other stockholders.

**No extensive use of employment agreements.** None of the named executive officers has an employment agreement with Citi. We make limited use of employment agreements, and their terms are subject to controls under our policies. Under a policy adopted by the Board, employment agreements with executive officers may not provide for post-retirement personal benefits of a kind not generally available to employees or retirees.

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

**2018 Executive Compensation Awards  
2018 Named Executive Officer Compensation**

The Compensation Committee approved the following compensation for performance in 2018:

	1	2	3	4	Annual Compensation for 2018 (Sum of Columns 1-4)
Name	Base Salary <sup>(1)</sup>	Cash Bonus <sup>(1)</sup>	Performance Share Units <sup>(2)</sup>	Deferred Stock Awards <sup>(2)</sup>	
Michael Corbat	\$1,500,000	\$6,750,000	\$7,875,000	\$7,875,000	\$24,000,000
John Gerspach	\$500,000	\$4,600,000	\$3,450,000	\$3,450,000	\$12,000,000
James Forese	\$500,000	\$7,800,000	\$5,850,000	\$5,850,000	\$20,000,000
Stephen Bird	\$500,000	\$4,400,000	\$3,300,000	\$3,300,000	\$11,500,000
Jane Fraser	\$500,000	\$3,500,000	\$2,625,000	\$2,625,000	\$9,250,000

*(1) Reported in the 2018 Summary Compensation Table.*

*(2) In accordance with SEC rules, these awards are not reportable in the 2018 Summary Compensation Table because they were not awarded during 2018. They will be reportable next year in the 2019 Summary Compensation Table.*

The above table is not intended to be a substitute for the reporting of compensation in accordance with SEC rules as shown in the 2018 Summary Compensation Table.

**Roadmap for the Scorecards on Pages 84-93**

The scorecards on pages 84-93 illustrate how our executive compensation Framework is used by the Compensation Committee to make compensation decisions.

The scorecards:

Show how the Compensation Committee assessed each named executive officer’s performance against quantitative and qualitative goals established early in the year.

Explain the size and scope of each named executive officer role to provide context for the Compensation Committee’s decision and level of pay.

Explain how the Compensation Committee arrived at its decision on each named executive officer’s compensation.

The colors in the Quantitative Goal section of the scorecards are intended to visually signify relative performance against operational and risk-related quantitative goals, as follows:

Signifies that an operational goal result achieved the 2018 goal or exceeded the goal by up to 10%. <sup>(1)</sup> Signifies that a risk goal result was achieved.	Signifies that an operational goal result was below the 2018 goal by 10% or less. Signifies that a risk goal had a positive but below-target result.	Signifies that an operational goal result was below the 2018 goal by more than 10%. Signifies that a risk goal had a negative result.
--	--	---

*(1) Additional colors or definitions would be provided if any achievements are greater than 10% of a goal.*

The Compensation Committee assesses performance against each quantitative and qualitative goal according to the following scale:

Score	1	2	3	4	5
Rating	Significant Outperform	Outperform	Meets Expectations	Underperform	Significant Underperform
<a href="http://www.citigroup.com">www.citigroup.com</a>					

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION  
Citi's Executive Compensation Framework**

Our Compensation Committee uses a five-step process to determine named executive officer incentive compensation.

**Step 1 – Goal Setting and Goal Weightings for Scorecards**

The Compensation Committee sets scorecard goals for each named executive officer early in each year. Performance goals fall into two categories, quantitative and qualitative, and vary by named executive officer:

**Quantitative goals** include:

Company-wide goals for all named executive officers that reflect our annual business plan, and

Business unit-specific goals for named executive officers who are business unit leaders that reflect annual plans for our individual business units.

**Qualitative goals** focus on:

Enhancing Citi's reputation,

Delivering value to clients, and

Continued progress toward Citi's longer-term targets.

When we set the goals, we also assign weightings to the goals. For 2018 and consistent with prior years, quantitative goals were weighted 70% and qualitative goals were weighted 30% in the calculation of the year-end overall scorecard rating for each named executive officer.

**Step 2 – Scorecard Assessment**

After the end of each year, a named executive officer's performance against each quantitative and qualitative goal is assessed.

A performance rating is assigned for each goal on a scale of 1 to 5, with 1 being "significant outperform" and 5 being "significant underperform," reflecting a subjective assessment of the executive's performance against the goal.

In accordance with the relative weightings established early in 2018, quantitative goal ratings were averaged and weighted 70% and qualitative goals were averaged and weighted 30% in arriving at an overall scorecard rating for each named executive officer. The Compensation Committee rates the CEO's performance, and the Compensation Committee and the CEO rate the performance of the other named executive officers.

**Step 3 – Evaluation of Market Pay**

The Compensation Committee reviews an estimated market pay range for each named executive officer role. Ranges are developed based on public information and third-party market surveys of compensation for the same or comparable roles at peer firms.

This practice ensures that our named executive officer pay appropriately reflects market pay, based on varying levels of performance.

**Step 4 – Linking Performance to Compensation**

The Compensation Committee then evaluates each named executive officer's overall scorecard rating relative to the estimated market-based pay range for each named executive officer role.

The overall scorecard rating determines whether compensation should be preliminarily targeted at, above, or below the estimated market median pay for the role. An overall scorecard rating of 3 would generally correspond to market median pay levels, with an overall 2 rating generally corresponding to above market median and an overall 4 rating generally corresponding to below market median.

The Compensation Committee believes that the simultaneous evaluation of scorecard performance and market pay is the most effective approach to aligning pay and performance in an industry where market levels of pay can change dynamically.

**Step 5 – Committee Determination**

Based on the evaluation of the scorecard ratings and market pay described in Step 4, the Compensation Committee, exercising its discretion, determines the final award amount for each named executive officer. The objective, non-formulaic factors (such as risk behaviors) that inform the decision are explained in detail within each named executive officer's scorecard.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

**Our Compensation Peer Group**

The Compensation Committee believes that market compensation levels must frame compensation decisions in order to retain the executive talent necessary to execute the Company's business strategy. Accordingly, a critical step in our executive compensation Framework is the Compensation Committee's understanding of market pay, which it develops through consideration of surveys of historic peer firm compensation for each named executive officer role.

In 2016, the Compensation Committee, with input from its independent compensation consultant, established the compensation peer group Citi currently uses to determine market pay ranges. The Compensation Committee evaluates the compensation peer group on an annual basis to ensure that the group continues to be appropriate. The Compensation Committee continues to believe that a U.S.-based peer group reflects the relevant market for executive talent and the relevant regulatory environment for Citi's executive compensation.

Our peers were chosen because they operate in one or more lines of business that are similar to Citi's and compete in similar labor markets, although many do not have global scale that is comparable to Citi.

**2018 COMPENSATION PEER GROUP**

AIG (AIG)	Goldman Sachs (GS)	
American Express (AXP)	JPMorgan Chase (JPM)	Prudential (PRU)
Bank of America (BAC)	MetLife (MET)	U.S. Bancorp (USB)
BNY Mellon (BK)	Morgan Stanley (MS)	Wells Fargo (WFC)
Capital One (COF)	PNC (PNC)	

All compensation peer group firms were included in preparing the market data for the CEO and CFO roles. Not all compensation peer group firms have roles comparable to Citi's named executive officer roles other than the CEO and CFO roles (e.g., the Institutional Clients Group role), so not all of the compensation peer group firms were represented in the market data for each of the other named executive officer roles. In evaluating the market for named executive officer compensation, the Compensation Committee additionally focused on compensation for comparable roles at the U.S.-based global banks with lines of business similar to Citi's. That group includes Bank of America, Goldman Sachs, JP Morgan Chase, Morgan Stanley, and Wells Fargo.

In selecting the compensation peer group, the Compensation Committee used size-based metrics as primary screening criteria among financial services firms. Due to the absence of a sufficient number of comparably sized direct peers, the result is a peer group where Citi is above the 75th percentile in size, meaning that the market for target compensation prior to consideration of performance could be the upper quartile. Where Citi pays executives above median, the size and scope of their responsibilities and their performance tend to be critical factors in determining pay ranges.

**2018 CITI POSITIONING RELATIVE TO PEER COMPANIES**

*(1) AIG employees as of 12/31/2017; MET employees as of 10/1/2017; PRU employees as of 12/31/2017.*

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION  
CEO Scorecard and Pay Explanation**

Mr. Corbat has been CEO of Citi since October 2012. He joined Citi in 1983 and has held various management positions throughout Citi in multiple businesses and geographies.

**QUANTITATIVE SCORECARD**

Category	Quantitative Goal (Glossary on Page 127)	2018 Result <sup>(1)(2)</sup>	Rating <sup>(2)</sup>
Profitability	Citigroup Income from Continuing Operations Before Taxes	\$23.4 billion	3
Expense Management	Citigroup Efficiency Ratio	57.4%	3
Use of Capital	Citigroup Return on Tangible Common Equity	10.9%	2
	Citigroup Return on Assets	0.93%	3
Risk	Citigroup Risk Appetite Ratio	151%	
	Citigroup Risk Appetite Surplus	\$7.61 billion	1

**QUALITATIVE SCORECARD**

Qualitative Goal	Result Highlights (Glossary on Page 127)	Rating <sup>(2)</sup>
Protect and enhance our reputation	Mr. Corbat continues to provide prominent and clear messaging across the company around the firm's culture of ethics and conduct.	
	Under Mr. Corbat's sponsorship, Citi received no objection from regulators to its capital plan submitted as part of the 2018 CCAR process, enabling the return of \$18.4 billion of capital to common stockholders during 2018. Citi repurchased over 200 million shares during 2018, resulting in an 8% reduction in outstanding common shares.	
	Notwithstanding the continued progress in returning capital to shareholders, each of Citi's key regulatory capital metrics remained strong.	
Develop client-relevant value propositions	Control metrics generally improved year-over-year across Citi, and as measured by objective risk metrics, Citi's risk profile was stable in 2018. Many outstanding regulatory issues were resolved, while others remain as focus areas.	3
	Mr. Corbat championed Citi's leadership in disclosing gender and U.S. minority pay gaps and making related adjustments to compensation globally. We have published our goals to improve representation of women and U.S. minorities in senior roles throughout Citi.	
	Mr. Corbat continued his outreach to external stakeholders globally, including investors, regulators, and government officials.	
Produce extraordinary client experiences	He led investor outreach by conducting 36 investor meetings in 2018.	
	In addition to regular bank supervisory meetings, he participated in 56 meetings in 2018 with regulators, central bankers, and government officials from the U.S. and other countries.	
Deliver our financial commitments	Mr. Corbat maintained regular client contact by holding, on average, approximately 40 client meetings per month in cities around the world.	2
	Mr. Corbat drove continued focus on key investments in Global Consumer Banking and Institutional Clients Group that are already showing results, such as digital and mobile innovations in consumer banking and investments in our equities business.	
	Innovations sponsored by Mr. Corbat have led to improved client satisfaction scores on objective surveys in Global Consumer Banking and Institutional Clients Group.	2
	Key digital user metrics improved substantially year-over-year, and in Institutional Clients Group, we have significantly improved the client onboarding experience.	
	Key financial metrics, including Citi's 2018 return on tangible common equity, exceeded 2017 results (excluding the impact of Tax Reform in both periods) and our 2018 business plan.	3

*Return on Tangible Common Equity and Return on Assets exclude the impact of Tax Reform in 2018. For a reconciliation of all adjusted results (1) to reported results, please see Annex A to this Proxy Statement.*

*(2) Explanations of the colors and ratings used in the scorecards appear on page 81.*

[Citi 2019 Proxy Statement](#)

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

**SIZE AND SCOPE OF ROLE**

As CEO, Mr. Corbat is responsible for Citi's global business operations. Citi's Global Consumer Banking businesses operate in North America, Mexico, and Asia and provide traditional banking services to retail customers through retail banking, including commercial banking, and Citi-branded cards and retail services. Citi's Institutional Clients Group provides corporate, institutional, public sector, and high-net-worth clients around the world with a full range of wholesale banking products and services.

Citi has approximately 200 million customer accounts and does business in over 160 countries and jurisdictions. Citi believes this global network provides a strong foundation for servicing the broad financial services needs of its large multinational clients and for meeting the needs of retail, private banking, commercial, public sector, and institutional clients around the world.

As of December 31, 2018, Citi had:

revenues of \$72.9 billion for full year 2018,

assets of approximately \$1.92 trillion,

market capitalization of \$123 billion,

approximately 204,000 employees, and

deposits of approximately \$1.01 trillion.

**COMMITTEE'S PAY RATIONALE**

**Scorecard Assessment Summary**

Company-wide financial results reflected solid progress toward improving Citi's profitability and returns, including return on tangible common equity, in a more challenging revenue environment. Citi attained the targets set at the beginning of 2018 and demonstrated improved operating performance over 2017.

The Compensation Committee considered Mr. Corbat's notable 2018 qualitative goal achievements, such as the leadership demonstrated in the 2018 favorable CCAR result, which enabled the return of \$18.4 billion in capital to stockholders during 2018.

**Linking Performance to Compensation**

Company business performance at or above targets combined with Mr. Corbat's strong performance against qualitative goals resulted in an overall scorecard rating of 2.43, which points toward compensation above market median for the CEO role within our 13-firm compensation peer group. The overall scorecard rating was determined by averaging the quantitative goal ratings and weighting the result 70%, averaging the qualitative goal ratings and weighting the result 30%, then adding the two amounts ( $[2.4 \times 0.7] + [2.5 \times 0.3] = 2.43$ ).

**Final Award**

The Compensation Committee awarded Mr. Corbat \$24 million in total annual compensation for 2018, consisting of a base salary of \$1.5 million and a total annual incentive award of \$22.5 million, an increase of 4% over his total annual compensation for 2017 of \$23 million. Mr. Corbat's compensation was above market median for the CEO role based on a comparison to CEO pay in our 13-firm compensation peer group, consistent with the results produced by our executive compensation Framework, while at the same time was below the median of CEO pay at other U.S.-based global banks. In determining the final award amount in the exercise of its discretion, the Compensation Committee relied on the results of the executive compensation Framework and considered Citi's solid progress toward its financial goals, market levels of pay at other U.S.-based global banks, and Mr. Corbat's qualitative results.

[www.citigroup.com](http://www.citigroup.com)

---



**Table of Contents****PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION****CFO Scorecard and Pay Explanation**

John Gerspach has been CFO of Citi since July 2009 and has served in various executive financial management roles globally since joining Citi in 1990. He retired from the CFO role on February 22, 2019.

**QUANTITATIVE SCORECARD**

Category	Quantitative Goal (Glossary on Page 127)	2018 Result <sup>(1)(2)</sup>	Rating <sup>(2)</sup>
Profitability	Citigroup Income from Continuing Operations Before Taxes	\$23.4 billion	3
Expense Management	Citigroup Efficiency Ratio	57.4%	3
Use of Capital	Citigroup Return on Tangible Common Equity	10.9%	2
	Citigroup Return on Assets	0.93%	3
Risk	Citigroup Risk Appetite Ratio	151%	
	Citigroup Risk Appetite Surplus	\$7.61 billion	1

**QUALITATIVE SCORECARD**

Qualitative Goal	Result Highlights (Glossary on Page 127)	Rating <sup>(2)</sup>
	<p>Under Mr. Gerspach's leadership, Citi received no objection from regulators to its capital plan submitted as part of the 2018 CCAR process, enabling the return of \$18.4 billion of capital to common stockholders during 2018. Citi repurchased over 200 million shares during 2018, resulting in an 8% reduction in outstanding common shares.</p> <p>Notwithstanding the continued progress in returning capital to shareholders, each of Citi's key regulatory capital metrics remained strong.</p> <p>Control metrics generally improved year-over-year across the Finance function, while areas of focus remain.</p>	
Protect and enhance our reputation	<p>Succession planning efforts in Finance resulted in the orderly succession process pursuant to which Mark Mason was promoted to Citi CFO.</p> <p>Under Mr. Gerspach's leadership, Citi Ventures continued to build a successful investment portfolio, resulting in substantial cost savings and incremental revenue to Citi.</p>	3
Develop client-relevant value propositions	The Finance function has continued to make productivity and process improvements that have lowered cost, improved the quality of financial reporting and analysis, and improved the effectiveness of our control environment.	3
Produce extraordinary client experiences	Mr. Gerspach has sponsored multiple initiatives to deliver better insights to clients and faster execution.	3
Deliver our financial commitments	<p>Key financial metrics, including Citi's 2018 return on tangible common equity, exceeded 2017 results (excluding the impact of Tax Reform in both periods) and our 2018 business plan.</p> <p>Finance function efforts resulted in a reduction of Citi's effective tax rate.</p>	2

*Return on Tangible Common Equity and Return on Assets exclude the impact of Tax Reform in 2018. For a reconciliation of all adjusted results (1) to reported results, please see Annex A to this Proxy Statement.*

*(2) Explanations of the ratings used in the scorecards appear on page 81.*

[Citi 2019 Proxy Statement](#)

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

**SIZE AND SCOPE OF ROLE**

Mr. Gerspach was Citi CFO throughout 2018 and until February 22, 2019. The Citi CFO is responsible for managing Citi's balance sheet and Citi's financial reporting processes. At December 31, 2018, Citi had approximately \$1.92 trillion of assets and \$1.01 trillion of deposits.

Among the disciplines reporting to the Citi CFO is Citi's treasury function, which manages our capital, funding, and liquidity. In addition, the treasury function manages corporate oversight of risks related to liquidity, interest rates, and currency translation. The Citi CFO leads the teams coordinating Citi's responses to global financial regulatory reform. The Finance function also plays a central role in our CCAR capital planning process.

The Citi CFO leads many of Citi's expense management initiatives and Finance also leads or participates in a range of financial control activities throughout the businesses.

**COMMITTEE'S PAY RATIONALE**

**Scorecard Assessment Summary**

Company-wide financial results reflected solid progress toward improving Citi's profitability and returns, including return on tangible common equity, in a more challenging revenue environment. Citi attained the targets set at the beginning of 2018 and demonstrated improved operating performance over 2017.

The Compensation Committee considered Mr. Gerspach's notable 2018 qualitative goal achievements, such as the leadership demonstrated in the 2018 favorable CCAR result and company-wide productivity improvements.

**Linking Performance to Compensation**

Company business performance at or above targets combined with Mr. Gerspach's strong performance against qualitative goals resulted in an overall scorecard rating of 2.505, which points toward compensation above market median for the CFO role within our 13-firm compensation peer group. The overall scorecard rating was determined by averaging the quantitative goal ratings and weighting the result 70%, averaging the qualitative goal ratings and weighting the result 30%, then adding the two amounts ( $[2.4 \times 0.7] + [2.75 \times 0.3] = 2.505$ ).

**Final Award**

The Compensation Committee awarded Mr. Gerspach \$12 million in annual compensation for 2018, a 9% increase over his 2017 annual compensation of \$11 million, in recognition of a gap to market levels of compensation for similar roles at U.S.-based global banks as well as Mr. Gerspach's performance. Mr. Gerspach's compensation was above market median for the CFO role based on a comparison to CFO pay in our 13-firm compensation peer group, consistent with the results produced by our executive compensation Framework, while at the same time was below the median of CFO pay at other U.S.-based global banks. In determining the final award amount in the exercise of its discretion, the Compensation Committee relied on the results of the executive compensation Framework and considered Citi's solid progress toward its financial goals, market levels of pay at other U.S.-based global banks, and Mr. Gerspach's qualitative results.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

[PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION](#)  
[Citi President and Institutional Clients Group CEO Scorecard and Pay Explanation](#)

James Forese is President of Citi and CEO of Institutional Clients Group (ICG). He assumed expanded duties as President of Citi in June 2015 after serving as Co-President of Citi and CEO of ICG since January 2013. Mr. Forese joined Citi in 1985 and has held various executive positions in multiple geographies throughout the businesses comprising ICG.

**QUANTITATIVE SCORECARD**

Mr. Forese's performance on most quantitative metrics was evaluated on the basis of both company-wide and ICG results, consistent with his roles as President of Citi and as CEO of ICG.

Category	Quantitative Goal (Glossary on Page 127)	2018 Result <sup>(1)(2)</sup>	Rating <sup>(2)</sup>
Profitability	Citigroup Income from Continuing Operations Before Taxes	\$23.4 billion	
	ICG Income from Continuing Operations Before Taxes	\$15.8 billion	3
Expense Management	Citigroup Efficiency Ratio	57.4%	
	ICG Efficiency Ratio	56.7%	3
Use of Capital	Citigroup Return on Tangible Common Equity	10.9%	
	ICG Return on Tangible Common Equity	14.3%	3
	Citigroup Return on Assets	0.93%	
	ICG Return on Assets	0.87%	3
Risk	ICG Risk Appetite Ratio	219%	
	ICG Risk Appetite Surplus	\$8.15 billion	2

**QUALITATIVE SCORECARD**

Qualitative Goal	Result Highlights	Rating <sup>(2)</sup>
Protect and enhance our reputation	As Citi President, Mr. Forese continues to provide prominent and clear messaging across the company around the firm's culture of ethics and conduct.	
	Control metrics generally improved year-over-year across ICG. Many outstanding regulatory issues were resolved, while others remain as focus areas.	
	Led by Mr. Forese, ICG demonstrated improvement in key diversity metrics and ethical culture scores and implemented new approaches to entry-level hiring that have already increased diversity.	3
Develop client-relevant value propositions	Earnings in three priority areas – equities, investor services, and treasury and trade solutions – exceeded 2017 results and the 2018 business plan. Private bank revenues continued to grow.	
	Led by Mr. Forese, ICG continued to enhance controls while simplifying client-facing processes.	2
Produce extraordinary client experiences	ICG greatly simplified and streamlined the client onboarding experience through use of technology in multiple areas, including trading platforms.	
	ICG continued to improve client satisfaction significantly, as measured in objective surveys.	1
Deliver our financial commitments	Although ICG 2018 financial results fell short of its business plan, ICG's underlying results in 2018 showed solid growth over 2017 levels. Led by Mr. Forese, ICG productivity improvements exceeded targets.	2

*Citigroup Return on Tangible Common Equity and Citigroup Return on Assets exclude the impact of Tax Reform in 2018. For a reconciliation of (1) all adjusted results to reported results, please see Annex A to this Proxy Statement.*

*(2) Explanations of the colors and ratings used in the scorecards appear on page 81.*

[Citi 2019 Proxy Statement](#)

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

**SIZE AND SCOPE OF ROLE**

As President of Citi, Mr. Forese leads enterprise-wide initiatives, including those designed to improve Citi's execution of its business strategy and efforts to shape Citi's culture through our common mission and value proposition statements. Mr. Forese is also CEO of ICG, which provides corporate, institutional, public sector, and high-net-worth clients around the world with a full range of wholesale banking products and services, including fixed income and equity sales and trading, foreign exchange, prime brokerage, derivative services, equity and fixed income research, corporate lending, investment banking and advisory services, private banking, cash management, trade finance, and securities services. ICG's international presence is supported by trading floors in approximately 80 countries and a proprietary network in 98 countries and jurisdictions. At December 31, 2018, ICG had approximately \$1.4 trillion of assets and \$690 billion of deposits, while two of its businesses, securities services and issuer services, managed approximately \$17.5 trillion of assets under custody.

**COMMITTEE'S PAY RATIONALE**

**Scorecard Assessment Summary**

Company-wide financial results reflected solid progress toward improving Citi's profitability and returns, including return on tangible common equity, in a more challenging revenue environment. Citi attained the targets set at the beginning of 2018 and demonstrated improved operating performance over 2017. ICG had solid revenue growth across treasury and trade solutions, private bank, securities services, equity markets, and corporate lending, partially offset by weakness in fixed income as well as softness in equity and debt underwriting.

The Compensation Committee considered Mr. Forese's notable 2018 qualitative goal achievements, including the success of investments in targeted ICG businesses.

**Linking Performance to Compensation**

Company business performance at or above targets and ICG business performance above or near targets combined with Mr. Forese's strong performance against qualitative goals resulted in an overall scorecard rating of 2.635, which points toward compensation within the range of market median for Mr. Forese's role as CEO of ICG. The overall scorecard rating was determined by averaging the quantitative goal ratings and weighting the result 70%, averaging the qualitative goal ratings and weighting the result 30%, then adding the two amounts  $[(2.8 \times 0.7) + (2.25 \times 0.3)] = 2.635$ .

