

**PLAN OF DISTRIBUTION
OVER-THE-COUNTER US DOLLAR LIBOR SETTLEMENT:**

CITIBANK, N.A. & CITIGROUP INC.

1. **Settlement Fund**. The Settlement Fund for the Settlement with Citibank, N.A. and Citigroup Inc. (“Citi”) is \$130,000,000. The Settlement Agreement, and Supplements, describing this Settlement can be found at www.USdollarLiborSettlement.com. All capitalized terms herein are used as defined in that Settlement Agreement.

2. **Net Settlement Fund**. The Settlement Fund, less all taxes, expenses of the Notice and administration of the Settlement, and other court-approved expenses, attorneys’ fees, and class representative enhancement awards (the “Net Settlement Fund”) shall be distributed to members of the Class who timely submit valid Proofs of Claim (“Authorized Claimants”) as described below.

3. **Qualifying LIBOR Transactions**. For purposes of this Plan of Distribution, a “qualifying LIBOR Transaction” is a U.S. Dollar LIBOR-Based Instrument that qualifies its holder to be a member of the Settlement Class, and for which a Proof of Claim has been filed. A “U.S. Dollar LIBOR-Based Instrument” is an instrument that includes any term, provision, obligation or right to be paid or to receive interest based upon the U.S. Dollar LIBOR rate, including but not limited to asset swaps, collateralized debt obligations, credit default swaps, forward rate agreements, inflation swaps, interest rate swaps, total return swaps, options or floating rate notes. *See* Settlement Agreement §1(qq) (defining U.S. Dollar LIBOR-Based Instrument). The Settlement Class includes, subject to certain exceptions set forth in the Settlement Agreement, all persons or entities (other than Defendants and their employees, affiliates, parents, and subsidiaries) that purchased in the United States, directly from

a Defendant (or a Defendant's subsidiaries or affiliates), a U.S. Dollar LIBOR-Based Instrument and that owned the U.S. Dollar LIBOR-Based Instrument any time during the period August 2007 through May 2010 (the "Class Period"). *See id.* §3(a)(b) (defining Class).

4. **Proof of Claim.** In order for an instrument to be a qualifying LIBOR Instrument, and to earn benefits from the Settlement Fund, a Class Member must submit a timely Proof of Claim that is accepted in whole or in part by the Claims Administrator.

5. **Pro Rata Claim.** The Claims Administrator will determine the *Pro Rata* Claim of each Authorized Claimant by calculating each Authorized Claimant's *pro rata* share of the Net Settlement Fund. This will be calculated in the following three steps:

a. First, each Authorized Claimant's "overall notional stake" is calculated. The notional stake of a qualifying LIBOR Instrument equals the sum of the "suppressed daily underpayments" for that instrument. An Authorized Claimant's overall notional stake equals the sum of the notional stakes for each of its qualifying LIBOR Instruments. The suppressed daily underpayments for an instrument are calculated as follows:

For each day during the class period when the Claimant had the right to be paid or to receive interest based upon the U.S. Dollar LIBOR rate, the suppressed daily underpayment equals: the dollar amount of the LIBOR-based payment that was due to the Claimant that day (using historical reported LIBOR rates and payment frequency) multiplied by the magnitude of suppression applicable for that day and then divided by the historical reported LIBOR rate for

that day.¹

For example, if an Authorized Claimant had a qualifying interest-rate swap, executed on January 1, 2007, paid annually, where it was due 3 LIBOR-based payments during the Class Period, measured for each day by the notional amount (\$1 million) multiplied by the historical 1-month USD LIBOR rate for that day (reported as 3%, 4%, and 3.5% respectively), then the dollar amount of the LIBOR-based payments due to the Claimant for each of those days was \$30,000, \$40,000, and \$35,000 respectively. If LIBOR was suppressed by .1%, .15%, and .2% during those 3 days respectively, then the notional stake of that instrument would be \$4,500, calculated as follows:

Suppressed daily payment (Day 1): $(\text{LIBOR payment} = \$30,000) * (\text{suppression: } .001) / (1\text{-month USD LIBOR rate for that day} = 0.03) = \$1,000$

Suppressed daily payment (Day 2): $(\text{LIBOR payment} = \$40,000) * (\text{suppression: } .0015) / (1\text{-month USD LIBOR rate for that day} = 0.04) = \$1,500$

Suppressed daily payment (Day 3): $(\text{LIBOR payment} = \$35,000) * (\text{suppression: } .002) / (1\text{-month USD LIBOR rate for that day} = 0.035) = \$2,000$

Total suppressed daily payments: \$4,500.

b. Second, each Authorized Claimants “*pro rata share*” is calculated. This is calculated by dividing each Authorized Claimant’s overall notional stake by the sum of the overall notional stakes of all Authorized Claimants. For example, if an Authorized Claimant has an overall

¹ The magnitude of suppressions for a day is based on the weekly average of suppression for that tenor, as reported in the expert modelling offered on behalf of the OTC plaintiffs, and as adjusted to reflect tenors and periods not reported on in that report. Prior to the date when the Proof of Claim is due, a chart depicting the weekly averages of suppression for each tenor will be posted on the website. If the transaction requires both parties to make LIBOR-based payments (e.g., a basis swap), then the but-for payments will be calculated in both directions and netted.

notional stake of \$20,000, and the total overall notional stake of all claimants combined is \$100 million, then that Authorized Claimant's *pro rata* share will be .0002.

c. Third, the *Pro Rata* Claim for each Authorized Claimant is calculated by multiplying the amount in the Net Settlement Fund by that Authorized Claimant's *pro rata* share.

6. **Distribution.** The Claims Administrator shall distribute the *Pro Rata* Claims to the Authorized Claimants from the Net Settlement Fund, upon application to the Court. In the opinion of Interim Co-Lead Class Counsel, this method of distributing funds represents the most appropriate way of distributing the Net Settlement Fund under the circumstances of this case. The Claims Administrator shall have the discretion to resolve any disputes regarding the meaning and application of this Distribution Plan, and subject to review by the Court as appropriate.

7. **De Minimis Amount.** In order to avoid paying claims in situations where the cost of processing the claim exceeds the payment made, no claim will be paid to any claimant if the total payment to that claimant would be \$10 or less; in such an event, the payment amount will revert back to the Net Settlement Fund.

8. **Rounding.** The distribution to each Authorized Claimant from the Net Settlement Fund will be rounded off to the nearest dollar. The Plan of Distribution may be modified upon further order of the Court. Any updates to the Plan of Distribution will be published on the website www.USdollarLiborSettlement.com, and Claimants should check the website for updates to this Distribution Plan regularly, including on the day of the final deadline for the filing of Proofs of Claim.