MANAGEMENT COMMENT

Citi has an effective process in place for identifying and electing candidates to the board of Citi. It would be disadvantageous to Citi and its stockholders to change the existing processes as recommended in this proposal.

The board has established a process for identifying and nominating director candidates that has resulted in the election of highly qualified and capable members dedicated in their service to Citi. The nomination and governance committee recommends to the board the desired composition and size of the board and carefully considers nominees for directorships from a select group of individuals who are both professionally qualified and legally eligible to serve as directors of Citi. Nominations from stockholders, properly submitted in writing to our Corporate Secretary, are referred to the committee for its consideration. An outside consultant assists the nomination and governance committee in finding and evaluating candidates. The committee makes its recommendations to the board based on its judgment as to which of these candidates will best serve the interests of our stockholders. The stockholders annually vote on the entire board, under a majority vote standard.

The proposal calls for the committee to nominate twice as many candidates as there are positions to be filled. This would inappropriately politicize the process of electing our board and certainly alienate many talented candidates who would choose not to be nominees in this type of election. Moreover, the divisiveness created by competing slates of nominees, some of whom would be supported by the committee and some of whom would not have the benefit of such support, would potentially undermine the effectiveness of the board that is ultimately elected.

The proposal would likely impair the board's ability to achieve the balance required to effectively carry out its duties because the proposal would create a contested election every year; therefore, the board recommends that you vote *against* this proposal 8.

Proposal 9

The Free Enterprise Action Fund, 12309 Briarbush Lane, Potomac, MD 20854, owner of 4,580 shares, has submitted the following proposal for consideration at the annual meeting:

Carbon Principles Report

Resolved: The shareholders request that the Company prepare by October 2009, at reasonable expense and omitting proprietary information, a Carbon Principles Report. The report should describe and discuss how the Company's implementation of the Carbon Principles has impacted the environment.

Supporting Statement:

Coal is used to provide 50 percent of the U.S. electricity supply. The burning of coal by U.S. electricity utilities is clean and safe for the environment. Air emissions are regulated by states and the federal government. Since burning coal is the least expensive way to produce electricity, consumers benefit from low electricity rates.

In February 2008, Citigroup adopted the so-called "Carbon Principles," one purpose of which is supposedly to "strengthen environmental...risk management in the financing and construction of electricity generation."

We believe, however, that the Carbon Principles unfairly and unnecessarily stigmatize the conventional use of coal to produce electricity. Moreover, there is no commercially available or financially viable alternative to the conventional use of coal. *See* Steven Milloy, "Candidates Don't Come Clean on Coal," FoxNews.com, October 16, 2008, http://www.foxnews.com/story/0,2933,439321,00.html.

We want the Company to describe the environmental impacts of its implementation of the Carbon Principles so that shareholders can determine for themselves whether such impacts are worth the reputational damage being inflicted on the source of 50 percent of the U.S. electricity supply.

MANAGEMENT COMMENT

The Carbon Principles are carbon risk guidelines associated with climate change for advisors and lenders to power companies in the United States. These Principles are the result of an intensive effort by Citi and other firms, leading power companies and environmental organizations to create an approach to evaluating and addressing carbon risks in the financing of electric power projects in the United States. The need for these Principles is driven by the risks faced by the US power industry as utilities, independent producers, regulators, lenders and investors deal with the uncertainties around regional and national climate change policy. Given these uncertainties and risks in the current political environment, Citi chose to deal with them in a way that supports our clients and addresses the reality of the country's power needs and energy supply mix. We do not believe that these Principles unfairly and unnecessarily stigmatize the use of coal, and in fact outline intelligent due diligence and risk management processes that enable the financing of conventional power generation. The extent to which the Carbon Principles apply to any given transaction is determined in accordance with the established framework for such reviews. A description of this framework is publicly available on the Carbon Principles website (http://www.carbonprinciples.org/). Citi has incorporated these Principles into its internal Policy, risk management frameworks and decision-making processes as deemed appropriate by Management. Citi has committed to report publicly on its implementation of the Principles via its Corporate Citizenship Report.

There is no regulatory requirement to produce either a Citizenship Report or a Carbon Principles Report. Decisions to prepare or not prepare such reports must take into account the allocation of funds and resources that would need to be devoted to such efforts, as well as the propriety of making such disclosures. The Company, in compliance with regulatory requirements, and voluntarily with respect to Citi's Corporate Citizenship Report, provides reports in a manner and to the degree deemed appropriate by management. Further disclosure of the type requested in the proposal would not, in the Company's opinion, be appropriate.

Because the Company discloses information regarding the Carbon Principles in its Corporate Citizenship Report, the board recommends that you vote *against* this proposal 9.

Proposal 10

American Federation of Labor and Congress of Industrial Organizations, 815 Sixteenth Street, N.W., Washington, DC 20006, beneficial owner of 3,200 shares, has submitted the following proposal for consideration at the annual meeting:

Resolved, shareholders of Citigroup Inc. (the "Company") urge the Compensation Committee of the Board of Directors to adopt a policy requiring senior executives to retain 75% of the shares acquired through compensation plans for two years following the termination of their employment (through retirement or otherwise), and to report to shareholders regarding the policy before the Company's 2010 annual meeting. The policy should prohibit hedging transactions that are not sales but offset the risk of loss to the executive. This proposal shall cover only compensation awards under a new equity plan or a compensation arrangement with its executives.

SUPPORTING STATEMENT

Equity-based compensation is an important component of senior executive compensation at our Company. According to the 2008 proxy statement, equity-based awards, including stock and stock option awards, accounted for between 23% and 80% of total compensation for the Named Executive Officers ("NEOs"). Of the \$64.4 million in compensation paid to the 7 individuals listed, \$22.7 million, or 35%, came from stock awards and stock options.