**Final Award**

The Compensation Committee awarded Mr. Forese \$20 million in annual compensation for 2018, the same as his 2017 annual compensation of \$20 million. Mr. Forese's 2018 compensation was within the range of market median for his ICG role considering compensation at U.S.-based global banks, consistent with the results produced by our executive compensation Framework. In determining the final award amount in the exercise of its discretion, the Compensation Committee relied on the results of the executive compensation Framework, which reflect market levels of compensation, ICG's 2018 business performance, and Mr. Forese's qualitative results.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**  
**Global Consumer Banking CEO Scorecard and Pay Explanation**

Stephen Bird became CEO of Global Consumer Banking (GCB) in June 2015. Previously, Mr. Bird was CEO of Citi's Asia Pacific region, responsible for Citi's business lines across the region. He joined Citi in 1998 and has held regional executive roles in Operations & Technology as well as business executive roles in GCB.

**QUANTITATIVE SCORECARD**

Mr. Bird's performance on most quantitative metrics was evaluated on the basis of both company-wide and GCB results, consistent with his roles as an executive officer of Citi and as CEO of GCB.

Category	Quantitative Goal (Glossary on Page 127)	2018 Result <sup>(1)(2)</sup>	Rating <sup>(2)</sup>
Profitability	Citigroup Income from Continuing Operations Before Taxes	\$23.4 billion	
	GCB Income from Continuing Operations Before Taxes	\$7.6 billion	4
Expense Management	Citigroup Efficiency Ratio	57.4%	
	GCB Efficiency Ratio	55.0%	4
Use of Capital	Citigroup Return on Tangible Common Equity	10.9%	
	GCB Return on Tangible Common Equity	16.4%	4
	Citigroup Return on Assets	0.93%	
Risk	GCB Return on Assets	1.36%	4
	GCB Risk Appetite Ratio	173%	
	GCB Risk Appetite Surplus	\$3.46 billion	2

**QUALITATIVE SCORECARD**

Qualitative Goal	Result Highlights	Rating <sup>(2)</sup>
	Control metrics generally improved year-over-year across GCB, and many outstanding regulatory issues were resolved. Led by Mr. Bird, GCB demonstrated improvement in key diversity metrics and ethical culture scores.	
Protect and enhance our reputation	Mr. Bird demonstrated leadership in revising his organizational structure, and the changes are already resulting in improved business performance.	3
Develop client-relevant value propositions	GCB delivered solid performance on its strategic mobile initiatives, with digital and mobile usage above 2018 targets. In 2018, investments in Citibanamex resulted in significant progress toward 2020 targets.	2
Produce extraordinary client experiences	Key digital user metrics improved substantially year-over-year, and we are winning industry awards for exceptional digital and mobile experiences. The GCB client experience is rapidly improving, as indicated by client survey results.	2
Deliver our financial commitments	Led by Mr. Bird, GCB financial performance for 2018 generally showed improvement over 2017 and was near its business plan.	3

*Citigroup Return on Tangible Common Equity and Citigroup Return on Assets exclude the impact of Tax Reform in 2018. For a reconciliation of (1) all adjusted results to reported results, please see Annex A to this Proxy Statement.*

*(2) Explanations of the colors and ratings used in the scorecards appear on page 81.*

[Citi 2019 Proxy Statement](#)

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

**SIZE AND SCOPE OF ROLE**

As CEO of GCB, Mr. Bird's global responsibilities include all consumer and commercial banking businesses in 19 countries and jurisdictions.

GCB provides traditional banking services to retail customers through retail banking, including commercial banking, and Citi-branded cards and Citi retail services. GCB is focused on its priority markets in the U.S., Mexico, and Asia with 2,410 branches as of December 31, 2018. At December 31, 2018, GCB had approximately \$432 billion of assets and \$308 billion of deposits.

At December 31, 2018, North America GCB had 689 retail bank branches, approximately 9.1 million retail banking customer accounts, \$56.8 billion in retail banking loans, and \$181.2 billion in deposits. In addition, North America GCB had approximately 121 million Citi-branded and Citi retail services card accounts with \$144.5 billion in outstanding loan balances.

At December 31, 2018, Latin America GCB had 1,463 retail branches in Mexico, approximately 29.4 million retail banking customer accounts, \$19.7 billion in retail banking loans, and \$27.7 billion in deposits. In addition, Latin America GCB had approximately 5.6 million Citi-branded card accounts with \$5.7 billion in outstanding loan balances.

At December 31, 2018, Asia GCB had 258 retail branches, approximately 16.0 million retail banking customer accounts, \$69.2 billion in retail banking loans, and \$99.2 billion in deposits. In addition, Asia GCB had approximately 15.3 million Citi-branded card accounts with \$19.3 billion in outstanding loan balances.

**COMMITTEE'S PAY RATIONALE**

**Scorecard Assessment Summary**

Company-wide financial results reflected solid progress toward improving Citi's profitability and returns, including return on tangible common equity, in a more challenging revenue environment. Citi attained the targets set at the beginning of 2018 and demonstrated improved operating performance over 2017. GCB reported revenue growth in all regions, reflecting continued loan and overall deposit growth, partially offset by the near-term impact of weak market sentiment on Asia wealth management revenues, as well as the impact from partnership renewal terms that went into effect in 2018 in Citi-branded cards in North America GCB.

The Compensation Committee considered Mr. Bird's notable 2018 qualitative goal achievements, such as the gains in the digital space, along with key achievements in important markets.

**Linking Performance to Compensation**

Company performance at or above targets and GCB business performance generally near targets plus Mr. Bird's strong performance against qualitative goals resulted in an overall scorecard rating of 3.27, which points toward compensation within the range of market median for Mr. Bird's role. The overall scorecard rating was determined by averaging the quantitative goal ratings and weighting the result 70%, averaging the qualitative goal ratings and weighting the result 30%, then adding the two amounts ( $[3.6 \times 0.7] + [2.5 \times 0.3] = 3.27$ ).

**Final Award**

The Compensation Committee awarded Mr. Bird \$11.5 million in 2018 annual compensation, a 9.5% increase over his 2017 pay of \$10.5 million, in recognition of a gap to market levels of compensation for similar roles at U.S.-based global banks as well as Mr. Bird's performance. Mr. Bird's 2018 compensation was within the range of market median for his role considering compensation at U.S.-based global banks, consistent with the results produced by our executive compensation Framework. In determining the final award amount in the exercise of its discretion, the Compensation Committee relied on the results of the executive compensation Framework, which reflect market levels of compensation, GCB's 2018 business performance, and Mr. Bird's qualitative results.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

[PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION  
Latin America CEO Scorecard and Pay Explanation](#)

In June 2015, Jane Fraser became CEO of Citi's Latin America (LatAm) region. Previously, she was CEO of Citi's U.S. Consumer and Commercial Banking and CitiMortgage. From 2009 to 2013, Ms. Fraser served as CEO of Citi's Private Bank, and before then, she held key strategy roles. She joined Citi in 2004.

**QUANTITATIVE SCORECARD**

Ms. Fraser's performance on most quantitative metrics was evaluated on the basis of both company-wide and LatAm results, consistent with her roles as an executive officer of Citi and as CEO of LatAm.

Category	Quantitative Goal (Glossary on Page 127)	2018 Result <sup>(1)(2)</sup>	Rating <sup>(2)</sup>
Profitability	Citigroup Income from Continuing Operations Before Taxes	\$23.4 billion	
	LatAm Income from Continuing Operations Before Taxes	\$3.8 billion	2
Expense Management	Citigroup Efficiency Ratio	57.4%	
	LatAm Efficiency Ratio	49.4%	2
Use of Capital	Citigroup Return on Tangible Common Equity	10.9%	
	LatAm Return on Tangible Common Equity	23.3%	1
	Citigroup Return on Assets	0.93%	
	LatAm Return on Assets	2.23%	1
Risk	LatAm Risk Appetite Ratio	305%	
	LatAm Risk Appetite Surplus	\$2.78 billion	2

**QUALITATIVE SCORECARD**

Qualitative Goal	Result Highlights	Rating <sup>(2)</sup>
	Control metrics generally improved year-over-year across the LatAm region, and many outstanding regulatory issues were resolved. The control and governance environment has strengthened considerably under Ms. Fraser's stewardship, as we continue to focus on further improvements.	
Protect and enhance our reputation	Led by Ms. Fraser, the LatAm region demonstrated improvement in key diversity metrics and ethical culture scores.	3
Develop client-relevant value propositions	Citi continued to execute on its investment plan for Citibanamex (totaling more than \$1 billion through 2020). Ms. Fraser is leading the transformation of Citi's consumer banking platform in Mexico, which demonstrated significant progress in 2018. In 2018, Citibanamex made progress toward a market leadership position through development of new strategic business combinations and partnerships. Under Ms. Fraser's leadership, digital and mobile users in Mexico have increased significantly.	2
Produce extraordinary client experiences	Targeted businesses in LatAm ICG improved wallet share and revenues compared to 2017, while the region's operating efficiency improved year-over-year.	2
Deliver our financial commitments	Overall the region delivered results that exceeded the business plan in addition to demonstrating year-over-year improvement in financial results.	1

*Citigroup Return on Tangible Common Equity and Citigroup Return on Assets exclude the impact of Tax Reform in 2018. For a reconciliation of (1) all adjusted results to reported results, please see Annex A to this Proxy Statement.*

*(2) Explanations of the colors and ratings used in the scorecards appear on page 81.*

[Citi 2019 Proxy Statement](#)



**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

**SIZE AND SCOPE OF ROLE**

The CEO of LatAm is responsible for LatAm GCB in Mexico and ICG's businesses in the 23 countries and jurisdictions where Citi is present in this region.

LatAm GCB provides traditional retail banking, including commercial banking, and its Citi-branded cards products to retail customers and small to mid-sized businesses in Mexico through Citibanamex, one of Mexico's largest banks. At December 31, 2018, LatAm GCB had 1,463 retail branches in Mexico, with approximately 29.4 million retail banking customer accounts, \$19.7 billion in retail banking loans, and \$27.7 billion in deposits.

In addition, LatAm GCB had approximately 5.6 million Citi-branded card accounts with \$5.7 billion in outstanding loan balances at December 31, 2018.

LatAm ICG has a long-standing institutional presence in the region and leverages Citi's global network, digital capabilities, and deep local market expertise. In 2018, LatAm ICG had \$4.5 billion in revenue.

**COMMITTEE'S PAY RATIONALE**

**Scorecard Assessment Summary**

Company-wide financial results reflected solid progress toward improving Citi's profitability and returns, including return on tangible common equity, in a more challenging revenue environment. Citi attained the targets set at the beginning of 2018 and demonstrated improved operating performance over 2017. The LatAm region performed well, with financial performance above or in line with targets.

The Compensation Committee considered Ms. Fraser's notable 2018 qualitative goal achievements, including the success of new client initiatives in the region.

**Linking Performance to Compensation**

Company performance at or above targets and LatAm business performance above targets combined with Ms. Fraser's strong performance against qualitative goals resulted in an overall scorecard rating of 1.72, which points toward compensation above market median for Ms. Fraser's role. The overall scorecard rating was determined by averaging the quantitative goal ratings and weighting the result 70%, averaging the qualitative goal ratings and weighting the result 30%, then adding the two amounts ( $[1.6 \times 0.7] + [2.0 \times 0.3] = 1.72$ ).

**Final Award**

The Compensation Committee awarded Ms. Fraser \$9.25 million in 2018 annual compensation, a 9% increase over her 2017 annual compensation of \$8.5 million. Ms. Fraser's 2018 compensation was within the range of market median for her role, considering compensation at U.S.-based global banks. In determining the final award amount in the exercise of its discretion, the Compensation Committee relied on the results of the executive compensation Framework, focusing on the overall performance of Citi while recognizing the strong performance of the LatAm region and Ms. Fraser's qualitative results.

[www.citigroup.com](http://www.citigroup.com)

---



**Table of Contents**

[PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION](#)

Long-Term Incentives  
[Performance Share Units](#)

Thirty-five percent of CEO variable pay and 30% of other named executive officer variable pay are awarded as Performance Share Units, which represent half of Citi's long-term incentive awards for these executives. The performance target levels for this year's awards were updated, but there were no other changes to the terms of the Performance Share Units as compared to last year.

<b>AWARD FEATURE</b>	<b>PERFORMANCE YEAR 2018 PSU DESCRIPTION</b>																									
Performance Period	January 1, 2019 through December 31, 2021																									
Target Number of PSUs	Portion of total incentive award allocated to PSU program divided by the average of the closing prices of Citi common stock for the five trading days immediately preceding the February 14, 2019 grant date (\$62.428)																									
	<a href="#">RoTCE for 2021</a>	<a href="#">Cumulative EPS over 2019-2021</a>																								
	RoTCE is net income (less preferred dividends) divided by average tangible common equity for the year.	Cumulative EPS is determined by adding the diluted earnings per share based on net income allocated to common stockholders from our quarterly earnings reports for the 12 quarters ending in 2019 through 2021.																								
Performance Metrics and Targets	Half of units earned on RoTCE performance based on the following performance grid:	Half of units earned on cumulative EPS based on the following performance grid:																								
	<table border="0"> <thead> <tr> <th></th> <th>Percent of Target</th> </tr> <tr> <th>RoTCE for 2021</th> <th>PSUs Earned</th> </tr> </thead> <tbody> <tr> <td>Less than 10%</td> <td>0%</td> </tr> <tr> <td>10%</td> <td>50%</td> </tr> <tr> <td>14%</td> <td>100%</td> </tr> <tr> <td>16% or more</td> <td>150%</td> </tr> </tbody> </table>		Percent of Target	RoTCE for 2021	PSUs Earned	Less than 10%	0%	10%	50%	14%	100%	16% or more	150%	<table border="0"> <thead> <tr> <th>Cumulative EPS, 2019-2021</th> <th>Percent of Target</th> </tr> <tr> <th>PSUs Earned</th> <th></th> </tr> </thead> <tbody> <tr> <td>Less than \$22.50</td> <td>0%</td> </tr> <tr> <td>\$22.50</td> <td>50%</td> </tr> <tr> <td>\$26.25</td> <td>100%</td> </tr> <tr> <td>\$29.00 or more</td> <td>150%</td> </tr> </tbody> </table>	Cumulative EPS, 2019-2021	Percent of Target	PSUs Earned		Less than \$22.50	0%	\$22.50	50%	\$26.25	100%	\$29.00 or more	150%
	Percent of Target																									
RoTCE for 2021	PSUs Earned																									
Less than 10%	0%																									
10%	50%																									
14%	100%																									
16% or more	150%																									
Cumulative EPS, 2019-2021	Percent of Target																									
PSUs Earned																										
Less than \$22.50	0%																									
\$22.50	50%																									
\$26.25	100%																									
\$29.00 or more	150%																									
	Performance between the thresholds in the table will be determined by straight-line interpolation to avoid encouraging imprudent risk-taking through artificial cliffs in the design of the PSUs.																									
	Example: If Citi has RoTCE for 2021 of 14% and cumulative EPS of \$22.50 over the performance period, the executives will receive 75% of the target PSUs, which assigns equal weight to performance against the RoTCE metric (100% performance) and the cumulative EPS metric (50% performance).																									
Rationale for Performance Metrics and Target Levels	The rationale for our performance metrics and target levels appears on pages 78-79. After the end of the performance period, the number of earned PSUs will be multiplied by the average Citi common stock price over the 20 trading days preceding the final vesting date, and the resulting value will be paid in cash. This practice links the payout to changes in the price of Citi common stock while limiting stockholder dilution.																									
Award Delivery	The number of PSUs that may be earned is capped at 100% of target if Citi's total shareholder return is negative over the three-year performance period, regardless of the outcome of the performance metrics.																									
TSR Factor	Dividend equivalents will be accrued and paid on the number of earned PSUs after the end of the performance period; dividend equivalents on PSUs that are not earned will be forfeited.																									
Dividend Equivalents	Subject to clawbacks in a range of circumstances, including misconduct and failure to supervise others.																									
Clawbacks																										
<a href="#">Citi 2019 Proxy Statement</a>																										

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION  
Deferred Stock Awards**

Thirty-five percent of CEO variable pay and 30% of other named executive officer variable pay are awarded as Deferred Stock Awards, which represent half of Citi's long-term incentive awards for these executives. There have been no changes to the terms of our Deferred Stock Awards since 2013.

AWARD FEATURE	DEFERRED STOCK AWARD (DSA) DESCRIPTION															
Vesting Period	Vests 25% each year over a four-year period Portion of total incentive award allocated to DSAs divided by the average of the closing prices of Citi common stock for the five trading days immediately preceding the February 14, 2019 grant date (\$62.428)															
Number of Shares	If Citigroup has pretax losses in any year of the deferral period, the portion of the DSA that is scheduled to vest in the year following the loss year will be reduced by a fraction:  <div style="text-align: center;"> <math display="block">\frac{\text{the amount of the pretax loss}}{\text{the highest level of annual pretax profit for Citigroup in the three years immediately preceding the loss year}}</math> </div> If that fraction would result in a cancellation of 20% or less of the shares, the shares scheduled to vest will be reduced by 20% (i.e., there is a minimum cancellation level in the event of pretax losses). This provision cannot result in an increase in award value; the feature can only result in the cancellation of unvested shares. This example shows how the portion of a DSA granted in February 2019 of 20,000 shares that is scheduled to vest in January 2020 — 5,000 shares — would be affected, assuming the following pretax profit (loss) history for Citigroup. <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Scheduled vesting date</th> <th colspan="4" style="text-align: center;">Pretax profit (loss) for Citigroup (in millions)</th> </tr> <tr> <th></th> <th style="text-align: center;">2019</th> <th style="text-align: center;">2018</th> <th style="text-align: center;">2017</th> <th style="text-align: center;">2016</th> </tr> </thead> <tbody> <tr> <td>January 2020</td> <td style="text-align: center;">(\$500)</td> <td style="text-align: center;">\$23,445</td> <td style="text-align: center;">\$22,761</td> <td style="text-align: center;">\$21,477</td> </tr> </tbody> </table> The profit amounts for 2016, 2017, and 2018 in the example are derived from current publicly reported financial information. The pretax loss amount for 2019 in the example is a hypothetical assumption for illustrative purposes only.  The reduction produced by the formula (500 divided by 23,445) is 2.13%. Due to the minimum cancellation level, 20% of shares scheduled to vest in January 2020 would be cancelled. Therefore, 1,000 shares of the 5,000 that were scheduled to vest would be cancelled (1,000 = 20% of 5,000). Dividend equivalents will be accrued and paid on vested shares after the end of the vesting period; dividend equivalents on DSAs that are not earned will be forfeited. Subject to clawbacks.	Scheduled vesting date	Pretax profit (loss) for Citigroup (in millions)					2019	2018	2017	2016	January 2020	(\$500)	\$23,445	\$22,761	\$21,477
Scheduled vesting date	Pretax profit (loss) for Citigroup (in millions)															
	2019	2018	2017	2016												
January 2020	(\$500)	\$23,445	\$22,761	\$21,477												
Performance-Based Vesting Condition																
Example																
Dividend Equivalents																
Clawbacks																

**Additional Compensation Practices  
Risk and Citi's Incentive Compensation Programs**

Our compensation programs are designed in accordance with our responsibility to assume only risks that are prudent and well-understood and to effectively manage those risks to protect the franchise. Our programs have the following important elements:

**Our Compensation Philosophy** requires us to consider risk management when making discretionary incentive compensation awards. Our Compensation Philosophy is available on our public website.  
(continued on next page)



**Table of Contents**

[PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION](#)

**The Chief Risk Officer reports at least twice annually to the Compensation Committee** on risk levels and trends across Citi, as well as incentive compensation frameworks at the senior executive level and throughout Citi. The Chief Risk Officer has reviewed our executive compensation Framework to help ensure that compensation is aligned with long-term performance in a manner that does not encourage imprudent or excessive risk-taking.

**Citi's executive compensation Framework explicitly and implicitly adjusts incentive awards for risk.** Citi's executive compensation Framework takes risk into account in a number of ways, including:

Using financial metrics intended to assess risk levels as an element of each executive's quantitative goals;

Evaluating risk management performance, including effectiveness of the control environment, as part of the qualitative goals; and

Taking adverse risk outcomes into account when determining incentive compensation.

**An assessment of risk management behaviors is taken into account in determining individual incentive awards.** For individual covered employees (several hundred of the most senior employees at Citi), Citi has established an annual control function review process in which reviewers from the control functions provide an evaluation of each covered employee's risk behaviors. The control functions are Finance, Independent Compliance Risk Management, Internal Audit, Legal, and Risk Management. The process is designed to evaluate current behavior and attitudes toward risk. The rating from the control function review process informs and influences the covered employee's performance review conducted by the employee's manager, and the results of the process are reported to the Compensation Committee. We believe this process has improved awareness of the importance of risk management behaviors and has resulted in the strengthening of Citi's risk culture. The named executive officers other than Mr. Corbat were evaluated on risk behaviors by Citi's control functions through this annual control function review process, and Mr. Corbat was assessed on risk behaviors by the Compensation Committee with input from the control functions. These reviews resulted in positive ratings or assessments on risk behaviors for the named executive officers. The positive ratings were not determinative of the size of the annual incentive awards for 2018, as a positive rating on risk behaviors is an expected element of job performance in all covered employee roles. A negative risk rating on risk behaviors would have resulted in the reduction or elimination of incentive compensation awarded for 2018.

[Citi's control functions provide direct feedback on a senior manager's risk behaviors as part of the annual performance assessment process.](#)

**Annual incentive awards to covered employees, including the named executive officers, have design features intended to discourage imprudent or excessive risk-taking.** Through a systematic annual process, Citi identifies the inherent material risks to the firm and then identifies employees with influence over those risks as covered employees. The compensation structure for covered employees, including the named executive officers, includes substantial deferrals and clawbacks intended to cover a range of behaviors. Furthermore, performance-based vesting criteria are a part of all deferred incentive compensation awarded to covered employees.

**Citi has a strong global governance process covering Citi's incentive compensation plans.** Citi's formulaic incentive compensation plans, including its sales incentive plans, provide variable compensation to a broad-based population of employees predominantly in Global Consumer Banking. The plans are administered through a global governance process that is designed to eliminate incentives to engage in illegal or imprudent conduct or take imprudent or excessive risks. As part of this governance process, all of Citi's incentive compensation plans throughout the world are analyzed through a central risk management model developed and administered by a third-party consultant with input from Citi. Six potential sources of risk are assessed: incentive program design, misalignment with Citi's strategy and goals, pay opportunity offered by the plan, payout approval process, extent of monitoring as part of plan governance, and risks associated with plan administration. Plans are remediated based on the results of the risk assessment, if appropriate. This global governance model ensures that best practices are communicated and shared throughout Citi.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

**Clawbacks applicable to Performance Share Units and Deferred Stock Awards.** Citi's robust clawback policies are applicable to incentive awards to the named executive officers and all other eligible employees. The clawback provisions provide Citi with the right to cancel unvested deferred incentive compensation under a range of adverse outcomes and are summarized in the table below:

APPLICABLE CLAWBACK POLICY	POTENTIAL TRIGGER	PERFORMANCE SHARE UNITS	DEFERRED STOCK AWARDS
General	Misconduct or materially imprudent judgment that caused harm to any of Citi's business operations, or that resulted or could result in regulatory sanctions, including either failure to supervise employees who engaged in such behavior or failure to escalate such behavior.		
Material Adverse Outcome	Significant responsibility for a Material Adverse Outcome (MAO), which is defined as serious financial or reputational harm to Citi.		
Citi	Award received based on materially inaccurate publicly reported financial statements.		
Citi	Employee knowingly engaged in providing materially inaccurate information relating to publicly reported financial statements.		
Citi	Material violation of any risk limits established or revised by senior management and/or risk management.		
Citi	Gross misconduct.		
Sarbanes-Oxley	Intentional misconduct or fraud that requires a financial restatement.		

At a minimum, Citi will consider whether a Material Adverse Outcome has occurred and potential impact on Performance Share Units if there is an annual pretax loss at any of the following three reportable financial segments: Citigroup (the entire company), Global Consumer Banking, and Institutional Clients Group. Citi will also consider making public disclosures whenever a decision has been made to cancel deferred compensation payable to an executive officer because he or she had significant responsibility for a Material Adverse Outcome or otherwise.

