

Equator Principles: Citi's Typical Project Finance Review, Approval and Monitoring Cycle

Client Actions	Project Review Stage	Business/Transactor Actions	Independent Risk Review & Approval
<ul style="list-style-type: none"> Client seeks competitive financing terms from bank market Preparing or finalizing EIA documentation 	Business Opportunity Identified	Business opportunity identified for internal review and discussion	
 <p>Receives and reviews marketing letter from Citi</p>	Greenlight Memo & Marketing Stage	<ul style="list-style-type: none"> Approvals required from appropriate senior business heads, control units ESRM Category proposed along with potential ESRM Policy or Equator requirements Following greenlight approval, submits Citi proposal/marketing letter to client 	<ul style="list-style-type: none"> Approvals required from appropriate Independent Risk heads Independent Risk representative assigned to deal team ESRM Director notified and consulted For Category A transaction, ESRM Approver approval required in consultation with ESRM Director
<ul style="list-style-type: none"> Reviews and seeks clarification on Citi proposals, including Equator Principles requirements Accepts, modifies or rejects Citi proposal If proposal accepted, Citi Mandated 	Discussion of Citi Proposal with Client	<ul style="list-style-type: none"> Includes discussion of Equator Principles, if relevant Prior to mandate, preliminary credit approval or re-approval of greenlight which includes, again, discussion of ESRM Category and requirements 	
<ul style="list-style-type: none"> Client provides to Citi Equator Principles documentation, prepared by or on behalf of client (e.g., EIA, Action Plan, consultation information) 	Detailed Due Diligence Process, Including Term Sheet Negotiations	<ul style="list-style-type: none"> Transactor and Independent Risk review EA documentation For Category A transactions, appointment of Independent Environmental Consultant to review EA documentation to confirm compliance with Equator Principles ESRM Director provides review and advice 	
<ul style="list-style-type: none"> Client accepts commitment 	Credit Approval & Commitment	<ul style="list-style-type: none"> Confirms project satisfies applicable internal credit analysis standards, including ESRM Policy and Equator Principles requirements or, in rare instances, appropriate waivers obtained if deviation is justified For Category A transaction, ESRM Approver approval required in consultation with ESRM Director 	
 <ul style="list-style-type: none"> Final facility terms agreed Signs loan documentation Receives first disbursement 	Closing & Disbursement	<ul style="list-style-type: none"> Conditions precedent met, including ESRM and Equator Principles conditions, if any Citi signs loan documentation Business "hand-off" of project to Independent Risk/Portfolio Management 	<ul style="list-style-type: none"> Credit Approval revised, if appropriate Portfolio Management assumes control and oversight of project
<ul style="list-style-type: none"> Based on previously agreed terms, client plans for and submits Equator Principles and other monitoring and reporting to Citi and/or Syndicate regarding compliance with environmental and social conditions (e.g., EMP) 	Ongoing Monitoring & Supervision	<ul style="list-style-type: none"> Conditions precedent met, including ESRM and Equator Principles conditions, if any Citi signs loan documentation Business "hand-off" of project to Portfolio Management 	<ul style="list-style-type: none"> Receives and reviews ongoing monitoring and compliance reports from client and/or Independent Expert Works with the client and/or Independent Expert to identify and correct areas of noncompliance, if any If significant area of noncompliance evident, ESRM Approver notified and action plan devised to bring client back into compliance

Note: The foregoing provides an illustrative summary of usual steps taken a typical Citi project finance transaction. All transactions are not identical, and the review, approval and monitoring steps described above may be tailored, reduced or supplemented based on the facts and circumstances of a particular transaction.



Designates ESRM review and control point