

## **Citi Japan Policy for Client-Oriented Business Conduct ---Current Efforts (as of March 2023)**

### **1. The best interest of clients**

City Japan has established the City Code of Conduct to ensure that the highest level of ethical standards are maintained and that customers and society are trusted.

Through workshops to develop a compliance culture and internal control as a value of Citi Japan, and training on our Code of Conduct for ethical and professional behavior, we ensure our employees understand the best interests of our clients.

By establishing internal rules, we ensure that significant issues, such as significant customer complaints or disputes with customers are promptly being escalated.

In addition, in cases where there are serious complaints from customers or disputes with customers, we are working to promptly escalate, and we are working to establish internal rules to ensure appropriate response.

### **2. Managing conflicts of interest**

In order to manage conflicts of interest properly, we established Conflicts of Interest Management Directive and published Summary of Conflicts Management Policy on the Citi Japan website.

When dealing with customers, we follow the directive and identify potential conflicts of interest between clients, or between a client and Citi, and ensure proper measures are taken for them not to harm interests of our clients.

Also, proper management of conflicts of interest is also stipulated in the Code of Conduct above. We ensure all employees understand the management of conflict of interest by holding Code of Conduct training and annual compliance training.

### **3. Fees and other charges**

We established internal procedures to set fees and other charges to reflect the value of the products and services we provide to clients and also to be competitive with the market.

We are striving to make the explanation of fees, etc. appropriate and easy to understand in light of our customers' knowledge and experience.

In addition, we established various internal rules to clarify the fees when we develop new products or sell structured products to other financial institutions.

### **4. Provision of important information easy-to-understand to clients**

In all interactions with our clients, we strive to provide appropriate and adequate information

regarding financial instruments and services. This includes explanations regarding the attributes, risks, relevant market trends and potential conflicts of interests, if and when they exist.

When selling structured products to other financial institutions, we endeavor to conduct appropriately by developing various internal rules pertaining to the commodity composition and sales and examining the conformity verification system of final investors by said financial institutions based on said rules in order to provide appropriate products to investors who are the final beneficiaries of the investment chain.

In addition, in cases where there are serious client complaints or disputes regarding the provision of important information, we will promptly submit the report, and we will establish internal rules to ensure appropriate escalation.

#### **5. Provision of products and services suitable for clients**

We have established and released Solicitation Policy to fully understand the client's investment experience, investment purpose, and financial resources, and to strive to solicit investment in accordance with the customer's intention and actual conditions.

In order to provide appropriate products to investors when selling structured products to other financial institutions, we endeavor to conduct appropriately by developing various internal rules pertaining to commodity composition and sales and examining the conformity verification system of final investors by said financial institution based on said rules.

#### **6. Motivate employees to put clients first**

As mentioned above, we have established the Code of Conduct as appropriate motivations for all employees, and we fully inform them through training to comply with the highest standards of ethics and to take appropriate professional action when interacting with customers, business partners, shareholders, communities and colleagues.

In addition, We have established internal rules to evaluate the performance of our employees and motivates them if it is recognized that the employees have made sound decisions in their daily work and actively managed their risks.