**Our Independent Compensation Consultant**

**The Board's compensation consultant does no work for Citi other than advising the Board.**

FW Cook has been the Compensation Committee's independent advisor since 2012. FW Cook provides no services to Citi other than its services to the Board, has no other ties to management that could jeopardize its fully independent status, and has strong internal governance policies that help ensure that it maintains its independence. Representatives of FW Cook attended all Compensation Committee meetings during 2018, including executive sessions as requested, and engaged with Compensation Committee members between meetings. FW Cook advised the Compensation Committee regarding the compensation awarded to the CEO and other executive officers. FW Cook also provided extensive guidance and analysis regarding the Compensation Committee's and the Board's responses to Citi's advisory say-on-pay votes, offered market insights, and provided advice to the Compensation Committee on Citi's executive compensation plan design and the presentation of its programs to stockholders. FW Cook also provided advice to the Board on non-executive director compensation. In 2018, FW Cook was paid fees of \$282,428 for advice regarding executive compensation. Pursuant to SEC and NYSE rules, the Compensation Committee assessed the independence of FW Cook most recently in January 2019 and determined that FW Cook is independent from Citi management and that its work for the Compensation Committee has not raised any conflicts of interest.

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents**

[PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION  
Tax Deductibility of and Limits on Incentive Compensation](#)

Annual incentive awards for 2018 were awarded to named executive officers under the 2011 Executive Performance Plan (the EPP). The EPP was originally adopted to preserve the deductibility of incentive compensation paid to the named executive officers that might otherwise not be deductible under Section 162(m) of the Internal Revenue Code. However, Tax Reform amended Section 162(m) of the Internal Revenue Code by removing the exception for qualified performance-based compensation and expanding it to cover the CFO, thereby reducing the potential for deductible executive compensation for 2018 and later years. While Citi has sought to preserve deductibility of compensation paid to the named executive officers to the extent permitted by law, Citi has retained the flexibility to provide nondeductible compensation arrangements it believes are necessary to recruit, incentivize, and retain its executives.

Citi does not intend to change its pay-for-performance approach to awarding executive pay even though Tax Reform eliminated the tax benefits of awarding qualified performance-based compensation. Accordingly, the Committee awarded named executive officer incentive compensation for 2018 performance under the EPP and subject to its limits on executive compensation. The EPP specifies a maximum amount that can be awarded to a participant for any year based on Citigroup's income from continuing operations before income taxes. The amount of annual incentive actually awarded for the year, however, is determined by the Compensation Committee, applying the executive compensation Framework described in this Compensation Discussion and Analysis and subject to the condition that Citi may pay less (but not more) than the maximum. For 2018, the Compensation Committee certified the maximum amount payable under the EPP as \$46.8 million per executive (0.2% of Citigroup pretax earnings) and exercised its negative discretion to award lesser amounts under the plan. In addition to this limit on total incentive pay, the EPP limits the annual cash bonus portion of individual executive officer incentive pay to \$20 million.

## The Personnel and Compensation Committee Report

The Personnel and Compensation Committee has evaluated the performance of and determined the compensation for the CEO, approved the compensation of executive officers, and approved the compensation structure for other members of senior management and other highly compensated employees. The Personnel and Compensation Committee reviewed and discussed the foregoing Compensation Discussion and Analysis with members of senior management and, based on this review, the Personnel and Compensation Committee recommended to the Board of Directors of Citigroup Inc. that the Compensation Discussion and Analysis be included in Citi's Annual Report on Form 10-K and Proxy Statement on Schedule 14A filed with the SEC.

**The Personnel and Compensation Committee:**

Duncan P. Hennes (Chair)  
John C. Dugan  
Lew W. (Jay) Jacobs, IV  
Gary M. Reiner  
Diana L. Taylor

Dated: March 5, 2019

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

## PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION

**2018 Summary Compensation Table and Compensation Information****2018 Summary Compensation Table**

The following table shows the compensation for 2018, 2017, and 2016 for any person serving as Citi's CEO or CFO during 2018 and Citi's three other most highly compensated executive officers. These individuals are referred to as Citi's named executive officers.

Name and Principal Position <sup>(1)</sup>	Year	Salary (\$)	Bonus <sup>(3)</sup> (\$)	Stock Awards <sup>(4)</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>(5)</sup> (\$)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings <sup>(6)</sup> (\$)	All Other Compensation <sup>(7)</sup> (\$)	Total (\$)
Michael Corbat CEO	2018	\$1,500,000	\$6,750,000	\$15,912,666	\$0	\$4,548	\$16,500	\$24,183,714
	2017	\$1,500,000	\$6,450,000	\$9,831,752	\$0	\$3,731	\$16,200	\$17,801,683
	2016	\$1,500,000	\$4,200,000	\$7,645,356	\$1,848	\$4,271	\$30,283	\$13,381,758
John Gerspach CFO <sup>(2)</sup>	2018	\$500,000	\$4,600,000	\$6,661,116	\$0	\$0	\$16,500	\$11,777,616
	2017	\$500,000	\$4,200,000	\$5,116,524	\$0	\$79,241	\$16,200	\$9,911,965
	2016	\$500,000	\$3,400,000	\$4,332,368	\$1,355	\$48,949	\$15,900	\$8,298,572
James Forese President, Citi; CEO, Institutional Clients	2018	\$500,000	\$7,800,000	\$12,370,644	\$0	\$4,151	\$16,500	\$20,691,295 <sup>(8)</sup>
	2017	\$500,000	\$7,800,000	\$8,908,771	\$2,611	\$1,524	\$16,200	\$17,229,106
	2016	\$500,000	\$5,920,000	\$7,901,877	\$1,056,412	\$4,342	\$15,900	\$15,398,531
Group Stephen Bird CEO, Global Consumer Banking	2018	\$500,000	\$4,400,000	\$6,343,920	\$0	\$0	\$16,500	\$11,260,420
	2017	\$500,000	\$4,000,000	\$5,116,751	\$1,250	\$0	\$3,143,844	\$12,761,845
	2016	\$499,623	\$3,400,151	\$3,766,294	\$509,673	\$0	\$5,122,985	\$13,298,726
Jane Fraser CEO, Latin America Region	2018	\$500,000	\$3,500,000	\$5,075,136	\$398,854	\$0	\$16,500	\$9,490,490
	2017	\$500,000	\$3,200,000	\$4,454,386	\$452,764	\$0	\$20,265	\$8,627,415
	2016	\$500,000	\$2,960,000	\$3,302,904	\$895,061	\$0	\$18,730	\$7,676,695

(1) The principal position for each named executive officer is the position he or she held on December 31, 2018.

Mr. Gerspach retired as Citi CFO effective February 22, 2019, and from Citi employment on March 1, 2019. Mr. Gerspach did not receive any special compensation as a result of his retirement.

(2) Amounts in this column show cash bonuses for service in the listed year.

In accordance with SEC rules, the amounts in this column for 2018 are the aggregate grant date fair values of Performance Share Units and Deferred Stock Awards awarded under the 2014 Stock Incentive Plan, in each case granted in February 2018 for performance in 2017. SEC rules require the presentation of awards granted during calendar year 2018, not awards made in respect of performance in 2018. The separate grant date value of each award is disclosed in the 2018 Grants of Plan-Based Awards Table. The aggregate grant date fair values of the awards are computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. The assumptions made, if any, when calculating the amounts in this column are found in Note 7 to the Consolidated Financial Statements of Citigroup Inc. and its subsidiaries, as filed with the SEC on Form 10-K for 2018. The amounts reported in the Summary Compensation Table for the Performance Share Units are the values at the grant date under applicable accounting principles, which take into account the probable outcome of the performance conditions. Consequently, these values differ from the nominal amount of the awards made by the Compensation Committee, which is divided by the Citi common stock price as determined on the grant date to yield a target number of Performance Share Units. The values of the Performance Share Units at the 2018 grant date shown in the 2018 Summary Compensation Table, assuming that the highest levels of performance conditions are achieved, are: Mr. Corbat, \$11,287,500; Mr. Gerspach, \$4,725,000; Mr. Forese, \$8,775,000; Mr. Bird, \$4,500,000; and Ms. Fraser, \$3,600,000.

(4) \$4,500,000; and Ms. Fraser, \$3,600,000.

(continued on next page)



**Table of Contents****PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

The amounts shown in the Non-Equity Incentive Plan Compensation column represent the amount of each Deferred Cash Award considered earned in the applicable year even though the awards were granted in prior years in respect of prior year service. Deferred Cash Awards are granted to executives who are not eligible for Performance Share Units, which are awarded only to the CEO and executives who report directly to him. Like our Performance Share Units, Deferred Cash Awards represent 50% of each executive's deferred incentive award for the applicable performance year with Deferred Stock Awards representing the other 50%. Deferred Cash Awards earn notional interest at a fixed market rate and vest over a period of four years, and the portion of the award (including notional interest) that vests for a year is included in the Summary Compensation Table for the year of vesting. The amount shown in the 2018 Summary Compensation Table for Ms. Fraser for 2018 therefore includes \$382,988 for a portion of the Deferred Cash Award granted in February 2016 for performance in 2015 and \$15,866 in notional interest earned in 2018, for a total of \$398,854. Ms. Fraser's Deferred Cash Awards are denominated in British pounds as they were awarded for years in which Ms. Fraser was employed in London. The amounts presented above for Ms. Fraser are shown as converted from British pounds to U.S. dollars at the December 31, 2018, conversion rate used to prepare Citi's financial statements (1.2736 U.S. dollars = 1 British pound).

These amounts represent the increases in the present value of pension benefits for Mr. Corbat, Mr. Gerspach, and Mr. Forese, as more fully described in the 2018 Pension Benefits Table. The value of Mr. Gerspach's benefit under The Citigroup Pension Plan decreased by (\$15,058), and the value of his benefit under the Supplemental ERISA Compensation Plan of Citibank, N.A. and Affiliates decreased by (\$11,824). The decreases in value of Mr. Gerspach's pension benefits were primarily attributable to increases in the discount rate assumptions applicable to the plans. The amount of each named executive officer's above-market or preferential earnings on compensation that was deferred on a basis that was not tax-qualified was \$0. Mr. Bird and Ms. Fraser have never been eligible to participate in a defined benefit pension plan under the terms of Citi's broad-based retirement programs in effect in their employment countries; they have participated only in defined contribution retirement plans since the commencement of their employment.

(7) Set forth below is a breakdown of All Other Compensation for 2018 (including personal benefits):

Name	Employer Retirement Plan Contribution (\$)	Tax Reimbursement Costs (\$)	Temporary Living and Home Leave Costs (\$)	Housing and Cost of Living Differential (\$)	Relocation Expenses (\$)	Total (\$)
Michael Corbat	\$16,500	\$0	\$0	\$0	\$0	\$16,500
John Gerspach	\$16,500	\$0	\$0	\$0	\$0	\$16,500
James Forese	\$16,500	\$0	\$0	\$0	\$0	\$16,500
Stephen Bird	\$16,500	\$0	\$0	\$0	\$0	\$16,500
Jane Fraser	\$16,500	\$0	\$0	\$0	\$0	\$16,500

All named executive officers received 401(k) plan matching contributions pursuant to the formula applicable to all eligible U.S. employees. Mr. Bird had no expatriate benefits for 2018 but had significant tax equalization benefits for 2016 and 2017. He moved from Hong Kong to New York on an expatriate assignment effective July 1, 2015, with benefits provided under the general terms of Citi's Expatriate Program. Mr. Bird's expatriate assignment ended on December 31, 2016, at which time he became a U.S. local employee. Mr. Bird is not eligible for expatriate benefits for service after 2016. The benefits made available to Mr. Bird were fully in accordance with Citi's Expatriate Program and are generally available to similarly situated employees who accept assignments outside their home countries. The Expatriate Program enables Citi to quickly fill specific business needs through relocating employees for a transitional period and neutralizing the tax and other personal financial consequences of the move. The tax equalization benefits were intended to limit Mr. Bird's tax liabilities and related expenses to what they would have been had he remained employed in Hong Kong in 2016 and, as such, are not additional incentive compensation.

Mr. Corbat has reimbursed Citi for his personal use of corporate aircraft pursuant to an Aircraft Time Sharing Agreement with Citigroup Inc. For additional disclosure regarding the use of corporate aircraft, see page 39 of this Proxy Statement.

[Citi 2019 Proxy Statement](#)



**Table of Contents****PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

Mr. Forese's reported compensation exceeded Mr. Corbat's reported compensation in 2016 in part because Mr. Forese was awarded Deferred Cash Awards in prior years when Mr. Corbat was awarded Performance Share Units. Deferred Cash Awards are reported as Non-Equity Incentive Plan Compensation over time as they vest while Performance Share Units are reported in full as Stock Awards for the year of grant. Therefore, Mr. Forese had significant amounts of prior year compensation reported in the Summary Compensation Table while parallel compensation for Mr. Corbat appeared in the Summary Compensation Table for earlier years. In addition, the Bonus column shows a significantly lower amount for Mr. Corbat than for Mr. Forese for 2016 in part because the Compensation Committee increased the percentage of Mr. Corbat's compensation deferred in the form of Deferred Stock Awards and Performance Share Units, both of which are reported in the Summary Compensation Table for 2017 rather than 2016, but did not increase the deferral percentage for any other named executive officer. Notwithstanding the foregoing, Mr. Forese's annual compensation has been comparable to Mr. Corbat's. The Compensation Committee has recognized Mr. Forese's performance in his franchise-wide role as Citi President as well as his role as CEO of Institutional Clients Group, with its broad range of complex products and services and its exceptional global scale. The Compensation Committee has also considered market (8) levels of pay for the roles.

**2018 Grants of Plan-Based Awards**

The table below provides information regarding awards granted by the Compensation Committee to the named executive officers in 2018. The values shown are each equity award's grant date fair value as determined under applicable accounting standards.

Name	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards			Grant Date Fair Value of Stock and Option Awards (\$) <sup>(1)</sup>
		Threshold (#)	Target (#)	Maximum (#)	
Michael Corbat	2/15/2018	0	101,088 <sup>(2)</sup>	101,088	\$7,525,000
	2/15/2018	0	101,088 <sup>(3)</sup>	151,632	\$8,387,666
John Gerspach	2/15/2018	0	42,315 <sup>(2)</sup>	42,315	\$3,150,000
	2/15/2018	0	42,315 <sup>(3)</sup>	63,472	\$3,511,116
James Forese	2/15/2018	0	78,586 <sup>(2)</sup>	78,586	\$5,850,000
	2/15/2018	0	78,586 <sup>(3)</sup>	117,879	\$6,520,644
Stephen Bird	2/15/2018	0	40,300 <sup>(2)</sup>	40,300	\$3,000,000
	2/15/2018	0	40,300 <sup>(3)</sup>	60,450	\$3,343,920
Jane Fraser	2/15/2018	0	32,240 <sup>(2)</sup>	32,240	\$2,400,000
	2/15/2018	0	32,240 <sup>(3)</sup>	48,360	\$2,675,136

The assumptions used in determining grant date fair value are the same as those set forth in footnote 4 to the 2018 Summary Compensation Table. These amounts do not necessarily represent the actual value that may be realized by the named executive officer. The amounts reported in the 2018 Grants of Plan-Based Awards Table for the Performance Share Units are the values at the grant date under applicable accounting principles, which take into account the probable outcome of the performance conditions. Consequently, these values differ from the nominal amount of the awards made by the Compensation Committee, which is divided by the Citi common stock price as determined on the grant date (1) to yield a target number of Performance Share Units.

These Deferred Stock Awards were granted under the 2014 Stock Incentive Plan for performance in 2017. More detailed information about the (2) terms of these awards appears on page 95.

These awards are Performance Share Units for performance in 2017. More detailed information about the terms of these awards appears on (3) page 94, except that the performance metrics for these awards are as follows:

RoTCE for 2020	Percent of Target PSUs Earned	Cumulative EPS, 2018-2020	Percent of Target PSUs Earned
Less than 9%	0%	Less than \$19.00	0%
9%	50%	\$19.00	50%
13%	100%	\$22.50	100%
15% or more	150%	\$25.00 or more	150%

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents**

PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION  
**Outstanding Equity Awards at 2018 Fiscal Year End**

The market values below were computed using the closing price of Citi common stock on December 31, 2018, which was \$52.06.

Name	Option Awards				Stock Awards		Equity Incentive Plan Awards:		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	
	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Number of Shares, Units or Other Rights That Have Not Vested (#)			
Michael Corbat	2/18/2015	—	—	—	17,055	(1)	\$887,883	—	—	
	2/16/2016	—	—	—	—	—	—	60,728	(2)	\$3,161,500
	2/16/2016	—	—	—	100,858	(3)	\$5,250,667	—	—	
	2/16/2017	—	—	—	—	—	—	62,463	(4)	\$3,251,824
	2/16/2017	—	—	—	—	—	—	83,285	(5)	\$4,335,817
	2/15/2018	—	—	—	—	—	—	101,088	(6)	\$5,262,641
John Gerspach	2/15/2018	—	—	—	—	—	—	101,088	(7)	\$5,262,641
	2/18/2015	—	—	—	10,381	(1)	\$540,435	—	—	
	2/16/2016	—	—	—	—	—	—	34,412	(2)	\$1,791,489
	2/16/2016	—	—	—	57,153	(3)	\$2,975,385	—	—	
	2/16/2017	—	—	—	—	—	—	32,506	(4)	\$1,692,262
	2/16/2017	—	—	—	—	—	—	43,342	(5)	\$2,256,385
James Forese	2/15/2018	—	—	—	—	—	—	42,315	(6)	\$2,202,919
	2/15/2018	—	—	—	—	—	—	42,315	(7)	\$2,202,919
	1/14/2009	29,745	(8)	\$106.10	1/14/2019	—	—	—	—	
	1/14/2009	29,745	(8)	\$178.50	1/14/2019	—	—	—	—	
	2/18/2015	—	—	—	19,317	(1)	\$1,005,643	—	—	
	2/16/2016	—	—	—	—	—	—	62,766	(2)	\$3,267,598
Stephen Bird	2/16/2016	—	—	—	104,242	(3)	\$5,426,839	—	—	
	2/16/2017	—	—	—	—	—	—	56,599	(4)	\$2,946,544
	2/16/2017	—	—	—	—	—	—	75,466	(5)	\$3,928,760
	2/15/2018	—	—	—	—	—	—	78,586	(6)	\$4,091,187
	2/15/2018	—	—	—	—	—	—	78,586	(7)	\$4,091,187
	2/18/2015	—	—	—	11,160	(1)	\$580,990	—	—	
Jane Fraser	2/16/2016	—	—	—	—	—	—	32,387	(2)	\$1,686,067
	2/16/2016	—	—	—	53,789	(3)	\$2,800,255	—	—	
	2/16/2017	—	—	—	—	—	—	32,508	(4)	\$1,692,366
	2/16/2017	—	—	—	—	—	—	43,344	(5)	\$2,256,489
	2/15/2018	—	—	—	—	—	—	40,300	(6)	\$2,098,018
	2/15/2018	—	—	—	—	—	—	40,300	(7)	\$2,098,018
Jane Fraser	2/18/2015	—	—	—	9,099	(1)	\$473,694	—	—	
	2/16/2016	—	—	—	—	—	—	28,402	(2)	\$1,478,608
	2/16/2016	—	—	—	47,171	(3)	\$2,455,722	—	—	
	2/16/2017	—	—	—	—	—	—	28,299	(4)	\$1,473,246
	2/16/2017	—	—	—	—	—	—	37,733	(5)	\$1,964,380
	2/15/2018	—	—	—	—	—	—	32,240	(6)	\$1,678,414
2/15/2018	—	—	—	—	—	—	32,240	(7)	\$1,678,414	

*This Deferred Stock Award granted on February 18, 2015, vested in four equal annual installments beginning on January 20, 2016, subject to a (1) performance-based vesting condition described on page 95.*

[Citi 2019 Proxy Statement](#)

**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

*This Deferred Stock Award granted on February 16, 2016, vests in four equal annual installments beginning on January 20, 2017, subject to a (2) performance-based vesting condition described on page 95.*

*This Performance Share Unit award granted on February 16, 2016, vested in three equal annual installments beginning on January 20, 2017, subject to performance conditions based on relative total shareholder return. The value of earned Performance Share Units is delivered in full after the end of the three-year performance period. Based on attainment of the performance metric of the award, 83.0% of the target number of units was delivered to each executive. The performance period for the award ended on December 31, 2018. The table presents the award values at December 31, 2018; the values of the awards on the 2019 delivery date are different and were determined using an average Citi common stock price as of the final vesting date (January 20, 2019), such that the realized values of the awards were as follows: Mr. Corbat, (3) \$5,931,274; Mr. Gerspach, \$3,361,056; Mr. Forese, \$6,130,284; Mr. Bird, \$3,163,239; and Ms. Fraser, \$2,774,046.*

*This Deferred Stock Award granted on February 16, 2017, vests in four equal annual installments beginning on January 20, 2018, subject to a (4) performance-based vesting condition described on page 95.*

*This Performance Share Unit award granted on February 16, 2017, vests in three equal annual installments beginning on January 20, 2018, subject to performance conditions based on return on tangible common equity and cumulative earnings per share. The value of earned Performance Share Units is delivered in full after the end of the three-year performance period. The table includes the entire value of Performance Share Units assuming that 100% of target for both performance metrics is achieved and the Citi common stock price at December (5) 31, 2018, remains unchanged through the end of the performance period in 2019.*

*This Deferred Stock Award granted on February 15, 2018, vests in four equal annual installments beginning on January 20, 2019, subject to a (6) performance-based vesting condition described on page 95.*

*This Performance Share Unit award granted on February 15, 2018, vests in three equal annual installments beginning on January 20, 2019, subject to performance conditions based on return on tangible common equity and cumulative earnings per share. The value of earned Performance Share Units is delivered in full after the end of the three-year performance period. The table includes the entire value of Performance Share Units assuming that 100% of target for both performance metrics is achieved and the Citi common stock price at December (7) 31, 2018, remains unchanged through the end of the performance period in 2020.*

*This stock option granted on January 14, 2009, vested in four equal annual installments beginning on January 14, 2010. The numbers of options (8) and exercise prices have been adjusted for the 10-for-1 reverse stock split effective May 6, 2011.*

**Option Exercises and Stock Vested in 2018**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting <sup>(1)</sup> (\$)
Michael Corbat	—	—	152,752	\$11,893,893
John Gerspach	—	—	88,485	\$6,888,431
James Forese	—	—	163,473	\$12,725,657
Stephen Bird	—	—	90,882	\$7,073,569
Jane Fraser	—	—	32,734	\$2,559,510

*The values in the Stock Awards column reflect Deferred Stock Awards and Performance Share Units that were delivered to the named executive (1) officers in 2018.*

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents**

PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION  
2018 Pension Benefits

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit <sup>(1)</sup> (\$)
Michael Corbat	The Citigroup Pension Plan	24.4	\$122,877
John Gerspach <sup>(2)</sup>	The Citigroup Pension Plan Supplemental ERISA Compensation Plan of Citibank, N.A. and Affiliates (Pay Cap Plan)	17.7	\$524,489
James Forese	The Citigroup Pension Plan	11.7	\$345,193
Stephen Bird	—	—	—
Jane Fraser	—	—	—

*The mortality table, plan discount rate, and payment form assumptions used in determining the present value of The Citigroup Pension Plan and Pay Cap Plan benefits are the same as the year-end 2018 assumptions used to prepare Note 8 to the Consolidated Financial Statements of Citigroup Inc. and its subsidiaries, as filed with the SEC on Form 10-K for 2018. An interest crediting rate on cash balance plan benefits of 3.25% is also an assumption used in determining these present values. The interest crediting rate assumption is not required to be stated in that Note (1) 8. Benefits in the 2018 Pension Benefits Table have been calculated using a normal retirement age of 65, as defined in the plans.*

*Mr. Gerspach has more years of credited service under The Citigroup Pension Plan than under the Pay Cap Plan because benefit accruals (2) under the Pay Cap Plan ceased before benefit accruals under The Citigroup Pension Plan ceased.*

Citi's policy is that executives should accrue retirement benefits on the same basis generally available to Citi employees under Citi's broad-based, tax-qualified retirement plans. Citi has not granted extra years of credited service under any retirement plan to any of the named executive officers. Mr. Bird and Ms. Fraser have never been eligible to participate in a defined benefit pension plan under the terms of Citi's broad-based retirement programs in effect in their employment countries; they have participated only in defined contribution retirement plans since the commencement of their employment at Citi.

The following describes the pension plans listed in the 2018 Pension Benefits Table.

**The Citigroup Pension Plan.** The purpose of this broad-based, tax-qualified retirement plan is to provide retirement income on a tax-deferred basis to all eligible U.S. employees. Effective December 31, 2006, The Citigroup Pension Plan was closed to new members and generally ceased benefit accruals effective December 31, 2007. Mr. Corbat, Mr. Gerspach, and Mr. Forese are eligible for benefits under this plan. Mr. Corbat's and Mr. Forese's entire benefits are cash balance benefits, and Mr. Gerspach accrued a cash balance benefit from 2000 through 2007.

The Citigroup Pension Plan cash balance benefit is expressed as a hypothetical account balance. Prior to January 1, 2008, the plan generally provided for the annual accrual of benefit credits for most of the covered population, including the covered named executive officers, at a rate between 1.5% and 6% of eligible compensation; the benefit credit rate increased with age and service. Eligible compensation generally included base salary and incentive awards, but excluded compensation payable after termination of employment, certain non-recurring payments, and other benefits. Annual eligible compensation was limited by the Internal Revenue Code to \$225,000 for 2007 (the final year of cash balance benefit accrual). Interest credits continue to be applied annually to each participant's account balance; these credits are based on the yield on 30-year Treasury bonds (as published by the Internal Revenue Service).

Prior to 2000, Mr. Gerspach accrued a benefit under the Citibank Retirement Plan formula, which is a component of The Citigroup Pension Plan. That formula generally provided for an annual benefit of 2% of annual average compensation per year of service for up to 30 years of credited service plus 0.75% of average annual compensation for up to an additional five years of credited service, reduced by an offset based on an estimated Social Security benefit. Annual compensation included base salary and excluded bonus and incentive pay, and average annual compensation was the average of the five highest years of annual compensation out of the final 10 annual computation periods. Annual compensation was also subject to limits imposed by the Internal Revenue Code.

[Citi 2019 Proxy Statement](#)

**Table of Contents****PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

Benefits under The Citigroup Pension Plan are payable in annuity form or in other optional forms, including a lump sum, upon termination of employment. The Citigroup Pension Plan's normal retirement age is 65. The portion of an eligible participant's benefit determined under the Citibank Retirement Plan formula may be paid upon early retirement, which is defined for this purpose as the first day of the month after the later of the participant's 55th birthday or the date on which the participant completes a year of service (as defined in the plan). Mr. Gerspach has attained eligibility for early retirement, and there would be no reduction in his benefits attributable to early retirement under the terms of the plan because he attained age 60 while employed.

**Supplemental ERISA Compensation Plan of Citibank, N.A. and Affiliates (Pay Cap Plan).** The Pay Cap Plan is an unfunded, nonqualified deferred compensation plan. The Pay Cap Plan provided benefits not otherwise provided under The Citigroup Pension Plan because of limits imposed by the Internal Revenue Code on eligible pay and benefits. To the extent that a participant's benefit was determined under the cash balance formula in The Citigroup Pension Plan, eligible compensation under the Pay Cap Plan was limited to \$500,000 beginning January 1, 2000. Future benefit accruals under the Pay Cap Plan ceased effective January 1, 2002, for most participants in the plan, including Mr. Gerspach. Benefits under the Pay Cap Plan are payable at the same time as benefits are payable under The Citigroup Pension Plan; accordingly, Mr. Gerspach is eligible for early retirement and immediate commencement under the Pay Cap Plan.

**2018 Nonqualified Deferred Compensation**

Name and Plan	Executive Contributions in Last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year <sup>(1)</sup> (\$)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last Fiscal Year End <sup>(2)</sup> (\$)
Michael Corbat	—	—	—	—	—
John Gerspach	—	—	—	—	—
Citicorp Deferred Compensation Plan	\$0	\$0	(\$129,480 )	\$0	\$1,819,039
James Forese	—	—	—	—	—
Stephen Bird	—	—	—	—	—
Jane Fraser	—	—	—	—	—

(1) The amount reported as "Aggregate Earnings in Last Fiscal Year" was not required to be reported in the 2018 Summary Compensation Table.

(2) The amount in the "Aggregate Balance at Last Fiscal Year End" column was not required to be reported in any prior year Summary Compensation Table. The following is additional information on the plan shown in the 2018 Nonqualified Deferred Compensation Table.

**Citicorp Deferred Compensation Plan.** Mr. Gerspach participates in the Citicorp Deferred Compensation Plan, which was closed in 2001 and provided for mandatory and voluntary deferrals of compensation from 1996 through 2000 for employees of Citicorp. All mandatory deferrals under the Citicorp Deferred Compensation Plan have been distributed to participants, but voluntary deferrals are notionally invested at the participant's election in one of six pre-determined investment alternatives. Participants may change investment elections up to four times per year. All amounts deferred under the Citicorp Deferred Compensation Plan are fully vested and are distributed in a lump sum or installments at the participant's election upon termination at or after the attainment of age 55.

**Potential Payments upon Termination or Change of Control**

**Mr. Gerspach's Retirement.** Mr. Gerspach retired as Citi CFO effective February 22, 2019, immediately following the filing of Citi's Annual Report on Form 10-K for the fiscal year ending December 31, 2018. He retired from Citi employment effective March 1, 2019. Mr. Gerspach did not receive any special compensation as a result of his retirement.

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents****PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

**General Policies.** Citi does not provide guaranteed executive severance or change of control agreements, and none of the named executive officers has an individually negotiated employment or separation agreement.

**Potential Payments Table.** Set forth below is a table showing the estimated value of outstanding awards that would have been delivered over time to each named executive officer, had the applicable employment termination or other event occurred on December 31, 2018 and assuming that all award vesting and performance conditions are satisfied. Unless the awards are forfeited, the awards shown in the Potential Payments Table vest on schedule following termination of employment and do not accelerate by their terms except in the case of death. The closing price of Citi's common stock on December 31, 2018 (\$52.06) was used in developing the estimates shown in the Potential Payments Table.

Name	Change of Control of Citigroup (\$)	Termination for Gross Misconduct (\$)	Involuntary Termination not for Gross Misconduct (\$)	Voluntary Resignation or Retirement (\$)	Death or Disability (\$)
Michael Corbat					
Deferred Stock Awards	\$0	\$0	\$12,563,848	\$12,563,848	\$12,563,848
Performance Share Units <sup>(1)</sup>	\$0	\$0	\$14,849,125	\$14,849,125	\$14,849,125
Deferred Cash Awards	\$0	\$0	\$0	\$0	\$0
John Gerspach					
Deferred Stock Awards	\$0	\$0	\$6,227,105	\$6,227,105	\$6,227,105
Performance Share Units <sup>(1)</sup>	\$0	\$0	\$7,434,741	\$7,434,741	\$7,434,741
Deferred Cash Awards	\$0	\$0	\$0	\$0	\$0
James Forese					
Deferred Stock Awards	\$0	\$0	\$11,310,972	\$11,310,972	\$11,310,972
Performance Share Units <sup>(1)</sup>	\$0	\$0	\$13,446,838	\$13,446,838	\$13,446,838
Deferred Cash Awards	\$0	\$0	\$0	\$0	\$0
Stephen Bird					
Deferred Stock Awards	\$0	\$0	\$6,057,441	\$6,057,441	\$6,057,441
Performance Share Units <sup>(1)</sup>	\$0	\$0	\$7,154,814	\$7,154,814	\$7,154,814
Deferred Cash Awards	\$0	\$0	\$0	\$0	\$0
Jane Fraser					
Deferred Stock Awards	\$0	\$0	\$5,103,962	\$5,103,962	\$5,103,962
Performance Share Units <sup>(1)</sup>	\$0	\$0	\$6,098,568	\$6,098,568	\$6,098,568
Deferred Cash Awards <sup>(2)</sup>	\$0	\$0	\$437,751	\$437,751	\$437,751

*The Potential Payments Table includes (a) the value of the Performance Share Units granted in February 2016 assuming that relative total shareholder return and the Citi common stock price at December 31, 2018, remained unchanged through the final vesting date; and (b) the value of the Performance Share Units granted in February 2017 and February 2018 assuming that Performance Share Units are earned at 100% of target levels and that the Citi common stock price at December 31, 2018, remains unchanged through the final vesting date.*

*Ms. Fraser's Deferred Cash Awards are denominated in British pounds as they were awarded for years in which she was employed in London.*

*(2) The amounts presented above for Ms. Fraser are shown as converted from British pounds to U.S. dollars at the December 31, 2018, conversion rate used to prepare Citi's financial statements (1.2736 U.S. dollars = 1 British pound).*

**Deferred Stock Awards; Rule of 60.** Deferred Stock Awards granted to the named executive officers under the 2014 Stock Incentive Plan vest over a period of four years subject to performance conditions. Deferred Stock Awards provide for accelerated vesting if a participant dies but provide for vesting on schedule in all other circumstances in which vesting occurs after termination of employment. If a participant's combined years of age and service meet the Rule of 60 at the time he or she voluntarily resigns, the participant's Deferred Stock Awards will continue to vest on schedule over the four-year period, provided he or she does not work for a "significant competitor" during the vesting period. A participant meets the Rule of 60 if his or her age plus full years of service equals at least 60 and he or she either: (i) is at least age 50 with at least five full years of service; or (ii) is under age 50 with at least 20 full years of service. Partial years of age and service are each rounded down to the nearest whole number. In contrast, if a participant does not meet the Rule of 60 and voluntarily resigns, any unvested Deferred Stock Awards shares are forfeited, unless the participant becomes employed in an "alternative career."



## **Table of Contents**

### **PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

Under the “alternative career” provisions of Citi’s Deferred Stock Awards, employees may continue to vest in their deferred awards if they resign from Citi to work full-time in government or at a charitable organization or to teach full-time at an educational institution. All of the named executive officers attained the Rule of 60 prior to 2018, so none of them are eligible for the “alternative career” provisions, and each of them would be eligible for continued vesting following resignation without regard to whether they pursued an “alternative career.”

**Performance Share Units.** Performance Share Units have the same vesting provisions covering termination of employment as those applicable to Citi’s Deferred Stock Awards, including the Rule of 60. Any named executive officer who meets the Rule of 60 will receive his or her earned Performance Share Units unless: (i) he or she voluntarily resigns during the performance period and performs services for a competitor, or (ii) he or she is terminated for gross misconduct (in which case the undelivered award is cancelled). If a named executive officer who meets the Rule of 60 resigns and competes, at the end of the performance period, he or she will forfeit a prorated Performance Share Unit award, based on his or her service during the performance period. For example, if such a named executive officer resigns after the first year of the performance period to work for a competitor, he or she will receive one-third of the earned Performance Share Units after the end of the three-year performance period and the other two-thirds will be forfeited.

**Deferred Cash Awards.** Deferred Cash Awards were granted to senior executives before the creation of our Performance Share Unit program and are also granted to executives who are not eligible for Performance Share Units, which are awarded only to the CEO and executives who report directly to him. Like our Performance Share Units, Deferred Cash Awards represent 50% of each executive’s deferred incentive award for the applicable performance year with Deferred Stock Awards representing the other 50%. Deferred Cash Awards are a fixed amount that earns notional interest at a fixed market rate and vests over a period of four years. The treatment of Deferred Cash Awards upon termination of employment is the same as the treatment of Deferred Stock Awards.

**“Double Trigger” Change of Control Requirement** Citi’s 2014 Stock Incentive Plan has a “double trigger” requirement, which provides that an involuntary termination of employment not for gross misconduct must occur as a result of a “change of control” of Citi before any vesting of equity awards may occur in connection with the change of control. The 2019 Stock Incentive Plan, which is subject to stockholder approval at the 2019 Annual Meeting pursuant to Proposal 4 of this Proxy Statement, has the same provision. In addition, the Compensation Committee has a policy that equity awards granted to executive officers will not be accelerated solely by reason of a change of control of Citigroup Inc. The intent of the policy is for such a change of control to have no impact on the applicable awards. The same change of control provisions apply to Citi’s Performance Share Units and Deferred Cash Awards.

Under the 2014 Stock Incentive Plan, a “change of control” means: (i) a person acquiring direct or indirect beneficial ownership of Citigroup Inc. securities representing 30% or more of the combined voting power of then outstanding securities of Citigroup Inc.; (ii) specified changes in the majority of the Board (not including the election of Directors whose election or nomination was approved by a majority of the then incumbent Board); (iii) a sale, transfer, or distribution of all or substantially all of the assets of Citigroup Inc. or a dissolution or liquidation of Citigroup Inc.; or (iv) consummation of a reorganization, merger, consolidation, or other corporate transaction that results in stockholders of Citigroup Inc. not owning more than 50% of the combined voting power of Citigroup Inc. or other corporation resulting from the transaction. The 2019 Stock Incentive Plan has the same provision.

### **Management Analysis of Potential Adverse Effects of Compensation Plans**

Citi has adopted multiple coordinated strategies to manage the risk of material adverse effects to the franchise through the design and administration of its incentive compensation programs, including those applicable to the named executive officers. During 2018, Citi continued its efforts to align its processes with the U.S. Interagency Guidance on Sound Incentive Compensation Policies and the Financial Stability Board’s Principles for Sound Compensation Practices. Citi’s approach to risk and incentive compensation plans is detailed on pages 95-97 of this Proxy Statement. On the basis of the foregoing analysis, management has concluded that Citi’s compensation plans are not reasonably likely to have a material adverse effect on Citi.

[www.citigroup.com](http://www.citigroup.com)

---

## **Table of Contents**

### [PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION CEO Pay Ratio](#)

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are providing the following information about the relationship of the annual total compensation of our employees to the annual total compensation of our CEO. The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

For 2018, the median annual total compensation of all employees of our company (other than the CEO) was \$49,766, and the annual total compensation of our CEO was \$24,195,749.<sup>(1)</sup>

Based on this information, for 2018, the ratio of the annual total compensation of our CEO to the median annual total compensation of all employees was estimated to be 486 to 1.

### [CEO Pay Ratio Supplemental Information](#)

Citi aims to provide competitive pay and benefits for each employee's role in every business and geography. Market levels of pay are therefore important factors in determining pay for every role at Citi, including senior executive roles. In addition, Citi's business mix and global footprint drive the median pay level at Citi. Over 65% of our workforce is employed outside the U.S., and 52% of our workforce is employed in Global Consumer Banking.

### [HEADCOUNT AT DECEMBER 31, 2018](#)

[By Business or Function](#)

[By Region](#)

<sup>(2)</sup> *Includes Finance, Human Resources, Independent Compliance Risk Management, Legal, Risk Management, and headcount attributable to legacy assets and operations. Additional Compliance and Risk Management staff are included in business headcounts.*

### [How We Calculated the Ratio](#)

The "median annual total compensation of all employees" is the annual total compensation of a single employee who is at the midpoint of employees ranked in order of compensation amounts. When determining our midpoint, we considered compensation of 204,147 Citi employees (other than the CEO) who were employed by Citi on December 31, 2018, in about 100 countries. We did not exclude any countries and we did not make any adjustments for the cost of living.

<sup>(1)</sup> *This number is the sum of the 2018 total compensation reported in the 2018 Summary Compensation Table and the value of employer contributions to broad-based employee benefit plans not already included in the Summary Compensation Table.*

[Citi 2019 Proxy Statement](#)

---



**Table of Contents**

**PROPOSAL 3: ADVISORY VOTE TO APPROVE CITI'S 2018 EXECUTIVE COMPENSATION**

SEC regulations allow employers to identify the midpoint based on a “consistently applied compensation measure” (CACM). We used 2018 base pay and cash payments under our incentive compensation plans as our CACM to determine the midpoint of our employee population. We chose this CACM because these two pay elements were consistently available across all countries in which we have employees.

Where full year information from our formulaic incentive compensation plans was not available, we estimated such amounts using third quarter payments as a proxy for fourth quarter payments, consistent with the design of the plans and our experience with the data. The incentive compensation plans for Citi employees with compensation in the range of our midpoint generally have quarterly payment schedules.

Compensation paid in foreign currency was converted to U.S. dollars using a monthly average.

We did not consider discretionary cash incentives, equity awards, or deferred cash awards as part of the analysis because all employees eligible for discretionary incentives, equity awards, or deferred cash awards are paid well above our midpoint, and therefore, including or excluding such compensation would not affect our midpoint.

As permitted by SEC regulations, we then calculated the “annual total compensation” for a group of representative employees with compensation at or very near our midpoint (our “midpoint group”). We used the annual total compensation of the employee with annual total compensation at approximately the median of our midpoint group to determine our CEO pay ratio.

In determining the “annual total compensation” for each employee in our midpoint group, we followed the methodology required under SEC regulations for calculating the total compensation of our named executive officers as reported in the Summary Compensation Table, and, as permitted under the SEC regulations, added the value of employer contributions to broad-based employee benefit plans not already included in the Summary Compensation Table.

The SEC rules for identifying the median-paid employee and calculating the CEO pay ratio allow companies to apply various methodologies and assumptions and, as a result, the CEO pay ratio reported by Citi may not be comparable to the CEO pay ratio reported by other companies.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

**Proposal 4: Approval of the Citigroup 2019 Stock Incentive Plan**

On the recommendation of the Compensation Committee, the Board has unanimously approved the Citigroup 2019 Stock Incentive Plan (the 2019 Plan), which will become effective on April 16, 2019, if approved by stockholders at our Annual Meeting. Upon approval, the 2019 Plan will become the only equity compensation plan under which we will grant shares. Currently, we grant equity awards exclusively under the 2014 Stock Incentive Plan (the 2014 Plan), and the 2014 Plan will expire by its terms on April 16, 2019. The 2019 Plan is proposed to replace the 2014 Plan. The discussion and description of the 2019 Plan that follows is qualified in its entirety by the text of the 2019 Plan that is included as Annex B.

**Executive Summary**

30 million shares requested.

Key facts:

42.40 million shares reserved for issuance and available for grant under the 2014 Plan as of December 31, 2018, 33.00 million shares subject to outstanding awards under the 2014 Plan and its predecessor plan as of December 31, 2018, and 2,340.5 million total shares of Citi common stock outstanding as of the record date.

We have strong equity award practices, including limiting the percentage of deferred incentive pay awarded in stock, stock ownership requirements for executive officers, and clawbacks.

Important terms of the 2019 Plan are aligned with stockholder interests, including a minimum one-year vesting requirement applicable to at least 95% of the shares granted under the plan, stringent change of control provisions, an annual limit on the number of shares and stock options and SARs that may be granted to employees, and prohibitions on option repricings, reload options, and discounted stock options. The 2019 Plan has a fixed number of shares available for grant and limits on dividends and dividend equivalent payments.

Significant changes from the terms of the 2014 Plan:

We changed our limit on Director pay. The 2014 Plan limited Director equity awards to \$900,000 annually; the 2019 Plan limits each Director's compensation (whether in the form of cash or equity) to \$1 million annually, except where the Board of Directors approves a higher limit for a non-executive Board chair.

We changed our minimum vesting provision from three years applicable to 90% of plan shares to one year applicable to 95% of plan shares.

Although we eliminated language relating to qualified performance-based compensation under Section 162(m) of the Internal Revenue Code, we retained annual limits on stock and option/SAR grants to any individual.

We added explicit authority to adopt sub-plans, and we intend to adopt a sub-plan to offer tax-qualified awards in France.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents****PROPOSAL 4: APPROVAL OF THE CITIGROUP 2019 STOCK INCENTIVE PLAN**  
**Shares Requested**

The initial share authorization of the 2019 Plan will be 30 million shares, which is estimated to be approximately equal to the shares that would no longer be available for grant upon the expiration of the 2014 Plan. This initial share authorization is intended to support grant activity for at least one to two years, and we expect to continue our practice of asking stockholders to approve additional share authorizations under the 2019 Plan, as frequently as annually, thereafter. The 2019 Plan will expire by its terms on the date of the annual general meeting of stockholders in 2024.

**Our Equity Award Practices Are Aligned with Stockholder Interests**

**Equity compensation aligns employee and stockholder interests.** Citi's equity awards are a key component of annual incentive awards for thousands of employees worldwide, thereby aligning the interests of stockholders and a broader group of Citi employees (not just senior executives). In 2018, approximately 7,350 employees in 63 countries received equity awards under the 2014 Plan as part of their annual incentive awards.

**Citi has prudent equity award practices.**

**Our equity pay mix minimizes dilution from our executive compensation programs.** Under our current executive compensation practices, 50% of the deferred portion of named executive officer incentive compensation is payable in deferred stock awards with performance-based vesting features, and 50% is payable in performance share units that are paid in cash with a value linked to the value of Citi common stock. This practice links all named executive officer deferred compensation to the value of Citi common stock, yet will limit the use of shares under the 2019 Plan.

**All deferred equity awards have clawbacks.** Citi's equity awards are subject to one or more clawbacks that provide for cancellation in a range of circumstances, as set forth on page 97.

**Stock ownership requirements.** Executive officers are generally required to hold at least 75% of the net after-tax shares acquired through Citi's incentive compensation programs as long as they are executive officers. In addition to that stock ownership commitment, effective January 1, 2013, executive officers are required to retain at least 50% of the shares subject to the stock ownership commitment for one year after ceasing to be an executive officer, as a result of leaving Citi employment or otherwise.

**Share buybacks have the incidental effect of offsetting dilution from equity compensation programs.** In 2018, Citi continued the meaningful return of capital to stockholders through common stock repurchases and dividends, following common stock repurchase programs in each of the prior four years.

**Equity compensation helps Citi to comply with its regulatory obligations.** Regulatory guidance in the U.S. and in other countries in which Citi does business provides that a substantial portion of variable compensation awarded to senior executives and other employees whose actions have a material impact on the risk exposure of Citi should be awarded in shares.

**Run Rate Table**

Our run rate is the number of shares subject to equity awards granted during a year stated as a percentage of common shares outstanding for such year, based on annual grant data and the basic weighted average number of common shares outstanding as reported in Citigroup's Annual Report on Form 10-K for such year.

	2016	2017	2018	Three-year average
Run rates for 12-month periods ending December 31 <a href="http://www.citigroup.com">www.citigroup.com</a>	0.81%	0.52%	0.52%	0.62%

**Table of Contents**

PROPOSAL 4: APPROVAL OF THE CITIGROUP 2019 STOCK INCENTIVE PLAN  
**Overhang Table**

“Overhang” refers to the potential stockholder dilution represented by outstanding employee equity awards and shares available for future grants.

	December 31, 2018 <sup>(1)</sup>	April 16, 2019 (estimated) <sup>(2)</sup>
Simple overhang <sup>(3)</sup>	3.18%	2.69%
Fully diluted overhang <sup>(4)</sup>	3.09%	2.62%

*The following data as of December 31, 2018, was used in the calculation of overhang percentages: outstanding equity awards under the 2014 Plan and its predecessor (unvested stock awards of 32.24 million and unexercised stock options of 0.76 million, totaling 33.00 million shares); (1) shares available for grant under the 2014 Plan (42.40 million); and common shares outstanding (2,368.5 million).*

*Our overhang estimates at April 16, 2019, are based on the assumptions that the number of shares subject to outstanding awards on that date is the same as the number outstanding on December 31, 2018, and Proposal 4 is approved by stockholders such that 30 million shares will be available for future grants under the 2019 Plan. For purpose of this estimate, we have used the common shares outstanding as of the record (2) date, which was 2,340.5 million.*

*Simple overhang is the sum of outstanding equity awards and shares available for grant under the applicable plan stated as a percentage of (3) common shares outstanding.*

*Fully diluted overhang is the sum of outstanding equity awards and shares available for grant under the plan or plans stated as a percentage of fully diluted common shares (i.e., common shares outstanding plus outstanding equity awards and shares available for grant under the (4) applicable plan).*

The preceding Run Rate Table and the Overhang Table demonstrate our prudent use of shares.

## Our Plan Terms Are Aligned with Stockholder Interests

The following features of the 2019 Plan protect the interests of our stockholders:

**No “evergreen” feature.** The 2019 Plan has a fixed number of shares available for grant that will not automatically increase because of an “evergreen” feature.

**Minimum one-year vesting requirement.** Our one-year minimum vesting requirement will generally apply to at least 95% of the shares that may be granted pursuant to any type of award.

**A limit on total annual compensation for Directors.** The maximum number of shares subject to awards to an individual Director in a calendar year, taken together with any cash fees paid during the calendar year to the Director for services as a member of the Board, may not exceed \$1 million in value, except where the Board of Directors approves a higher limit for a non-executive Board chair.

**Retention of annual limits on shares and options or SARs that can be granted to employees.** Although no longer required to meet the performance-based compensation exception to the \$1 million deduction limitation under Section 162(m) of the Internal Revenue Code, the one million share limit on shares subject to stock options and SARs that may be granted in a calendar year, and the one million share limit on stock awards that may be granted in a calendar year, that had been included in the 2014 Plan, are retained in the 2019 Plan.

**No discounted options or SARs.** Option or SAR exercise prices must be at least 100% of fair market value on the date an option or SAR is granted.

**No repricings or cash buyouts.** The 2019 Plan prohibits any “repricing” of any outstanding option or SAR, except with the approval of the stockholders of the Company. The 2019 Plan defines “repricing” to mean (i) any action that constitutes a “repricing” under GAAP or the rules of the NYSE (including any modification or amendment to an outstanding option or SAR that has the effect of reducing its exercise price); (ii) any cancellation of an outstanding option or SAR when its exercise price exceeds its fair market value in exchange for cash; (iii) any cancellation of an option or SAR in exchange for a new option or SAR with a lower exercise price; or (iv) a substitution of a stock award for an option or SAR when its exercise price exceeds fair market value; in each case other than a permitted equitable adjustment.

[Citi 2019 Proxy Statement](#)

**Table of Contents****PROPOSAL 4: APPROVAL OF THE CITIGROUP 2019 STOCK INCENTIVE PLAN**

**No reload option grants.** Reload options are additional options that are granted automatically upon the exercise of previously granted options; options granted under the 2019 Plan may not include a reload feature.

**No liberal share “recycling.”** If an award under the 2019 Plan, or, after April 16, 2019, the 2014 Plan and the 2009 Plan, is forfeited, cancelled, or expires or is settled without the issuance of shares, the shares subject to such award will be available for future grants under the 2019 Plan. However, the 2019 Plan prohibits re-granting shares withheld or tendered to pay option exercise prices, repurchased by the Company with option exercise proceeds, or withheld or tendered to satisfy tax withholding obligations on any award. Also, shares of stock subject to SARs that are not issued on settlement may not be re-granted.

**No dividend or dividend equivalent payments on unvested shares subject to a performance vesting condition.** The 2019 Plan permits payment of dividends or dividend equivalents on shares of restricted or deferred stock subject to a performance vesting condition only if and when the underlying shares vest. The 2019 Plan also prohibits the payment of dividends and dividend equivalents on shares subject to outstanding options and SARs.

**A “double trigger” change of control provision.** The 2019 Plan requires that participants must experience an involuntary termination of employment for an award to vest as a result of a change of control of Citigroup Inc. (a “double trigger”). The Compensation Committee has also adopted a policy affirming that no deferred incentive awards to executive officers will vest solely by reason of a change of control of Citigroup Inc.

**No excise tax gross-ups.** The 2019 Plan does not provide for excise tax gross-ups in the event of a change of control of Citigroup Inc., nor do any executive agreements.

**No liberal definition of change of control.** Our definition of “change of control” of Citigroup Inc. requires the consummation, and not merely the approval, of a reorganization, merger, consolidation, or other corporate transaction that results in stockholders of Citigroup Inc. not owning more than 50% of the combined voting power of Citigroup Inc. or other corporation resulting from such transaction. Additionally, the 2019 Plan defines a “change of control” of Citigroup Inc. to mean (i) a person acquiring direct or indirect beneficial ownership of Citigroup Inc. securities representing 30% or more of the combined voting power of then outstanding securities of Citigroup Inc.; (ii) specified changes in the majority of the Board (not including the election of Directors whose election or nomination was approved by a majority of the then incumbent Board); or (iii) a sale, transfer, or distribution of all or substantially all of the assets of Citigroup Inc., or a dissolution or liquidation of Citigroup Inc.

**Ability to adopt sub-plans that facilitate participation by employees located outside the United States.** Any special terms or conditions that the Compensation Committee considers necessary or appropriate to accommodate differences in non-U.S. law, tax policy, or custom may be included in a sub-plan that forms a part of the 2019 Plan. We intend to adopt a sub-plan that will permit awards that qualify for special tax benefits in France.

**Equity Compensation Plan Information**

All of Citi’s outstanding equity awards have been granted under two stockholder-approved plans—the 2014 Plan and its predecessor, the 2009 Stock Incentive Plan (the 2009 Plan). There are no equity awards outstanding under plans for which stockholder approval was not required or sought. The information below is as of December 31, 2018.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights (in millions)	(b) Weighted-average exercise price of outstanding options, warrants, and rights (\$)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (in millions)
Equity compensation plans approved by security holders	33.00	(1) \$101.84	42.40
Equity compensation plans not approved by security holders	0	N/A	0
Total	33.00	\$101.84	42.40

*Includes 32.24 million shares issuable upon the vesting of deferred stock awards. As such, these awards do not have an exercise price; only the (1) 0.76 million outstanding options are considered when determining the weighted-average exercise price in column (b).*

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents**

[PROPOSAL 4: APPROVAL OF THE CITIGROUP 2019 STOCK INCENTIVE PLAN](#)  
[New Plan Benefits](#)

Awards under the 2019 Plan will be granted by the Compensation Committee in its sole discretion. Therefore, the benefits or amounts that will be received by any particular employee or group of employees in the future is not determinable at this time.

[Description of the Citigroup 2019 Stock Incentive Plan](#)

This summary description of the 2019 Plan is qualified in its entirety by reference to the 2019 Plan document, which is included as Annex B to this Proxy Statement. If Proposal 4 is approved by stockholders at our Annual Meeting, we intend to file a registration statement on Form S-8, pursuant to the Securities Act of 1933, as amended, to register the shares authorized for grant under the 2019 Plan.

**General.** If Proposal 4 is approved by stockholders, the 2019 Plan will become effective on April 16, 2019 and will expire on the date of the annual general meeting of stockholders to be held in 2024. The 2019 Plan provides for various types of awards denominated in shares of Citi common stock to Citi employees, officers, and non-employee Directors. The NYSE closing price of a share of Citi common stock on February 26, 2019 was \$64.12.

**Administration.** The 2019 Plan is administered by the Compensation Committee. All members of such Committee or a sub-committee thereof must satisfy the requirements for independence of SEC Rule 16b-3. With respect to participants who are outside Directors, the 2019 Plan is administered by the Board. The Compensation Committee may delegate some or all of its authority over administration of the 2019 Plan to one or more officers, directors, employees, or another plan administrator except with respect to persons who are Section 16(a) officers. In addition, any special terms or conditions that the Compensation Committee considers necessary or appropriate to accommodate differences in non-U.S. law, tax policy or custom may be included a sub-plan that forms a part of the 2019 Plan.

**Eligibility.** All “employees” of Citi—within the broad definition set forth in the instructions to the SEC Form S-8 registration statement, as in effect on April 16, 2019, but expressly excluding consultants and advisors who are not members of the Board—generally are eligible to receive awards under the 2019 Plan. Based on worldwide employment at December 31, 2018, approximately 204,000 persons could be eligible to participate in the 2019 Plan. However, participation is discretionary—awards are subject to approval by the Compensation Committee. In general, employees with discretionary annual incentive awards of at least \$100,000 are eligible to receive at least 25% of that annual award in deferred stock. In 2019 through February 26, 2019, awards were made under the 2014 Plan to 16 non-employee Directors, 17 executive officers, and approximately 7,350 employees worldwide. Former “employees” are eligible to participate in the 2019 Plan, but only with respect to their last year of service or substitute awards to replace awards granted by a prior employer acquired by the Company.

**Shares subject to the 2019 Plan.** Shares of Citi common stock issued in connection with awards under the 2019 Plan may be shares that are authorized but unissued, or previously issued shares that have been reacquired, or both. The initial share authorization under the 2019 Plan is 30 million shares. (The shares authorized under the 2019 Plan is estimated to be approximately equal to number of shares that would no longer be available for grant upon expiration of the 2014 Plan.)

**“Recycling” provisions.** If an award under the 2019 Plan, or, after April 16, 2019, the 2014 Plan and the 2009 Plan, is forfeited, cancelled, or expires or is settled without the issuance of shares, the shares subject to such award will be available for future grants under the 2019 Plan. However, shares tendered by a participant or withheld by Citi to pay an option exercise price, withheld or tendered to satisfy tax withholding obligations relating to any award, repurchased by Citi with option exercise proceeds, covered by a stock-settled SAR (without regard to the number of shares actually issued upon exercise) or withheld to satisfy any debt or other obligation owed to Citi, and cancelled fractional shares will be considered issued and shall not be added to the maximum number of shares that may be issued under the 2019 Plan.

[Citi 2019 Proxy Statement](#)

---



**Table of Contents**

**PROPOSAL 4: APPROVAL OF THE CITIGROUP 2019 STOCK INCENTIVE PLAN**

**Limits on awards.** The maximum number of shares subject to awards to an individual Director in a calendar year (including awards made at the election of a Director in lieu of his or her cash retainer), taken together with any cash fees paid during the calendar year to the Director, in respect of the Director's service as a member of the Board during such year (including service as a member or chair of any committees of the Board), may not exceed \$1,000,000 in value, as determined as of the date of each award. However, the independent members of the Board may make exceptions to this limit for a non-executive chair of the Board, provided that the Director receiving any additional compensation may not participate in the decision to award such compensation. For all other eligible "employees," the number of shares subject to stock options or SARs granted during a calendar year may not exceed one million shares, and the number of shares that may be subject to stock awards granted in a calendar year may not exceed one million shares, unless granted subject to substitute awards that replace awards of a former employer acquired by the Company.

**Types of awards.** The following types of awards may be made under the 2019 Plan:

**Stock options.** An award of a stock option under the 2019 Plan grants a participant the right to purchase a specified number of shares of Citi common stock during a specified term in the future at an exercise price equal to at least 100% of the "fair market value" (see below) of Citi common stock on the grant date. The term of a stock option may not exceed 10 years from the date of grant.

**Stock appreciation rights (SARs).** A SAR, upon exercise, entitles the participant to receive an amount equal to the difference between the fair market value of Citi common stock on the exercise date and the exercise price of the SAR (which may not be less than 100% of fair market value of a share of Citi common stock on the grant date) times the number of shares subject to the SAR. Payment to a participant upon the exercise of a SAR may be in cash and/or shares of Citi common stock.

**Definition of "fair market value."** For purposes of setting the exercise price of any option or SAR granted under the 2019 Plan, "fair market value" means the closing price on the NYSE (or on the principal national securities exchange on which the common stock is traded or quoted, if not the NYSE) on the date on which the stock option or SAR is granted. For all other purposes under the 2019 Plan, "fair market value" will be as determined by the Compensation Committee.

**Stock payment.** The Compensation Committee may grant vested shares of Citi common stock as a stock payment.

**Restricted stock.** A restricted stock award is an award of outstanding shares of Citi common stock that does not vest until vesting conditions are satisfied and which will be forfeited if conditions to vesting are not met. Unless the Compensation Committee determines otherwise, participants who receive awards of restricted stock are also generally entitled to direct the voting of the unvested shares underlying their awards on matters submitted to a vote of stockholders. All shares underlying outstanding (unvested) restricted stock awards as to which no voting instructions are received are voted proportionately, based on the voting instructions received with respect to all other restricted shares. Participants may receive dividends on the shares subject to their awards during the vesting period, unless the awards are subject to one or more performance conditions, in which case the dividends, if any, shall be paid only if and when, and only to the extent that, the underlying shares vest.

**Deferred stock.** A deferred stock award is an unfunded, unsecured promise to deliver shares of Citi common stock to the participant in the future, if the participant satisfies the conditions to vesting. Participants do not have voting rights (their rights are no greater than a general unsecured creditor of the Company), but may receive dividend equivalent payments during the vesting period, unless the awards are subject to one or more performance conditions, in which case the dividend equivalents, if any, shall be paid to participants only if and when, and only to the extent that, the underlying shares vest.

**Other stock-based awards.** The Compensation Committee may grant any other award that is denominated in shares of Citi common stock and that may be settled by the delivery of shares and/or cash. For the avoidance of doubt, awards that by their terms shall be settled only in cash shall not be considered to have been granted under the 2019 Plan.

**Performance-based awards.** Subject to the terms of the 2019 Plan, the Compensation Committee may grant awards that are subject to one or more performance conditions related to a performance period of not less than one year.





**Table of Contents**

**PROPOSAL 4: APPROVAL OF THE CITIGROUP 2019 STOCK INCENTIVE PLAN**

**Minimum vesting requirement.** Awards granted under the 2019 Plan may not vest earlier than the first anniversary of the date on which the award is granted, except that the Compensation Committee may grant awards that vest in less than a year (i) as a “substitute award” to replace awards of a former employer acquired by the Company, (ii) awards to Directors that vest on the earlier of the one-year anniversary of the date of grant and the next annual meeting of stockholders which is at least 50 weeks after the immediately preceding year’s annual meeting, and (iii) any additional awards the Compensation Committee may grant, up to a maximum of five percent (5%) of the available share reserve authorized for issuance under the 2019 Plan. This restriction does not apply to the Compensation Committee’s discretion to provide for accelerated exercisability or vesting of any award, including in cases of retirement, death, disability, leave of absence, termination of employment, change of control, or upon the sale or other disposition of the subsidiary employing a participant or other similar event.

**Performance conditions.** In the case of an award subject to a performance condition, the applicable performance condition may include one or more of the following performance conditions and be expressed in either, or a combination of, absolute or relative values or a percentage of: revenue, revenue or product growth, net income (pre-or after-tax), earnings, earnings per share, stockholders’ equity or return on stockholders’ equity, assets or return on assets, return on risk-adjusted assets, capital or return on capital, return on risk capital, book value or book value per share, economic value-added models or equivalent metrics, operating income, pre- or after-tax income, expenses or reengineering savings, margins, cash flow or cash flow per share, stock price, total shareholder return, market share, debt reduction, net promoter scores, operating efficiency ratios, expense ratios, liquidity ratios, regulatory achievements, or any objective or subjective performance conditions selected by the Compensation Committee.

**Prohibition against repricing.** The 2019 Plan prohibits any action under the 2019 Plan that would constitute a “repricing” of any outstanding option or SAR granted under the 2019 Plan, the 2014 Plan, the 2009 Plan or any other plan of the Company or of any acquired company, except with the approval of the stockholders of the Company. The 2019 Plan defines “repricing” to mean (i) any action that constitutes a “repricing” under GAAP or the rules of the NYSE (including any modification or amendment to an outstanding option or SAR that has the effect of reducing its exercise price); (ii) any cancellation of an outstanding option or SAR when its exercise price exceeds its fair market value in exchange for cash; (iii) any cancellation of an option or SAR in exchange for a new option or SAR with a lower exercise price; or (iv) a substitution of a stock award for an option or SAR when its exercise price exceeds fair market value; in each case other than a permitted equitable adjustment.

**Prohibition of reload options.** The 2019 Plan does not permit the grant of “reload” options.

**Repayment obligation; right of set-off.** If the Compensation Committee subsequently determines that all conditions to vesting and payment of an award, or the vesting and exercisability of an option or SAR, were not satisfied in full, the Compensation Committee may cancel such vesting or exercise and refuse to issue shares and immediately terminate the participant’s rights with respect to such award (or improperly vested portion thereof). If the vesting or exercise of any such award (or portion thereof) has already been settled by delivery of shares or cash, the participant shall be obligated, upon demand, to return the shares or cash (or higher value received at vesting or exercise), to Citi, without reduction for any shares or cash withheld to satisfy withholding tax or other obligations. Consistent with the requirements of Section 409A of the Internal Revenue Code, the 2019 Plan also provides for the set-off of vested awards against obligations a participant may owe to Citi, including but not limited to the obligation to repay improperly vested or exercised awards. Any failure to timely pay tax-related obligations owing to Citi in connection with an award may result in its cancellation.

**Non-transferability.** During the vesting period, awards and sale-restricted shares generally are not transferable other than by will or the laws of descent and distribution.

**Adjustments.** The 2019 Plan provides that the Compensation Committee shall make appropriate equitable adjustments to the maximum number of shares available for grant under the 2019 Plan and to the annual individual award limits expressed in numbers of shares in the event of any changes to the Company’s capital structure,

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**PROPOSAL 4: APPROVAL OF THE CITIGROUP 2019 STOCK INCENTIVE PLAN**

including a change in the number of shares outstanding on account of any stock dividend, stock split, reverse stock split, spinoff or any similar equity restructuring, or any combination or exchange of equity securities, merger, consolidation, recapitalization, reorganization, or similar transaction. In the event of any such transaction, or any extraordinary dividend, divestiture, or other distribution (other than ordinary cash dividends) of assets to stockholders, the Compensation Committee shall make appropriate equitable adjustments to the number or kind of shares subject to outstanding awards, the exercise prices of outstanding options and SARs, and performance conditions, to the extent necessary to prevent the enlargement or diminution of participants' rights.

**Change of control.** The Compensation Committee may, when an award is made, or at any time prior to, at, or after the time of a "change of control" (as defined below), provide for the adjustment of performance conditions to reflect the change of control, provide for the cancellation of outstanding awards if the surviving entity or acquiring entity (or the surviving or acquiring entity's parent company) replaces the awards with new rights of substantially equivalent value, provide for the acceleration of any time periods or the waiver of any other conditions to vesting, exercise, payment, or distribution of an award upon an involuntary termination of a participant's employment as a result of a change of control, or provide for the purchase of any award. The vesting, payment, purchase, or distribution of an award, however, may not be accelerated by reason of a change of control for any participant unless the participant's employment is involuntarily terminated as a result of the change of control. For these purposes, a termination of employment as a result of a change of control means involuntary termination of employment other than for "gross misconduct" (as defined in the 2019 Plan) upon, or on or prior to the first anniversary of, the change of control.

The 2019 Plan defines a "change of control" to mean (i) a person acquiring direct or indirect beneficial ownership of Citigroup Inc. securities representing 30% or more of the combined voting power of then outstanding securities of Citigroup Inc.; (ii) specified changes in the majority of the Board (not including the election of Directors whose election or nomination was approved by a majority of the then incumbent Board); (iii) a sale, transfer, or distribution of all or substantially all of the assets of Citigroup Inc. or a dissolution or liquidation of Citigroup Inc.; or (iv) consummation of a reorganization, merger, consolidation, or other corporate transaction that results in stockholders of Citigroup Inc. not owning more than 50% of the combined voting power of Citigroup Inc. or other corporation resulting from the transaction.

**Tax withholding.** Citi retains the right to deduct or withhold, or require the participant to remit to his or her employer, an amount sufficient to satisfy federal, state, local, and foreign taxes (including hypothetical taxes owed to Citi by tax-equalized expatriates) required by law or regulation to be withheld with respect to any taxable event as a result of the 2019 Plan.

**Amendment and termination.** The 2019 Plan may be amended, suspended, or terminated by the Compensation Committee at any time, provided that no amendment shall be made without stockholder approval if it would materially increase the number of shares available under the 2019 Plan (other than in connection with an equitable adjustment), materially expand the types of awards available under the 2019 Plan or the class of persons eligible to participate in the 2019 Plan, materially extend the term of the 2019 Plan, materially change the method of determining the exercise price of an option or SAR granted under the 2019 Plan, delete or limit the prohibition against "repricing," or otherwise require approval by stockholders in order to comply with applicable law or the rules of the NYSE (or principal national securities exchange upon which Citi's common stock is traded or quoted).

**Award modification.** The Compensation Committee retains the right to modify outstanding awards without a participant's prior consent if it determines that the modification is required to comply with applicable law, regulation, or regulatory guidance (including applicable tax law). Subject to certain exceptions, any other modifications, if adverse to a participant, shall not be effective without the participant's written consent.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

[PROPOSAL 4: APPROVAL OF THE CITIGROUP 2019 STOCK INCENTIVE PLAN  
Certain U.S. Federal Income Tax Consequences](#)

The following is a brief summary of the principal U.S. federal income tax consequences relating to stock options granted under the 2019 Plan, based on current U.S. federal income tax laws. This summary does not constitute tax advice and, among other things, does not describe state, local, or foreign tax consequences, which may be substantially different.

Generally, a participant will not recognize taxable income on the grant of a stock option. Upon the exercise of a stock option, a participant will recognize ordinary income in an amount equal to the difference between the fair market value of the Citi common stock received on the date of exercise and the option cost (number of shares purchased multiplied by the exercise price per share). The participant will recognize ordinary income upon the exercise of the option even though the shares acquired may be subject to further restrictions on sale or transferability. Citi will ordinarily be entitled to a deduction on the exercise date in an amount equal to the amount of ordinary income recognized by the participant upon exercise, except as may be specified under Section 162(m) of the Internal Revenue Code. Generally, upon a subsequent sale of shares acquired in an option exercise, the difference between the sale proceeds and the cost basis of the shares sold will be taxable as a capital gain or loss, including any sale of shares freed from sale restrictions to fund the payment of taxes incurred at exercise. The 2019 Plan does not provide for awards of “incentive stock options,” which have different tax consequences under the Internal Revenue Code.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**Stockholder Proposals**

Citi makes every effort to be responsive to concerns expressed by our stockholders by engaging in dialogues, participating in issuer/investor working groups, and adopting policies or initiatives we believe to be in the best interests of all stockholders. Over the years, Citi has met with several proponents and other interested parties regarding such issues as gender pay equity, proxy access, human rights, the Company's response to regulation (Dodd-Frank, credit cards), derivatives, risk management, auditor rotation, and trade association payments, among others, and has, on certain occasions, as appropriate, taken action in response to these engagements and/ or shareholder votes. We encourage our stockholders to communicate with management and the Board. Any stockholder wishing to communicate with management, the Board, or an individual Director, or obtain the addresses of any of the stockholder proponents or their Citi stock ownership information, should send a request to the Corporate Secretary, Rohan Weerasinghe, at 388 Greenwich Street, New York, New York 10013.

**Proposal 5**

John Chevedden has submitted the following proposal for consideration at the 2019 Annual Meeting:

**Proposal 5 – Shareholder Proxy Access Enhancement**

RESOLVED: Stockholders ask the board of directors to amend its proxy access bylaw provisions and any associated documents, to include the following change for the purpose of decreasing the average amount of Company common stock the average member of a nominating group would be required to hold for 3-years to satisfy the aggregate ownership requirements to form a nominating group and to increase the possible number of proxy access director candidates:

No limitation shall be placed on the number of stockholders that can aggregate their shares to achieve the 3% of common stock required to nominate directors under our Company's proxy access provisions.

Proxy access for shareholders enables shareholders to put competing director candidates on the company ballot to see if they can get more votes than some of management's director candidates. A competitive election is good for everyone. This proposal can help ensure that our management will nominate directors with outstanding qualifications in order to avoid giving shareholders a reason to exercise their right to use proxy access.

Even if the 20 largest public pension funds were able to aggregate their shares, they would not meet the current 3% criteria for a continuous 3-years at most companies according to the Council of Institutional Investors. This proposal addresses the situation that our company now has with proxy access potentially for only the largest shareholders who are the least unlikely shareholders to make use of it.

Since no group of shareholders at any U.S. company has yet to make use of proxy access, it is important to make sure that the current limitation of 20 shareholders is not a deterrent to shareholders using proxy access.

A more practical proxy access right would put shareholders in a better position to ask for improvement in our stock price performance of a decline from \$71 to \$63 in the year leading up to the submittal of this proposal.

Please vote yes:

**Shareholder Proxy Access Enhancement – Proposal 5**

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

STOCKHOLDER PROPOSALS  
Management Comment

Summary

Citi implemented a progressive proxy access by-law provision for our stockholders in 2015 that is aligned with current best practices, providing stockholders with meaningful and appropriate proxy access rights while taking into account the need to balance enhancing stockholder rights with protecting the interests of all our stockholders. The Board adopted the proxy access by-law provision after careful consideration and engagement with a number of our stockholders. Since our adoption of proxy access, we have had further discussions regarding proxy access with stockholders. Based on their feedback as well as a benchmarking review of proxy access rights adopted by other companies, we continue to believe that our current proxy access structure is the most appropriate for the Company and its stockholders at this time.

Citi's Proxy Access By-law is within the mainstream of other significant U.S. public companies with proxy access rights. Specifically, our By-laws permit a stockholder, or a group of up to twenty stockholders, owning at least three percent of Citi's outstanding shares of common stock continuously for at least three years, to nominate and include in our annual meeting proxy materials director nominees constituting twenty percent of the Board (but no fewer than two nominees), subject to the other procedural requirements specified in our By-laws. In fact, all of the provisions sought by the Proponent, except for the provision permitting an unlimited number of stockholders to aggregate their holdings to nominate candidates, are already included in Citi's Proxy Access By-law. A recent study published by Sidley Austin LLP summarizes proxy access provisions adopted since January 1, 2015 and, after analyzing 565 provisions, concluded that a nominating group size limit of 20 was by far the most common limit, averaging 93% of the companies surveyed.<sup>1</sup> Citi's Proxy Access provisions, including its group aggregation limit, are in line with best practices among U.S. corporations.

The proponent acted as a proxy for the proponent (the "Original Proponent") of a Proxy Access Stockholder Proposal (the "Original Proposal") voted on by stockholders at the 2015 annual meeting. The Board supported the Original Proposal after negotiating and agreeing on the terms with the proponent and the Original Proponent and, after stockholders expressed support for the Original Proposal, subsequently amended the By-laws to grant stockholders the right to have stockholder nominees to the Board included in the Company's proxy materials. The proponent now seeks to change the terms agreed to in 2015. The Proposal requests the following change to Citi's Proxy Access By-law: no limitation on the number of stockholders that can aggregate their shares to achieve the 3% of common stock required to nominate directors. Management believes that the change put forth in the Proposal is not in the best interests of Citi's stockholders.

Allowing a limited number of holders, who own a meaningful interest in the Company for a reasonable period of time, to act as a group strengthens the principle that we believe is shared by most of our stockholders the right to nominate a director using the Company's proxy statement should be available only for those who have a sufficient financial stake in the Company to cause their interests to be aligned with the interests of our stockholders.

The existing limit on the number of holders who can aggregate their shares creates a reasonable limitation that will control the administrative costs for Citi. In the absence of a reasonable limitation, or as the proposal requests no limitation, on the number of stockholders in a group, Citi could be required to make burdensome and time-consuming inquiries into the nature and duration of the share ownership of a large number of individuals

**Board Recommendation**

Because Citi has adopted progressive proxy access by-law provisions that serve the best interests of the Company and our stockholders and is in line with best practices among Citi's peers and the vast majority of large cap companies, adoption of the stockholder proposal is not necessary or appropriate; therefore the Board recommends a vote **AGAINST** this Proposal 5.

## Edgar Filing: CITIGROUP INC - Form DEF 14A

<sup>1</sup> Sidley Austin LLP, *Proxy Access – The Latest on Proxy Access*, January 11, 2019.

<https://www.sidley.com/-/media/update-pdfs/2019/01/20190111-corporate-governance-update.pdf>

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

STOCKHOLDER PROPOSALS  
Proposal 6

AFL–CIO Reserve Fund has submitted the following proposal for consideration at the 2019 Annual Meeting:

RESOLVED: Shareholders of Citigroup Inc. (the “Company”) request that the Board of Directors adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service (a “Government Service Golden Parachute”).

For purposes of this resolution, “equity-based awards” include stock options, restricted stock and other stock awards granted under an equity incentive plan. “Government service” includes employment with any U.S. federal, state or local government, any supranational or international organization, any self-regulatory organization, or any agency or instrumentality of any such government or organization, or any electoral campaign for public office.

This policy shall be implemented so as not to violate existing contractual obligations or the terms of any compensation or benefit plan currently in existence or approved by shareholders on the date this proposal is adopted, and it shall apply only to equity plans or plan amendments that shareholders approve after the date of the 2019 annual meeting.

Supporting Statement:

Our Company provides its senior executives with vesting of equity-based awards after their voluntary resignation of employment from the Company to pursue a career in government service. In other words, our Company gives a “golden parachute” for entering government service. Although the Company’s current named executive officers may have attained the “rule of 60” under which deferred stock awards continue to vest on schedule, future named executive officers and other senior executives may be able to take advantage of this golden parachute.

At most companies, equity-based awards vest over a period of time to compensate executives for their labor during the commensurate period. If an executive voluntarily resigns before the vesting criteria are satisfied, unvested awards are usually forfeited. While government service is commendable, we question the practice of our Company providing continued vesting of equity-based awards to executives who voluntarily resign to enter government service.

The vesting of equity-based awards over a period of time is a powerful tool for companies to attract and retain talented employees. But contrary to this goal, our Company’s award agreements contain a “Voluntary Resignation to Pursue Alternative Career” clause that provides for the continued vesting of restricted stock of executives who voluntarily resign to pursue a government service career.

In last year’s proxy statement, the Company responded to this proposal by stating its desire to facilitate “some degree of parity between private and public sector employment” because “unvested awards are typically replaced with new awards by a new private sector employer.” In our view, it is simply not appropriate for our Company’s employees who choose to enter government service to be “bought out” in this way.

We believe that compensation plans should align the interests of senior executives with the long-term interests of the Company. We oppose compensation plans that provide windfalls to executives that are unrelated to their performance. For these reasons, we question how our Company benefits from providing Government Service Golden Parachutes. Surely our Company does not expect to receive favorable treatment from its former executives?

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

STOCKHOLDER PROPOSALS  
Management Comment

Summary

Citi's deferred compensation programs, like those of many other companies, include provisions that alter an award's regular forfeiture conditions and provide for vesting in a range of circumstances (e.g., termination of employment on account of death, disability, involuntary termination not for cause, and upon meeting certain retirement-type age and service provisions). The alternative career provision, which is available to all employees who are eligible for deferred compensation awards (not just senior executives), is one of these exceptions. Under the alternative career provision, an employee who is not eligible for retirement may resign to work full-time in a paid career in government service, for a charitable institution, or as a teacher at an educational institution, and have his/her awards continue to vest on schedule. (A retirement-eligible employee may work for such employers and continue to vest regardless of the alternative career provision.) We believe that the alternative career provision, like other exceptions to the vesting conditions of our programs, helps us attract talented employees, which is a goal that furthers both our long-term business objectives and benefits stockholders at minimal cost.

Important Points to Consider

Adopting a policy that erodes the features of an incentive program intended to attract and retain talented employees would be detrimental to Citi's long-term business objectives. The alternative career provision is necessary to remain competitive for talent in the financial services industry, as it is an element of our peers' programs. It is not an executive perk; it is a component of our broader-based incentive programs covering about 8,300 employees globally. The alternative career provision operates at minimal cost to Citi and its stockholders, despite broad eligibility. As of December 5, 2017, only eight participants globally, none of whom were executive officers, were vesting on schedule by reason of the provision.

The proponent asserts in the supporting statement of its Proposal that "Our Company provides its senior executives with vesting of equity-based awards after their voluntary resignation of employment from the Company to pursue a career in government service." The provision is not relevant to most of Citi's current executive officers (including the five executive officers who were named executive officers in Citi's 2018 Proxy Statement). Due to their service to Citi, these executive officers will continue to vest on schedule after resignation as long as they do not work for a "significant competitor." Consequently, even if these executive officers were to leave Citi for government service, the provision would not apply to them. Moreover, no executive officer has resigned and continued to vest in his or her awards by reason of the provision in the last 10 years.

The provision does not result in a "windfall" to employees as they have earned the awards for services already performed. Furthermore, Citi's deferred incentive awards are subject to business-based performance conditions during the vesting period and to meaningful clawback provisions in the event of misconduct or other specified negative circumstances. Accordingly, awards that vest on schedule by reason of alternative career or other reasons are still subject to important conditions for receipt. These clawback provisions and business-based performance vesting conditions provide for alignment of stockholder and employee interests after termination of employment during the vesting period.

The proponent alludes to the proposition that the goal of the alternative career provision is to enable Citi to influence government policymakers. The purpose of the government service component of the provision is not to allow Citi executives to influence government—it is to encourage public service at all employment levels at Citi.

**Board Recommendation**

The alternative career provision advances stockholder interests by enabling Citi to attract and retain talented employees; adopting this Proposal would put Citi at a competitive disadvantage and could harm the Company and its employees; therefore the Board recommends a vote **AGAINST** this Proposal 6.



**Table of Contents**

[STOCKHOLDER PROPOSALS](#)

[Proposal 7](#)

Kenneth Steiner has submitted the following proposal for consideration at the 2019 Annual Meeting:

**Proposal 7 – Special Shareholder Meetings**

Resolved, Shareowners ask our board to take the steps necessary (unilaterally if possible) to amend our bylaws and each appropriate governing document to give holders in the aggregate of 15% of our outstanding common stock the power to call a special shareowner meeting. This proposal does not impact our board's current power to call a special meeting.

Special shareholder meetings allow shareholders to vote on important matters, such as electing new directors that can arise between annual meetings. This proposal topic won more than 70%-support at Edwards Lifesciences and SunEdison. This proposal topic, sponsored by William Steiner, also won 78% support at a Sprint annual meeting with 1.7 Billion yes-votes. Nuance Communications (NUAN) shareholders gave 94%-support in February 2018 to a rule 14a-8 proposal calling for 10% of shareholders to call a special meeting.

This proposal topic won majority support at the 2011 Citigroup annual meeting and also 49.9% support at the 2018 Citigroup annual meeting. Both these votes would have been higher if all shareholders had access to independent proxy voting advice.

Our current higher 25%-threshold for shareholders to call a special meeting may be unreachable due to time constraints and the detailed technical requirements that can easily trigger disqualifying errors by shareholders.

Any claim that a shareholder right to call a special meeting can be costly – may be moot. When shareholders have a good reason to call a special meeting – our board should be able to take positive responding action to make a special meeting unnecessary.

Shareholder proposals such as this have taken a leadership role to improve the corporate governance rules of our company. For instance Citigroup adopted shareholder proxy access after James McRitchie submitted a proxy access proposal in 2014 and 2015.

Please vote yes:

**Special Shareholder Meetings – Proposal 7**

[Management Comment](#)

Summary

Citi supports stockholders having the right to call a special meeting, which is why Citi's By-laws already provided stockholders that own at least 25% of the outstanding shares of the company's common stock the power to call a special meeting of stockholders. In response to the vote at the 2018 Annual Meeting on a proposal to lower the threshold to 15%, which did not pass but received significant shareholder support, the Board, taking into account the vote result, input from institutional investors and peer thresholds, has carefully considered the appropriate ownership threshold to call a special meeting and amended Citi's By-laws to lower the threshold to 20%. The 20% threshold aligns Citi with many of its peers and strikes an appropriate balance between the right of shareholders to call a special meeting and the interests of Citi and our stockholders in promoting the appropriate use of Company resources. Given the number of outlets stockholders have to express their concerns, Citi believes that the adjustment to the 20% threshold properly addresses shareholder concerns, without providing undue power to a small minority of stockholders.

[www.citigroup.com](http://www.citigroup.com)

---

## **Table of Contents**

### **STOCKHOLDER PROPOSALS**

#### **Important Points to Consider**

Special meetings of stockholders should only be called if a reasonably large proportion of Citi's stockholders determine that a meeting is necessary for extraordinary events that only occur when fiduciary obligations or strategic concerns require that matters be addressed on an accelerated basis rather than waiting until the next annual meeting. Citi amended the threshold to 20% and believes it is a reasonable threshold in order to prevent unnecessarily frequent special meetings. The 20% ownership threshold strikes the appropriate balance between the right of stockholders to call a special meeting in appropriate circumstances and the substantial administrative and financial burdens that special meetings can impose on our Company. The 20% threshold requires large and small stockholders to work together to bring an important matter to the general stockholder population through a special meeting. Holding a special meeting of our stockholders would be a costly undertaking, involve substantial planning, and require us to commit significant resources and attention to the legal and logistical elements of such a meeting. Due to these costs, we believe that it is essential that this right be limited in the manner provided by the 20% threshold. The company's stockholders should only have to bear such expenses and our Board and management should divert attention away from overseeing and running the business only when a significant percentage of stockholders agree that it is worth doing so. If fewer than 20% of our stockholders think a special stockholder meeting is required, we believe there is insufficient reason to hold one, particularly when there are other avenues for stockholders to express concerns regarding Citi.

The Proponent's concern appears to be that the current minimum ownership threshold to call a special meeting of the Company's stockholders unduly restricts or limits stockholders' ability to call a special meeting of stockholders. The Board, taking into account peer thresholds, the 2018 vote of shareholders on this proposal, alternatives Citi's shareholders have for expressing their concerns, and the input of institutional investors, lowered the ownership threshold to call a special meeting of stockholders to 20%.

The concerns of stockholders who might want to call a special meeting but who cannot garner the support of 20% of the Company's stockholders have alternatives for expressing their concerns:

Stockholders of Citi have the ability to act by written consent;

Citi's Board has adopted a proxy access by-law that enables stockholders to include up to two director candidates in Citi's Proxy Statement;

Stockholders have ample opportunity to express their concerns at the Company's Annual Meeting, or, alternatively, in writing, by following the instructions on page 42 of this Proxy Statement; and

Stockholders can communicate directly with our Board and management.

#### **Board Recommendation**

In response to the vote at Citi's 2018 Shareholder meeting, Citi's Board of Directors lowered the threshold to 20% to call a special meeting; this provides stockholders with assurance that a reasonable number of stockholders consider a matter important enough to merit a special meeting; therefore the Board recommends a vote **AGAINST** this Proposal 7.

[Citi 2019 Proxy Statement](#)

---

## **Table of Contents**

### STOCKHOLDER PROPOSALS

#### Submission of Future Stockholder Proposals

Under SEC Rule 14a-8, a stockholder who intends to present a proposal at the next Annual Meeting of stockholders and who wishes the proposal to be included in the Proxy Statement for that meeting must submit the proposal in writing to the Corporate Secretary of Citi, Rohan Weerasinghe, at 388 Greenwich Street, New York, New York 10013. The proposal must be received no later than November 7, 2019. The proposal and its proponent must satisfy all applicable requirements of Rule 14a-8.

Citi's By-laws permit a stockholder or group of stockholders (up to 20) who have owned at least 3% of Citi common stock for at least three years to submit Director nominees (up to the greater of two nominees or 20% of the Board, as determined in accordance with the By-laws) for inclusion in Citi's Proxy Statement if the nominating stockholder(s) satisfies the requirements specified in the By-laws. With respect to stockholder nominees for Director election submitted for inclusion in Citi's Proxy Statement for the 2020 Annual Meeting, written notice of nominations must be provided by the stockholder proponent(s) to Citi in accordance with Citi's By-laws. The notice must be delivered to, or mailed and received by, Citi's Corporate Secretary between October 8, 2019 and November 7, 2019. These deadlines are based on the 150th day and 120th day, respectively, before the one-year anniversary of the date that the Proxy Statement for this Annual Meeting was first sent to stockholders (which date, for purposes of Citi's By-laws, is March 6, 2019). The ability to include a nominee in Citi's Proxy Statement is subject to the terms and conditions set forth in Citi's By-laws.

With respect to stockholder nominees for Director election at the next Annual Meeting (other than nominees submitted for inclusion in Citi's proxy materials) and stockholder proposals for consideration at the next Annual Meeting that are not submitted for inclusion in Citi's proxy materials under Rule 14a-8, written notice of nominations and proposals must be provided by the stockholder proponent to Citi in accordance with Citi's By-laws. The notice must be delivered to, or mailed and received by, Citi's Corporate Secretary, Rohan Weerasinghe, between December 18, 2019 and January 17, 2020 and must comply with all applicable provisions of Citi's By-laws. You may obtain a copy of Citi's By-laws on Citi's website or by writing to the Corporate Secretary, Rohan Weerasinghe, at 388 Greenwich Street, New York, New York 10013.

#### Cost of Annual Meeting and Proxy Solicitation

Citi pays the cost of the Annual Meeting and the cost of soliciting proxies. In addition to soliciting proxies by mail, Citi may solicit proxies by personal interview, telephone, and similar means. No Director, officer, or employee of Citi will be specially compensated for these activities. Citi also intends to request that brokers, banks, and other nominees solicit proxies from their principals and will pay the brokers, banks, and other nominees certain expenses they incur for such activities. Citi has retained Morrow Sodali LLC, 470 West Avenue, Stamford, CT 06902, a proxy soliciting firm, to assist in the solicitation of proxies, for an estimated fee of \$30,000 plus reimbursement of certain out-of-pocket expenses.

#### Householding

Under SEC rules, a single set of Annual Reports and Proxy Statements may be sent to any household at which two or more stockholders reside if they appear to be members of the same family. Each stockholder continues to receive a separate proxy card. This procedure, referred to as householding, reduces the volume of duplicate information stockholders receive and reduces mailing and printing expenses. In accordance with a notice sent to certain stockholders who shared a single address, only one Annual Report and Proxy Statement will be sent to that address unless any stockholder at that address requested multiple sets of documents be sent. However, if any stockholder who agreed to householding wishes to receive a separate Annual Report or Proxy Statement, he or she may telephone toll-free 1-866-540-7095 or write to Broadridge Financial Services, Inc., Householding Department, 51 Mercedes Way, Edgewood, NY 11717. Stockholders sharing an address who wish to receive a single set of reports may do so by contacting their banks or brokers, if they are beneficial holders, or by contacting Broadridge at the address set forth above, if they are record holders.

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

## Directions to 2019 Annual Meeting Location

Date and Time April 16, 2019, 9:00 a.m.

Place Citi's Headquarters  
388 Greenwich Street (between North Moore and Beach Streets)  
New York, New York 10013

### Key Information for attending Citi's 2019 Annual Meeting:

Please register for the Annual Meeting at [www.proxyvote.com](http://www.proxyvote.com).

Print your ticket at home or call Shareholder Meeting Registration Phone Support (toll free) at 1-844-318-0137 or (international toll call) at 1-925-331-6070 for assistance.

Deadline date is [April 15, 2019](#).

Citi's Headquarters at 388 Greenwich Street is accessible by public transportation. If you plan to visit by car, please allow extra time to navigate New York City traffic and to secure parking. There are multiple parking garages in Tribeca; however, it is recommended that you contact a parking garage ahead of time to ensure availability.

#### **By Subway**

train to Franklin Street, walk 2 blocks west to Greenwich Street and North Moore Street.

trains to Canal Street, walk 3.5 blocks west to Greenwich Street and Beach Street.

For more information, please visit: [www.mta.info](http://www.mta.info).

#### **By Car**

From the East Side, use the FDR Drive to South Street Viaduct/West Street. Continue to Hubert Street, making a right turn on Hubert Street, proceed 2 blocks to Greenwich Street, make a right turn onto Greenwich Street and proceed 1 block to 388 Greenwich Street on your right.

From the Upper West Side, take the West Side Highway to Vestry Street (approximately 3 blocks after Canal Street). Turn left onto Vestry Street, turn right at the 2nd cross street onto Greenwich Street and proceed 3 blocks to 388 Greenwich Street on your right.

Please Note: Citi's Headquarters at 388 Greenwich Street does not have designated visitor parking. Limited street parking is available, and there are nearby parking garages.

#### **By Bus**

Buses arrive at the Port Authority Bus Terminal at 42nd Street. Please take either the subway or an MTA bus downtown. Please visit: [www.mta.info](http://www.mta.info) for further information.

#### **By Railroad**

Long distance trains (i.e., Amtrak, LIRR and NJT) generally arrive in Penn Station (at 34th Street and 7th Avenue). From Penn Station, either take a taxi to 388 Greenwich Street, or a downtown train or (follow subway directions above). For more information, please visit: [www.mta.info](http://www.mta.info).

Metro North Commuter trains (servicing Hudson, Harlem, and New Haven lines) arrive in Grand Central Terminal. From Grand Central, take a taxi to 388 Greenwich Street, or subway using the shuttle to Times Square and transfer to the downtown to the Franklin Street stop. Exit the Franklin subway station and walk 2 blocks west and turn right onto

Greenwich Street. Citi's headquarters is on the northwest corner of Greenwich and North Moore Streets.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**Annex A**

[Additional Information Regarding Proposal 3](#)

[Glossary](#)

**CCAR** refers to the Federal Reserve Board's annual Comprehensive Capital Analysis and Review. CCAR is an important regulatory supervisory mechanism for assessing the capital adequacy of banks including, among other things, ensuring that banks have sufficient capital to continue to provide key financial services under adverse economic and financial market scenarios. Banks may not return capital to stockholders or take other capital actions unless the Federal Reserve Board indicates that it has "no objection" to a bank's capital plan, including its requested capital actions.

**Cumulative Earnings Per Share** for our Performance Share Units is determined by adding the diluted earnings per share based on net income allocated to common stockholders from our quarterly earnings reports for the 12 quarters of the applicable three-year performance period.

**Efficiency Ratio** is total operating expenses divided by total revenues (net of interest expense). This ratio generally compares the cost of generating revenue to the amount of revenue generated. A lower cost is preferable to a higher cost in generating the same amount of revenue, and therefore, a lower efficiency ratio is generally better than a higher one. This metric encourages management to consider the costs of generating additional revenue instead of simply maximizing revenue, and can be used on a relative basis to identify which businesses are managed better than others.

**Income from Continuing Operations Before Taxes** is revenues minus expenses and cost of credit, before taxes and discontinued operations.

**Net Income** represents a company's after-tax profits. Net Income is an element of the metrics that measure return on assets or capital.

**Return on Assets (ROA)** is net income divided by average assets as determined under U.S. GAAP.

**Return on Tangible Common Equity** is net income for a business or Citigroup (minus preferred dividends in the case of Citigroup) divided by average tangible common equity for the year. Management views this metric as an appropriate indication of the long-term potential of Citi's operating businesses to deliver long-term value to stockholders.

**Risk Appetite Ratio** is the ratio between the earnings of a business unit, including expected losses (defined as revenues, net of interest expense, minus operating expenses, minus expected losses) (the numerator) and the stress losses (i.e., unexpected losses) of Citi or the applicable business segment under a 1-in-10 year stress scenario (the denominator). The applicable business unit should produce sufficient earnings each year, so that it does not lose money under a moderate stress event (i.e., a 1-in-10 year stress scenario). As long as the relationship is higher than 1-to-1, then the business unit "passes" the Risk Appetite Ratio test. The Risk Appetite Ratio is currently viewed as a baseline standard or a minimum goal.

**Risk Appetite Surplus**, for a business unit, is earnings (defined as revenues, net of interest expense, minus operating expenses) minus both expected losses and unexpected losses (i.e., the stress losses of the business unit under a 1-in-10 year stress scenario). The Risk Appetite Surplus metric is intended to measure the ability of a business unit to withstand a moderate stress event without incurring an annual loss. Risk Appetite Surplus is used as a more nuanced qualitative tool to evaluate the capital generation power of businesses that may "pass" the Risk Appetite Ratio test.

**Table of Contents**

## ANNEX A

## Citigroup – Quantitative Scorecard Metric Details and Adjusted Results Reconciliations

(In millions of dollars, except ratios and earnings per share)

	2018				2017	2018 vs. 2017
	Citigroup	GCB	ICG	Latin America	Citigroup	% Increase
<b>Reported Income from Continuing Operations before Income Taxes</b>	<b>\$23,445</b>	<b>\$7,601</b>	<b>\$15,831</b>	<b>\$3,810</b>	\$22,761	
Less: Provision for Income Taxes	5,357	1,839	3,631	994	29,388	
Add: Income from Discontinued Operations	(8)	—	—	—	(111)	
Less: Noncontrolling Interests	35	7	17	—	60	
<b>Reported Net Income (Loss)</b>	<b>\$18,045</b>	<b>\$5,755</b>	<b>\$12,183</b>	<b>\$2,816</b>	\$(6,798)	
Less: Impact of Tax Reform <sup>(1)</sup>	\$(94)				\$22,594	
<b>Adjusted Net Income</b>	<b>\$17,951</b>				\$15,796	14%
Reported Diluted Earnings Per Share (EPS)	\$6.68				\$(2.98)	
Impact of Tax Reform <sup>(1)</sup>	0.03				(8.31)	
Adjusted Diluted EPS	\$6.65				\$5.33	25%
Average Assets (in billions of dollars)	\$1,920,200	\$423,000	\$1,404,000	\$126,000	\$1,875,500	
Reported ROA (Reported Net Income/ Average Assets)	0.94%	1.36%	0.87%	2.23%	(0.36%)	
Adjusted ROA (Adjusted Net Income/ Average Assets)	0.93%				0.84%	
<b>Revenues, Net of Interest Expense</b>	<b>\$72,854</b>	<b>\$33,777</b>	<b>\$36,994</b>	<b>\$10,264</b>	\$72,444	
<b>Total Operating Expenses</b>	<b>\$41,841</b>	<b>\$18,590</b>	<b>\$20,979</b>	<b>\$5,068</b>	\$42,232	
Efficiency Ratio (Operating Expenses/Revenues, Net of Interest Expense)	57.4%	55.0%	56.7%	49.4%	58.3%	
Adjusted Net Income (from above)	\$17,951				\$15,796	
Preferred Stock Dividends	1,173				1,213	
Adjusted Income Available to Common Shareholders	\$16,778				\$14,583	
Total Common Equity at December 31, 2018 and 2017	\$177,760				\$181,487	
Less:						
Goodwill at December 31, 2018 and 2017	22,046				22,256	
Intangible Assets (Other Than Mortgage Servicing Rights) at December 31, 2018 and 2017	4,636				4,588	
Tangible Common Equity at December 31, 2018 and 2017	\$151,078				\$154,643	
Average Tangible Common Equity during 2018 and 2017	\$153,343	\$35,000	\$85,000	\$12,100	\$180,458	
Adjusted Return on Tangible Common Equity (Excluding the Impact of Tax Reform)	10.9%	16.4%	14.3%	23.3%	8.1%	
Average Common Equity	\$179,497				\$207,413	
Return on Common Equity ((Reported Net Income less Preferred Dividends)/ Average Common Equity)	9.4%				(3.9%)	
Common Dividends	\$3,865				\$2,595	
Common Stock Repurchases	14,545				14,533	
Distributions to Common Shareholders (Total Payout)	\$18,410				\$17,128	
Reported Total Payout Ratio (Total Payout/ (Net Income less Preferred Dividends))	109%				(214%)	
Adjusted Total Payout Ratio (Total Payout/(Adjusted Net Income less Preferred Dividends))	110%				117%	

[Citi 2019 Proxy Statement](#)

**Table of Contents**

## ANNEX A

	2018				2017	2018 vs. 2017 % Increase
	Citigroup	GCB	ICG	Latin America	Citigroup	
<b>Risk Appetite Ratio:</b>						
Unexpected Losses	\$14,979	\$4,716	\$6,837	\$1,359		
Expected Losses	\$8,420	\$7,016	\$1,024	\$1,055		
Risk Appetite Ratio (RAR) = (Revenues - Operating Expenses - Expected Losses)/ Unexpected Losses	151%	173%	219%	305%		
Risk Appetite Surplus (RAS) = (Revenues - Operating Expenses - Expected Losses - Unexpected Losses)	\$7,614	\$3,455	\$8,154	\$2,782		
Reported Global Consumer Banking (GCB)					<u>2017 GCB</u>	
Revenues		\$33,777			\$32,838	
Less: Impact of Foreign Exchange Translation		—			(132)	
Less: Gain on Sale of a Mexico Asset Management Business		250			—	
Adjusted GCB Revenues		\$33,527			\$32,706	3%
Reported Institutional Clients Group (ICG)					<u>2017 ICG</u>	
Revenues			\$36,994		\$36,474	
Less: Gain on Sale of a Fixed Income Analytics Business			—		580	
Adjusted ICG Revenues			\$36,994		\$35,894	3%

Represents the 2017 one-time impact of the enactment of the Tax Cuts and Jobs Act (Tax Reform), which was signed into law on December 22, 2017, as well as the 2018 one-time impact of the finalization of the provisional component of the impact based on Citi's analysis as well as (1) additional guidance received from the U.S. Treasury Department related to Tax Reform.

[www.citigroup.com](http://www.citigroup.com)



**Table of Contents**

**Annex B**

**Citigroup 2019 Stock Incentive Plan**

(effective April 16, 2019, subject to stockholder approval)

**1. Purpose**

The purposes of the Citigroup 2019 Stock Incentive Plan (as amended from time to time, the “Plan”) are to (i) align incentive compensation programs with the Company’s long-term business objectives and the interests of stockholders; (ii) attract and retain Employees by providing compensation opportunities that are competitive within the global financial services industry; and (iii) provide compensation opportunities that do not create incentives to take imprudent risks.

**2. Effective Date and Term**

The Plan will become effective on April 16, 2019 (the “Effective Date”), subject to approval by the stockholders of the Company. Unless terminated earlier by the Committee, the Plan will expire on the date of the annual general meeting of stockholders to be held in 2024. The Plan replaces the 2014 Stock Incentive Plan (the “2014 SIP”) for Awards granted on or after the Effective Date. Awards may not be granted under the 2014 SIP beginning on the Effective Date, but the adoption and effectiveness of the Plan will not affect the terms or conditions of any outstanding awards granted under the Prior Plans or any other plan prior to the Effective Date.

**3. Definitions**

“**Awards**” shall mean an Option, SAR, or Stock Award granted under the Plan.

“**Award Agreement**” shall mean one or more documents (in either paper or electronic form (including by posting on the Company’s intranet or other shared electronic medium controlled by the Company to which a Participant has access)) evidencing the terms and conditions of an Award.

“**Board**” shall mean the Board of Directors of the Company.

“**Change of Control**” shall have the meaning set forth in Section 11.

“**Codes**” shall mean the Internal Revenue Code of 1986, as amended, including any rules and regulations promulgated thereunder.

“**Committee**” shall mean the Personnel and Compensation Committee of the Board, or a sub-committee thereof, the members of which shall qualify as “Non-Employee Directors” under Rule 16b-3 of the 1934 Act; provided, however, that with respect to the application of the Plan to Directors, unless specifically provided otherwise herein, “Committee” shall mean the Board. Unless expressly provided otherwise herein or not permitted by applicable law, “Committee” includes any authorized delegate of the Committee, including each Plan Administrator. For avoidance of doubt, a failure of one or more members of the Committee to qualify as “Non-Employee Directors” under Rule 16b-3 of the 1934 Act shall not impair the validity of actions taken by the Committee, including the granting of any Award.

“**Common Stock**” shall mean the common stock of the Company, par value \$.01 per share.

“**Company**” shall mean Citigroup Inc., a Delaware corporation.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

**ANNEX B**

**“Deferred Stock Award”** shall mean an Award payable in shares of Common Stock at the end of a specified deferral period that is subject to the terms, conditions, limitations, and restrictions set forth in the Plan and an Award Agreement.

**“Director”** shall mean a member of the Board who is not also an active employee or officer of the Company or a Subsidiary.

**“Employee”** shall have the meaning set forth in General Instruction A to the Registration Statement on Form S-8 promulgated under the Securities Act of 1933, as amended, in effect on the Effective Date. Notwithstanding the foregoing, consultants and advisors (other than Directors) shall not be eligible to receive Awards under the Plan.

**“Fair Market Value”** shall mean, in the case of a grant of an Option or a SAR, the closing price of a share of Common Stock on the New York Stock Exchange (or, if the Common Stock is not traded on the New York Stock Exchange, the principal national securities exchange upon which the Common Stock is traded or quoted) on the date on which the Option or the SAR is granted. For all other purposes of administering an Award (including Options and SARs granted as Substitute Awards), “Fair Market Value” shall be as determined pursuant to the valuation methodology approved for such purpose by the Committee.

**“GAAP”** shall mean U.S. generally accepted accounting principles.

**“Gross Misconduct”** shall mean any conduct by a Participant (a) while employed by the Company or a Subsidiary that is competitive with the Company’s or any Subsidiary’s business operations, (b) that is in breach of any obligation that Participant owes to the Company or any Subsidiary or of that Participant’s duty of loyalty to the Company or any Subsidiary, (c) that is materially injurious to the Company or any Subsidiary, or (d) that otherwise constitutes “gross misconduct” as determined pursuant to guidelines adopted by the Committee or a Plan Administrator.

**“Options”** shall mean the right to purchase a specified number of shares of Common Stock at a stated exercise price for a specified period of time subject to the terms, conditions, limitations, and restrictions set forth in the Plan and an Award Agreement.

**“Participant”** shall mean an Employee or former Employee who holds an Award under the Plan (and the legal representative of the estate of a deceased Participant).

**“Performance Conditions”** shall mean any condition to the vesting of an Award based on the performance of the Company (including one or more of its Subsidiaries), the performance of any branch, business unit of the Company (or of any Subsidiary), or the performance of an individual Participant (other than remaining employed by the Company or a Subsidiary), whether based on absolute or relative performance measures.

**“Plan Administrator”** shall mean any officer or employee of the Company or a Subsidiary performing a function related to administration of the Plan as part of his or her normal job duties, and any director, officer, or employee, whether acting alone or as part of a committee or other group, or non-employee agent, to whom any authority over any matter related to administration of the Plan or any Award has been directly or indirectly delegated by the Committee.

**“Prior Plans”** shall mean the 2014 SIP and the Citigroup 2009 Stock Incentive Plan.

**“Repricing”** shall mean (a) any action that constitutes a “repricing” under GAAP or the rules of the New York Stock Exchange (including any modification or amendment to an outstanding Option or SAR that has the effect of reducing its exercise price), (b) any cancellation of an Option or SAR when its exercise price exceeds Fair Market Value in exchange for cash, (c) any cancellation of an Option or SAR in exchange for a new Option or SAR with a lower exercise price, or (d) a substitution of a Stock Award for an Option or SAR when its exercise price exceeds Fair Market Value; in each case other than an adjustment to an outstanding Award that is consistent with the requirements of Section 6(d).

[www.citigroup.com](http://www.citigroup.com)

---

**Table of Contents**

ANNEX B

**“Restricted Stock Award”** shall mean an Award of Common Stock that is subject to the terms, conditions, limitations, and restrictions set forth in the Plan and an Award Agreement.

**“SAR”** shall mean “stock appreciation right,” which is a right to receive a payment, during a specified term, in cash, Common Stock, or a combination thereof, in an amount equal to the excess of the Fair Market Value of a specified number of shares of Common Stock at the time the SAR is exercised over the exercise price of such SAR, which right is subject to the terms, conditions, limitations, and restrictions set forth in the Plan and an Award Agreement.

**“Section 16(a) Officer”** shall mean an Employee who is subject to the reporting requirements of Section 16(a) of the 1934 Act.

**“Stock Award”** shall mean a Deferred Stock Award, a Restricted Stock Award, a Stock Payment, or Other Stock-Based Award.

**“Stock Payment”** shall mean an immediately vested payment in shares of Common Stock that may or may not be in lieu of cash.

**“Subsidiary”** shall mean any of the consolidated subsidiaries of the Company.

**“Substitute Award”** shall mean an Award designated as such and granted in connection with a transaction between the Company or a Subsidiary and another entity or business in substitution or exchange for, or conversion, adjustment, assumption, or replacement of, awards previously granted by such other entity to any individuals who have become Employees of the Company or any Subsidiary as a result of such transaction or who were formerly employed by the acquired entity. An Award granted as an inducement to joining the Company or a Subsidiary in replacement of an award forfeited when leaving a previous employer to join the Company or a Subsidiary shall not be considered a Substitute Award.

**“1934 Act”** shall mean the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder and any successor thereto.

4. The Committee

**Committee Authority.** The Committee shall have full and exclusive power to administer and interpret the Plan, to grant Awards and to adopt such administrative rules, regulations, procedures, and guidelines governing the Plan and Awards as it deems appropriate from time to time. The Committee’s authority shall include, but not be limited to, the authority to (i) determine the type of Awards to be granted under the Plan; (ii) select Award recipients and determine the extent of their participation; and (iii) establish all other terms, conditions, limitations, and restrictions applicable to Awards, Award programs and the shares of Common Stock issued pursuant thereto. Subject to the limitations set forth in the Plan, the Committee may suspend, accelerate, or defer the vesting or payment of Awards, cancel or modify outstanding Awards, waive any conditions or restrictions imposed with respect to Awards or the Common Stock issued pursuant to Awards, and make any and all other determinations that it deems appropriate with respect to the administration of the Plan.

(a)

**Administration of the Plan.** The administration of the Plan shall be managed by the Committee. The Committee shall have the power to prescribe and modify, as necessary, the form of Award Agreement, to correct any defect, supply any omission, or clarify any inconsistency in the Plan and/or in any Award Agreement and to take such actions and make such administrative determinations that the Committee deems appropriate. Any decision of the Committee in the administration of the Plan shall be final, binding, and conclusive on all parties concerned, including the Company, its stockholders and Subsidiaries, and all

(b) Participants.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

ANNEX B

**Delegation of Authority.** To the extent not inconsistent with applicable law, the rules of the New York Stock Exchange, or other provisions of the Plan, the Committee may at any time delegate to a Plan Administrator some or all of its authority over the administration of the Plan, with respect to persons who are not Section 16(a) Officers. Actions taken or determinations made by or ratified by a duly authorized Plan Administrator shall have the same force and effect as if undertaken or made by the Committee, and all references in the Plan to the Committee (except with respect to actions or determinations related exclusively to Section 16(a) Officers) shall be deemed to include a reference to a duly authorized Plan Administrator.

(c)

**Prohibition Against Repricing.** Notwithstanding any provision of the Plan to the contrary, in no event shall any action be taken under the Plan that constitutes a Repricing of any Option or SAR granted under the Plan, or of any option or stock appreciation right granted under the Prior Plans or of an acquired company, except with approval of the stockholders of the Company.

(d)

**Indemnification.** No member of the Committee or any Plan Administrator shall be personally liable for any action or determination made with respect to the Plan, except for his or her own willful misconduct or as expressly provided by statute. The members of the Committee and every Plan Administrator shall be entitled to indemnification and reimbursement from the Company, to the extent permitted by applicable law and the By-laws and policies of the Company. In the performance of its functions under the Plan, the Committee (and each member of the Committee and every Plan Administrator) shall be entitled to rely in good faith upon information and advice furnished by the Company's officers, employees, accountants, counsel, and any other party they deem appropriate, and neither the Committee nor any Plan Administrator shall be liable for any action taken or

(e) not taken in reliance upon any such advice.

**5. Participation**

**Eligible Employees.** The Committee shall determine which Employees shall be eligible to receive Awards under the Plan, provided that consultants and advisors (other than members of the Board in their roles as such) shall not be eligible to receive Awards under the Plan. Former Employees may be eligible to receive Awards under the Plan, but only if a Substitute Award or with respect to their last year of service. With respect to Employees subject to U.S. income tax, Options and SARs (unless Substitute Awards) shall only be granted to such Employees who provide direct services to the Company or a Subsidiary of the Company as of the date of grant of the Option or SAR.

(a)

**Participation by Employees of Subsidiaries.** Employees of Subsidiaries may participate in the Plan upon approval of Awards to such Employees by the Committee. Awards to Employees of Subsidiaries may be conditioned upon the Subsidiary's agreement to reimburse the Company for costs and expenses of such participation, as determined by the Committee.

(b)

**Participation Outside of the United States.** In order to facilitate the granting of Awards to Employees who are foreign nationals or who are employed outside of the U.S., the Committee may provide for such special terms and conditions, including, without limitation, substitutes for Awards, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom. Any special terms or conditions adopted by the Committee in accordance with this Section 5(c) may be set forth in a sub-plan, which shall constitute a part of this Plan; provided that the terms and conditions of any such sub-plan shall not be inconsistent with the terms and conditions of this Plan, as then in effect.

(c)

**Maximum Individual Awards**

(d)

**Limits on Awards to Directors.** The maximum number of shares of Common Stock subject to Awards granted during a single calendar year to any Director, taken together with any cash fees paid during the calendar year to the Director, in respect of the Director's service as a member of the Board during such year (including service as a member or chair of any committees of the Board), shall not exceed \$1,000,000 in total value (calculating the value of any such Awards based on the grant date fair value of

(i)

[www.citigroup.com](http://www.citigroup.com)

**Table of Contents**

ANNEX B

such Awards in accordance with GAAP). The independent members of the Board may make exceptions to this limit for a non-executive chair of the Board, provided that the Director receiving such additional compensation may not participate in the decision to award such compensation.

**Limits on Options and SARs.** The aggregate number of shares of Common Stock that may be subject to all Options and SARs granted to an individual Employee (other than as a Director) in a calendar year may not exceed 1,000,000 shares (subject to adjustment pursuant to Section 6(d)).

(ii)

**Limits on Stock Awards.** The aggregate number of shares of Common Stock that may be subject to all Stock Awards granted to an individual Employee (other than as a Director) in a calendar year may not exceed 1,000,000 shares (subject to adjustment pursuant to Section 6(d)).

(iii)

**Substitute Awards.** Notwithstanding the foregoing, shares subject to an Award that is a Substitute Award shall not count against any individual Award limit in this Section 5(d).

(iv)

6. Available Shares of Common Stock

**Shares Subject to the Plan.** Common Stock issued pursuant to Awards granted under the Plan may be shares that have been authorized but unissued, or have been previously issued and reacquired by the Company, or both. Reacquired shares may consist of shares purchased in open market transactions or otherwise. Pursuant to and subject to the other provisions of this Section 6, the aggregate number of shares of Common Stock that may be issued pursuant to Awards granted under the Plan shall not exceed the sum of (i) thirty million (30,000,000) shares; and (ii) any additional number of shares that may be authorized for issuance pursuant to any amendments to the Plan approved by stockholders of the Company after the Effective Date.

(a)

**Forfeited and Expired Awards.** Awards granted under the Plan or the Prior Plans that, after the Effective Date, are forfeited, expire, or are cancelled or settled without issuance of shares shall not count against the maximum number of shares that may be issued under the Plan as set forth in Section 6(a) and shall be available for future Awards under the Plan. Notwithstanding the foregoing, all shares of Common Stock that are (i) withheld or tendered in payment of an Option exercise price or repurchased by the Company with Option exercise proceeds; (ii) withheld or tendered to satisfy any tax withholding obligation (in connection with any Option, SAR, Stock Award, or otherwise); (iii) covered by a SAR (to the extent that it is settled in shares of Common Stock, without regard to the number of shares of Common Stock that are actually issued to the Participant upon exercise); (iv) withheld by the Company to satisfy any debt or other obligation owed to the Company or any Subsidiary; and (v) fractional shares of Common Stock that are cancelled pursuant to Section 7(f), shall be considered issued pursuant to the Plan and shall not be added to the maximum number of shares that may be issued under the Plan as set forth in Section 6(a).

(b)

**Other Items not Included in Allocation.** The maximum number of shares that may be issued under the Plan as set forth in Section 6(a) shall not be affected by (i) the payment in cash of dividends or dividend equivalents in connection with outstanding Awards; or (ii) the grant of Substitute Awards. Any shares purchased by or on behalf of Participants in a dividend reinvestment program established under the Plan shall not count against the maximum number of shares that may be issued under the Plan as set forth in Section 6(a), provided that such shares are purchased in open-market transactions or are treasury shares purchased directly from the Company at Fair Market Value at the time of purchase.

(c)

**Adjustments.** In the event of any change in the Company's capital structure, including but not limited to a change in the number of shares of Common Stock outstanding, on account of (i) any stock dividend, stock split, reverse stock split, spinoff or any similar equity restructuring, or (ii) any combination or exchange of equity securities, merger, consolidation, recapitalization, reorganization, or divestiture or any other similar event affecting the Company's capital structure, to reflect such change in the Company's capital structure, the Committee shall make appropriate equitable adjustments to (i) the maximum number of

(d) shares of

[Citi 2019 Proxy Statement](#)

**Table of Contents**

ANNEX B

Common Stock that may be issued under the Plan as set forth in Section 6(a), and (ii) the maximum number of shares that may be granted to any single individual pursuant to the limits set forth in Section 5(d). In the event of any extraordinary dividend, divestiture, or other distribution (other than ordinary cash dividends) of assets to stockholders, or any transaction or event described above, to the extent necessary to prevent the enlargement or diminution of the rights of Participants, the Committee shall make appropriate equitable adjustments to the number or kind of shares subject to an outstanding Award, the exercise price applicable to an outstanding Award, and/or a Performance Condition. Any adjustments under this Section 6(d) shall be made in a manner that does not adversely affect the exemption provided pursuant to Rule 16b-3 under the 1934 Act, to the extent applicable. The Company shall give each Participant notice of an adjustment to an Award hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes. Notwithstanding the foregoing, the Committee shall decline to adjust any Award made to a Participant if such adjustment would violate applicable law.

**7. Awards Under the Plan**

Awards under the Plan may be granted as Options, SARs, or Stock Awards, as described below. Awards may be granted singly, in combination, or in tandem as determined by the Committee. Subject to the terms of the Plan (including but not limited to the minimum vesting requirement of Section 7(d)), Awards shall have such terms, conditions, limitations, and restrictions as may be determined by the Committee from time to time, and may include vesting, forfeiture, cancellation and clawback provisions.

**Options.** Options shall expire after such period, not to exceed 10 years, as may be determined by the Committee. If an Option is exercisable in installments, such installments or portions thereof that become exercisable shall remain exercisable until the Option expires or is otherwise cancelled pursuant to its terms or the terms of the Plan. In no event shall any Option issued under the Plan be a “reload” Option or carry any similar rights.

(a)

**Exercise Price.** The Committee shall determine the exercise price per share for each Option, which shall not be less than 100% of the Fair Market Value on the grant date, unless the Option is a Substitute Award.

(i)

**Exercise of Options.** Upon satisfaction of the applicable conditions relating to vesting and exercisability, as determined by the Committee, and upon provision for the payment in full of the exercise price and applicable taxes due, the Participant shall be entitled to exercise the Option and receive the number of shares of Common Stock issuable in connection with the Option exercise. The shares issued in connection with the Option exercise may be subject to such conditions and restrictions as the Committee may determine, from time to time. An Option may be exercised by any method as may be permitted by the Committee from time to time, including but not limited to any “net exercise” or other “cashless” exercise method.

(ii)

**Stock Appreciation Rights.** SARs granted under the Plan shall expire after such term, not to exceed 10 years, as may be determined by the Committee. The exercise price per share of Common Stock subject to a SAR shall not be less than 100% of Fair Market Value on the grant date, unless the SAR is a Substitute Award.

(b)

**Stock Awards**

(c)

(i)

**Stock Payment.** Subject to the terms of the Plan, the Committee may grant vested shares of Common Stock as a Stock Payment. A Stock Payment may be in lieu of cash compensation, but may be subject to restrictions on sale or transfer, or cancellation and recoupment, as determined by the Committee. A Stock Payment under the Plan may be granted as, or in payment of, a bonus determined pursuant to any other plan. Any shares of Common Stock granted as a Stock Payment in lieu

of cash compensation shall be valued at their Fair Market Value.

[www.citigroup.com](http://www.citigroup.com)

---



**Table of Contents**

ANNEX B

**Restricted Stock.** Unvested shares of Common Stock issued pursuant to a Restricted Stock Award shall be entitled to voting rights as provided in Section 9, unless determined otherwise by the Committee. Upon satisfaction of all conditions to vesting and any tax withholding obligations, and upon the lapse of any post-vesting restrictions on sale or transfer, shares of Common Stock subject to a Restricted Stock Award shall be delivered to a Participant free of restriction.

(ii)

**Deferred Stock.** A Deferred Stock Award represents only an unfunded, unsecured promise to deliver shares of Common Stock in the future and does not give a Participant any greater rights than those of an unsecured general creditor of the Company. Upon satisfaction of all conditions to vesting and any tax withholding obligations, shares of Common Stock subject to a vested Deferred Stock Award will be issued, and upon the lapse of any post-vesting restrictions on sale or transfer, such shares of Common Stock will be delivered to a Participant free of restriction.

(iii)

**Other Stock-Based Awards.** To the extent not prohibited by applicable law, the Committee may grant any other Award that is denominated in shares of Common Stock and that may be settled in cash and/ or by the delivery of shares of Common Stock (for the avoidance of doubt, an award that by its terms may be settled only in cash shall not be an Award under this Plan).

(iv)

**Minimum Vesting Requirement.** Notwithstanding any other provision of the Plan to the contrary, Awards granted under the Plan shall vest no earlier than the first anniversary of the date on which the Award is granted; provided, that the following Awards shall not be subject to the foregoing minimum vesting requirement: any (i) Substitute Awards, (ii) Awards to Directors that vest on the earlier of the one-year anniversary of the date of grant and the next annual meeting of stockholders which is at least 50 weeks after the immediately preceding year's annual meeting, and (iii) any additional Awards the Committee may grant, up to a maximum of five percent (5%) of the available share reserve authorized for issuance under the Plan pursuant to Section 6(a) (subject to adjustment under Section 6(d)); and, provided, further, that the foregoing restriction does not apply to the Committee's discretion to provide for accelerated exercisability or vesting of any Award, including in cases of retirement, death, disability, leave of absence, termination of employment, Change in Control, upon the sale or other disposition of a Participant's employer, or any other similar event, as specified in the Award Agreement.

(d)

**Performance-Based Awards**

(e)

The Committee may grant Awards that are subject to the achievement of one or more Performance Conditions related to a period of performance of not less than one year.

(i)

Performance Conditions may be expressed in either, or a combination of, absolute or relative values or a percentage of: revenue, revenue or product growth, net income (pre- or after-tax), earnings, earnings per share, stockholders' equity or return on stockholders' equity, assets or return on assets, return on risk-adjusted assets, capital or return on capital, return on risk capital, book value or book value per share, economic value-added models or equivalent metrics, operating income, pre- or after-tax income, expenses or reengineering savings, margins, cash flow or cash flow per share, stock price, total shareholder return, market share, debt reduction, net promoter scores, operating efficiency ratios, expense ratios, liquidity ratios, regulatory achievements or any objective or subjective Performance Conditions selected by the Committee. In addition, such Performance Conditions may be used on an absolute or relative basis to measure the performance of the Company as a whole, any business unit(s) of the Company and its Subsidiaries and/or one or more of its branches or affiliates, or the performance of an individual Participant, and may be used in any combination as the Committee may deem appropriate. Such Performance Conditions may also be based on performance determined on a per share basis (either basic or fully diluted) and/or as compared to the performance of a group of peer or comparator companies, prior performance periods, a published or special index or indices that the Committee deems appropriate, or

(ii)

such other measures selected or defined by the Committee at the time such Performance Conditions are established.



## **Table of Contents**

### ANNEX B

The Committee may make objectively determinable adjustments, modifications, or amendments to any Performance Condition as the Committee deems appropriate, including (but not limited to) with respect to items determined to be extraordinary or unusual in nature or infrequent in occurrence, or that are related to discontinued operations, the disposal of a business or assets, or a change in accounting principle under GAAP, or that are attributable to the business operations of any entity acquired by the Company or a Subsidiary during a relevant performance period.

(iii)

**Fractional Shares.** The Company shall not be obligated to issue any fractional shares of Common Stock in settlement of Awards granted under the Plan. If an Award includes or results in an entitlement to a fractional share for any reason, the Award shall be settled in full by issuance of the maximum whole number of shares of Common Stock the Participant is entitled to receive pursuant to the terms of the Award (upon satisfaction of all applicable conditions to the issuance of shares) and the Company may cancel the fractional share without any compensation to the Participant.

(f)

### 8. Dividends and Dividend Equivalents

The Committee may provide that Stock Awards shall earn dividends or dividend equivalents. Such dividends or dividend equivalents may be paid currently or may be credited to an account maintained on the books of the Company. Any payment or crediting of dividends or dividend equivalents will be subject to such terms, conditions, limitations, and restrictions as the Committee may establish, from time to time, including, without limitation, reinvestment in additional shares of Common Stock or common share equivalents. Notwithstanding the foregoing, the Committee may not provide for the current payment of dividends or dividend equivalents with respect to any shares of Common Stock subject to an Award with a Performance Condition; for such Awards, the Committee may only provide for the accrual of dividends or dividend equivalents that will not be payable to a Participant unless and until, and only to the extent that, the shares of Common Stock subject to the Award vest upon satisfaction of the relevant Performance Condition and all other applicable conditions to vesting. Dividend or dividend equivalent rights shall be as specified in the Award Agreement, or pursuant to a resolution adopted by the Committee with respect to outstanding Awards. No dividends or dividend equivalents shall be paid on Options or SARs.

### 9. Voting

Unless the Committee has determined otherwise, a Participant shall have the right to direct the vote of shares of Common Stock subject to an unvested Restricted Stock Award. Unvested shares of Common Stock that are eligible to vote shall be voted by a Plan Administrator in accordance with instructions received from Participants (unless to do so would constitute a violation of any applicable exchange rules). Shares subject to unvested Restricted Stock Awards as to which no instructions are received shall be voted by the Plan Administrator proportionately in accordance with instructions received with respect to all other unvested Restricted Stock Awards (including, for these purposes, outstanding awards granted under the Prior Plans and any other "non-qualified" stock incentive plan of the Company) that are eligible to vote (unless to do so would constitute a violation of any applicable exchange rules).

### 10. Nontransferability

Awards granted under the Plan, and during any period of restriction on transferability, shares of Common Stock issued in connection with the exercise of an Option or a SAR, or vesting of a Stock Award, may not be sold, pledged, hypothecated, assigned, margined, or otherwise transferred by a Participant in any manner other than by will or the laws of descent and distribution, unless and until the shares underlying such Award have been issued, and all restrictions applicable to such shares have lapsed or have been waived by the Committee. No Award or interest or right therein shall be subject to the debts, contracts, or engagements of a Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment, or any other means whether such disposition be voluntary or involuntary or by operation of law, by judgment, lien, levy, attachment, garnishment, or any other legal or equitable proceedings (including bankruptcy and divorce), and any attempted disposition thereof shall be null and void, of no effect, and not binding on the Company in any way.

**Table of Contents**

**ANNEX B**

Notwithstanding the foregoing, the Committee may permit Options and/or shares issued in connection with an Option or a SAR exercise that are subject to restrictions on transferability to be transferred one time and without payment or consideration to a member of a Participant's immediate family or to a trust or similar vehicle for the benefit of a Participant's immediate family members. During the lifetime of a Participant, all rights with respect to Awards shall be exercisable only by such Participant or, if applicable pursuant to the preceding sentence, a permitted transferee.

**11. Change of Control of the Company**

The Committee may, at the time an Award is made or at any time prior to, coincident with, or after the time of a Change of Control:

- (a) provide for the adjustment of any Performance Conditions as the Committee deems necessary or appropriate to reflect the Change of Control;
  - (i) provide for the cancellation of any Awards then outstanding if the surviving entity or acquiring entity (or the surviving or acquiring entity's parent company) in the Change of Control replaces the Awards with new rights of substantially equivalent value, as determined by the Committee;
  - (ii) provide that upon an involuntary termination of a Participant's employment as a result of a Change of Control, any time periods shall accelerate, and any other conditions relating to the vesting, exercise, payment, or distribution of an Award shall be waived; or
  - (iii) provide that Awards shall be purchased for an amount of cash equal to the amount that could have been obtained for the shares covered by a Stock Award if it had been vested or by an Option or SAR if it had been exercised at the time of the
- (iv) Change of Control.

Notwithstanding any other provisions of the Plan or an Award Agreement to the contrary, the vesting, payment, purchase, or distribution of an Award may not be accelerated by reason of a Change of Control for any Participant unless the Participant's employment is involuntarily terminated as a result of the Change of Control. For purposes of this Section 11, a Participant's employment will be deemed to have been involuntarily terminated as a result of a Change of Control if it is involuntarily terminated other than for Gross Misconduct at any time beginning on the date of the Change of Control up to and including the first anniversary of the Change of Control.

- (b) A "Change of Control" shall be deemed to occur if and when:
- (c) any person, including a "person" as such term is used in Section 14(d)(2) of the 1934 Act (a "Person"), is or becomes a beneficial owner (as such term is defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities;
  - (i) individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board, shall be considered as though such individual were a member of the Incumbent Board, but excluding for this purpose any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the 1934 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than
  - (ii) the Board;

[Citi 2019 Proxy Statement](#)

---

## **Table of Contents**

### ANNEX B

all or substantially all of the assets of the Company are sold, transferred, or distributed, or the Company is dissolved or liquidated; or

(iii)

a reorganization, merger, consolidation, or other corporate transaction involving the Company (a "Transaction") is consummated, in each case, with respect to which the stockholders of the Company immediately prior to such Transaction do not, immediately after the Transaction, own more than 50% of the combined voting power of the Company or other corporation resulting from such Transaction in substantially the same respective proportions as such stockholders' ownership of the voting power of the

(iv) Company immediately before such Transaction.

### 12. Award Agreements

Each Award under the Plan shall be evidenced by an Award Agreement (as such may be amended from time to time) that sets forth the terms, conditions, restrictions, and limitations applicable to the Award, including, but not limited to, the provisions governing vesting, exercisability, payment, forfeiture, cancellation, and termination of employment, all or some of which may be incorporated by reference into one or more other documents delivered or otherwise made available to a Participant in connection with an Award. The Committee need not require the formal execution or acceptance of such document by the Participant, in which case acceptance of any benefit of the Award by the Participant shall constitute agreement by the Participant to the terms, conditions, restrictions, and limitations set forth in the Plan and the Award Agreement as well as the administrative guidelines and practices of the Company in effect from time to time. Any assertion by an Employee that any term, condition, limitation, or restriction of the Award as specified in the Award Agreement is invalid or not binding on such Employee because of his or her non-acceptance of the Award Agreement (or any portion thereof) shall be deemed a refusal of the Award and the Employee shall cease to be a Participant with respect to the Award, which shall be immediately cancelled. Each Award Agreement shall provide for forfeiture or cancellation of unvested Awards if it is determined that a Participant engaged in Gross Misconduct on or prior to a vesting date.

### 13. Tax Withholding

Participants shall be solely responsible for any applicable taxes (including without limitation income, payroll, and excise taxes) and penalties, and any interest that accrues thereon, which they incur under applicable law in connection with the receipt, vesting, or exercise of any Award. The Company and its Subsidiaries shall have the right to require payment of, or may deduct from any payment made under the Plan or otherwise to a Participant, or may permit or require shares to be tendered or sold (including shares of Common Stock delivered or vested in connection with an Award) in an amount sufficient to cover withholding of, any federal, state, local, foreign, or other governmental taxes or charges required by law, or hypothetical taxes required to be paid by a Participant pursuant to a tax-equalization policy for expatriate employees, and to take such other action as may be necessary to satisfy any such withholding or payment obligations. The value of any shares allowed to be withheld or tendered for tax withholding may not exceed the amount allowed consistent with fixed plan accounting in accordance with GAAP, to the extent applicable. To the extent that a number of shares of Common Stock sufficient to satisfy a tax withholding obligation of the Company may not be withheld (whether because the Award has not vested in full pursuant to its terms, administrative procedures in effect at such time, applicable accounting principles, or any other reason), it shall be a condition to the obligation of the Company to issue shares of Common Stock upon the exercise of an Option or a SAR, or in settlement of any vested Award, that a Participant pay to the Company, on demand, such amount as may be requested by the Company for the purpose of satisfying any actual tax withholding (or hypothetical tax) liability. If the amount is not timely paid to the Company in cash by such Participant, the Company may cancel the Award and refuse to issue such shares.

### 14. Repayment Obligations and Right of Set-Off

If the Committee determines that all conditions to vesting and payment or distribution of an Award (or any portion thereof), or the vesting and exercisability of an Option or SAR (or any portion thereof), were not satisfied in full on the scheduled vesting date (including but not limited to, any Performance Condition), the Committee shall cancel such vesting and refuse to issue or

(a) distribute shares or cash and immediately

[www.citigroup.com](http://www.citigroup.com)

---

## **Table of Contents**

### ANNEX B

terminate the Participant's rights with respect to such Award (or improperly vested portion thereof). If any such Award (or portion thereof) has already been paid, distributed, or exercised, the Participant shall be obligated, upon demand, to: (i) in the case of an improperly vested Stock Award, return the amount of any cash payment received in settlement of the Stock Award (or improperly vested portion thereof), or if settled in shares, the number of shares of Common Stock issued in settlement of the Stock Award (or improperly vested portion thereof), or make a cash payment in an amount equal to the Fair Market Value of such shares on their vesting date, if greater than their Fair Market Value on the date they are due to be returned to the Company; or (ii) in the case of an improperly exercised Option or SAR, make a cash payment in an amount equal to the gain realized upon exercise of such Option or SAR (or improperly vested or exercised portion thereof), in each case, without reduction for any shares of Common Stock or cash withheld or paid to satisfy withholding tax or hypothetical tax obligations in connection with such Awards or any other obligation of the Participant.

To the extent not prohibited by applicable law, and consistent with the requirements of Section 409A of the Code, if applicable, the Company will have the right to offset against its obligation to deliver vested shares of Common Stock or make any vested cash payment pursuant to any Award granted under the Plan: (i) any amounts paid by the Company or a Subsidiary to a third party pursuant to any award, judgment, or settlement of a complaint, arbitration, or lawsuit of which a Participant was the subject; and (ii) any outstanding amounts (including, without limitation, travel and entertainment or advance account balances, loans, repayment obligations under any Awards granted under the Plan, or awards granted under any other plan, or any obligations pursuant to a tax-equalization or housing allowance policy or other expatriate benefit) that a Participant then owes to (b) the Company or a Subsidiary.

### 15. Other Benefit and Compensation Programs

Awards granted under the Plan and amounts received upon vesting or exercise of an Award shall not be deemed a part of a Participant's regular, recurring compensation for purposes of calculating payments or benefits under any Company benefit plan or severance program unless specifically provided for under the plan or program. Unless specifically set forth in an Award Agreement, Awards under the Plan are not intended as payment for compensation that otherwise would have been delivered in cash, and even if so intended, such Awards shall be subject to such vesting requirements and other terms, conditions, restrictions, and limitations as may be provided in the Award Agreement.

### 16. Unfunded Plan

Unless otherwise determined by the Committee, the Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund or funds. The Plan shall not establish any fiduciary relationship between the Company and any Participant or other person. To the extent that any Participant holds any rights by virtue of an Award granted under the Plan, such rights shall constitute general unsecured liabilities of the Company and shall not confer upon any Participant or any other person or entity any right, title, or interest in any assets of the Company.

### 17. Expenses of the Plan

The expenses of the administration of the Plan shall be borne by the Company and its Subsidiaries. The Company may require Subsidiaries to pay for the Common Stock issued under the Plan to Participants employed (or formerly employed) by such Subsidiaries.

### 18. Rights as a Stockholder

Unless the Committee determines otherwise, a Participant shall not have any rights as a stockholder with respect to shares of Common Stock covered by an Award until the date the Participant becomes the holder of record with respect to such shares. No adjustment will be made for dividends or other rights for which the record date is prior to such date, except as provided in Section 6(d) or Section 8.

## **Table of Contents**

### ANNEX B

#### 19. Future Rights

No Employee shall have any claim or right to be granted an Award under the Plan. There shall be no obligation of uniformity of treatment of Employees under the Plan. Further, the Company and its Subsidiaries may adopt other compensation programs, plans, or arrangements as they deem appropriate or necessary. The adoption of the Plan or the granting of any Award shall not confer upon any Employee any right to continued employment in any particular position or at any particular rate of compensation, nor shall it interfere in any way with the right of the Company or a Subsidiary to terminate the employment of its Employees at any time, free from any claim or liability under the Plan. Unless expressly provided otherwise elsewhere in the Plan or in an Award Agreement, Awards under the Plan shall be made in anticipation of future service and/or subject to other vesting conditions and will not be earned until all conditions to vesting have been satisfied.

#### 20. Amendment and Termination

The Plan may be amended, suspended, or terminated at any time by the Committee, provided that no amendment shall be made without stockholder approval, if it would (a) materially increase the number of shares available under the Plan (other than pursuant to Section 6(d)), (b) materially expand the types of awards available under the Plan, (c) materially expand the class of persons eligible to participate in the Plan, (d) materially extend the term of the Plan, (e) materially change the method of determining the exercise price of an Award, (f) delete or limit the Plan's prohibition against Repricing, or (g) otherwise require approval by the stockholders of the Company in order to comply with applicable law or the rules of the New York Stock Exchange (or, if the Common Stock is not traded on the New York Stock Exchange, the principal national securities exchange upon which the Common Stock is then traded or quoted). No such amendment referred to above shall be effective unless and until it has been approved by the stockholders of the Company. The Committee retains the right to modify an Award without a Participant's prior consent if it determines that the modification is required to comply with applicable law, regulation, or regulatory guidance (including applicable tax law). Except as may be provided by Section 7(e), Section 11, and this Section 20, any other adverse modification shall not be effective without the Participant's written consent. The Company shall furnish or make available to Participants a written notice of any modification through a brochure, prospectus supplement, or otherwise, which notice shall specify the effective date of such modification.

#### 21. Successors and Assigns

The Plan and any applicable Award Agreement entered into under the Plan shall be binding upon and inure to the benefit of the respective successors and permitted assigns of Participants, including, without limitation, the executors, administrators, or trustees of a Participant's estate, or any receiver or trustee in bankruptcy or representative of a Participant's creditors.

#### 22. Governing Law

The Plan and all Award Agreements entered into under the Plan shall be construed in accordance with and governed by the laws of the State of New York, except that any principles or provisions of New York law that would apply the law of another jurisdiction (other than applicable provisions of U.S. federal law) shall be disregarded. Notwithstanding the foregoing, matters with respect to indemnification, delegation of authority under the Plan, and the legality of shares of Common Stock issued under the Plan, shall be governed by the Delaware General Corporation Law.

#### 23. Tax Compliance

Awards granted hereunder shall comply with or be exempt from Section 409A of the Code, unless otherwise determined by the Committee. If, pursuant to any Award that is subject to Section 409A of the Code, a Participant is entitled to receive a payment on a specified date, such payment shall be deemed made as of such specified date if it is made (a) not earlier than 30 days before such specified date, and (b) not later than December 31 of the year in which such specified date occurs or, if later, the fifteenth day of the third month following such specified

**Table of Contents**

[ANNEX B](#)

date; provided that the Participant shall not be permitted, directly or indirectly, to designate the taxable year in which such payment is made. If, pursuant to any Award that is subject to Section 409A of the Code, a Participant is entitled to a series of installment payments, such Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment. For purposes of the preceding sentence, the term "series of installment payments" has the same meaning as provided in Section 1.409A-2(b)(2)(iii) of the regulations promulgated under the Code. Notwithstanding any provision of this Plan to the contrary, in no event shall the Company or any Subsidiary be liable to a Participant on account of an Award's failure to (a) qualify for favorable U.S. or foreign tax treatment, or (b) avoid adverse tax treatment under U.S. or foreign law, including, without limitation, Sections 409A and 457A of the Code.

[24. Severability](#)

If any provision of this Plan is finally held to be invalid, illegal, or unenforceable (whether in whole or in part), such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality, or unenforceability, and the remaining provisions shall not be affected thereby; provided that, if any such provision is finally held to be invalid, illegal, or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such provision shall be deemed modified to the minimum extent necessary in order to make such provision enforceable.

[Citi 2019 Proxy Statement](#)

---

**Table of Contents**

Citigroup Inc.  
388 Greenwich Street  
New York, New York 10013

---

**Table of Contents**

**CITIGROUP INC.**  
**3800 CITIGROUP CENTER DRIVE**  
**BLDG G, MAIL ZONE G3-23**  
**TAMPA, FL 33610-9122**

**SCAN  
TO  
VIEW  
MATERIALS  
& VOTE**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com) or from a mobile phone scan the QR code above** Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time on April 15, 2019. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

**VOTE BY TELEPHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time on April 15, 2019. Have this proxy card in hand when you call and then follow the recorded instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope so that it is received prior to the Annual Meeting on April 16, 2019.

**ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS**

If you would like to reduce the costs incurred by Citigroup Inc. in mailing proxy materials, you can consent to receive all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

**To view or print a copy of the Proxy Statement or Annual Report on Form 10-K, go to**

**[www.citigroup.com/citi/investor/corporate\\_governance.html](http://www.citigroup.com/citi/investor/corporate_governance.html).**

**SHAREHOLDER MEETING REGISTRATION:**

Shareholder Meeting Registration permits shareholders to register for the Annual Meeting and print their admission tickets at their leisure. If you plan to attend the meeting, please obtain an admission ticket by registering no later than April 15, 2019. Click the "Register for Meeting" link at [www.proxyvote.com](http://www.proxyvote.com).

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E59445-P17380-Z73893-Z73892

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.  
CITIGROUP INC.**

**The Board of Directors recommends a vote FOR Proposals 1 through 4.**

1. Proposal to elect 15 Directors:

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
1a. Michael L. Corbat			
1b. Ellen M. Costello			
1c. Barbara J. Desoer			
1d. John C. Dugan			
1e. Duncan P. Hennes			
1f. Peter B. Henry			
1g. S. Leslie Ireland			
1h. Lew W. (Jay) Jacobs, IV			
1i. Renée J. James			



Edgar Filing: CITIGROUP INC - Form DEF 14A

- 1j. Eugene M. McQuade
- 1k. Gary M. Reiner
- 1l. Diana L. Taylor
- 1m. James S. Turley

**For    Against    Abstain**

- 1n. Deborah C. Wright
- 1o. Ernesto Zedillo Ponce de Leon

- 2. Proposal to ratify the selection of KPMG LLP as Citi's independent registered public accounting firm for 2019.
- 3. Advisory vote to approve Citi's 2018 executive compensation.
- 4. Approval of the Citigroup 2019 Stock Incentive Plan.

**The Board of Directors recommends a vote AGAINST Proposals 5 through 7.**

**For    Against    Abstain**

- 5. Shareholder proposal requesting Shareholder Proxy Access Enhancement to Citi's proxy access bylaw provisions.
- 6. Shareholder proposal requesting that the Board adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service.
- 7. Shareholder proposal requesting that the Board amend Citi's bylaws to give holders in the aggregate of 15% of Citi's outstanding common stock the power to call a special meeting.

*Please indicate if you would like to keep your vote confidential under the current policy.*

**Yes    No**

Signature [PLEASE SIGN WITHIN BOX]    Date    Signature (Joint Owners)    Date

**Table of Contents**

**Meeting Information**

2019 Annual Meeting of Stockholders  
April 16, 2019 at 9:00 a.m. at Citi's  
Headquarters  
388 Greenwich Street  
New York, New York 10013

**Shareholder Meeting Registration permits shareholders to register for the Annual Meeting and print their admission tickets at their leisure.**

**If you plan to attend the Annual Meeting, please click the "Register for Meeting" link at [www.proxyvote.com](http://www.proxyvote.com).**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:** The Notice and Proxy Statement and Annual Report are available at [www.citigroup.com/citi/investor/corporate\\_governance.html](http://www.citigroup.com/citi/investor/corporate_governance.html).

E59446-P17380-Z73893-Z73892

**CITIGROUP INC.**

**Proxy Solicited on Behalf of the Board of Directors of Citigroup Inc. for the Annual Meeting, April 16, 2019**

The undersigned hereby constitutes and appoints John C. Dugan, Michael L. Corbat and Rohan Weerasinghe, and each of them his or her true and lawful agents and proxies with full power of substitution in each, to represent the undersigned at the Annual Meeting of Stockholders of Citigroup Inc. ("Citigroup") to be held at Citi's Headquarters, 388 Greenwich Street, New York, NY 10013, on Tuesday, April 16, 2019, at 9:00 a.m. local time and at any adjournments or postponements thereof, on all matters properly coming before the Annual Meeting, including but not limited to the matters set forth on the reverse side.

You are encouraged to specify your choices by marking the appropriate boxes (SEE REVERSE SIDE) but you need not mark any boxes if you wish to vote in accordance with the Board of Directors' recommendations. Your proxy cannot be voted unless you sign, date and return this card or follow the instructions for telephone or Internet voting set forth on the reverse side.

**This proxy, when properly executed, will be voted in the manner directed herein. If no direction is made, this proxy will be voted FOR Proposals 1-4, and AGAINST Proposals 5-7 and will be voted in the discretion of the proxies (or, in the case of a Voting Plan, will be voted in the discretion of the plan trustee or administrator) upon such other matters as may properly come before the Annual Meeting.**

The signer(s) hereby acknowledge(s) receipt of the Notice of Annual Meeting of Stockholders and accompanying Proxy Statement. The signer(s) hereby revoke(s) all proxies heretofore given by the signer(s) to vote at said Annual Meeting and any adjournments or postponements thereof. NOTE: Please sign exactly as name appears herein. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

**Attention employee benefit plan participants:** If you hold shares of Citigroup common stock through an employee benefit plan, you should complete, sign and return this proxy card to instruct the trustee of the plan how to vote these shares. Your proxy must be received no later than 8:00 a.m., Eastern Time, on April 11, 2019 so that the trustee of the plan (who votes the shares on behalf of plan participants) has adequate time to tabulate the voting instructions. Your voting instructions will be kept confidential.

If shares of Citigroup common stock are issued to or held for the account of the undersigned under employee plans and voting rights attached to such shares (any of such plans, a "Voting Plan"), then the undersigned hereby directs the respective fiduciary of each applicable Voting Plan to vote all shares of Citigroup common stock in the undersigned's name and/or account under such Plan in accordance with the instructions given herein and the terms of the applicable Voting Plan, at the Annual Meeting and at any adjournments or postponements thereof, on all matters properly coming before the Annual Meeting, including but not limited to, the matters set forth on the reverse side.

**IF NO BOXES ARE MARKED, THIS PROXY WILL BE VOTED IN THE MANNER DESCRIBED ABOVE.**

**CONTINUED AND TO BE SIGNED ON REVERSE SIDE**

---