

GOODRICH PETROLEUM CORP  
Form SC TO-I/A  
February 16, 2016

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**AMENDMENT NO. 2**

**to**

**SCHEDULE TO**

**Tender Offer Statement under Section 14(d)(1) or 13(e)(1)**

**of the Securities Exchange Act of 1934**

**Goodrich Petroleum Corporation**

**(Name of Subject Company and Filing Person (Issuer))**

**5.375% Series B Cumulative Convertible Preferred Stock**

**10.00% Series C Cumulative Preferred Stock**

**9.75% Series D Cumulative Preferred Stock**

**and**

**10.00% Series E Cumulative Convertible Preferred Stock**

**(Title of Class of Securities)**

**382410 603**

**382410 702**

**382410 884**

**382410 850**

**(CUSIP Number of Class of Securities)**

**Michael J. Killelea**

**Senior Vice President, General Counsel and**

**Corporate Secretary**

**801 Louisiana Street, Suite 700**

**Houston, Texas 77002**

**(713) 780-9494**

**(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing person)**

*Copies to:*

**Stephen M. Gill**

**Vinson & Elkins L.L.P.**

**1001 Fannin Street, Suite 2500**

**Houston, Texas 77002**

**(713) 758-2222**

**CALCULATION OF FILING FEE**

**Transaction Valuation\***

\$74,742,000

**Amount of Filing Fee**

\$7,527

\* Estimated solely for the purpose of calculating the registration fee. The transaction valuation upon which the filing fee is based assumes the exchange of (i) \$116,828,000 aggregate principal amount of 8.875% Senior Notes due 2019, (ii) \$429,000 aggregate principal amount of 3.25% Convertible Senior Notes due 2026, (iii) \$6,692,000 aggregate principal amount of 5.00% Convertible Senior Notes due 2029, (iv) \$94,160,000 aggregate principal amount of 5.00% Convertible Senior Notes due 2032 and (v) \$6,117,000 aggregate principal amount of 5.00% Convertible Exchange Senior Notes due 2032 for common stock, par value \$0.20 per share, of Goodrich Petroleum Corporation (the Company). This amount is based on one-third of the aggregate principal amount of the securities acquired because the Company has a capital deficit. The registration fee was paid on January 26, 2016 in

connection with the filing by the Company of the original Schedule TO-I.

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

Amount Previously Paid: \$7,527

Filing Party: Goodrich Petroleum Corporation

Form or Registration No.: Schedule TO-I

Date Filed: January 26, 2016

- .. Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- .. **third-party tender offer subject to Rule 14d-1.**
- x **issuer tender offer subject to Rule 13e-4.**
- .. **going-private transaction subject to Rule 13e-3.**
- .. **amendment to Schedule 13D under Rule 13d-2.**

Check the following box if the filing is a final amendment reporting the results of the tender offer: ..

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- .. Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
- .. Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

## INTRODUCTORY STATEMENT

This Amendment No. 2 amends and supplements the Tender Offer Statement on Schedule TO-I (as amended and restated, the Schedule TO-I ) originally filed with the United States Securities and Exchange Commission on January 26, 2016 by Goodrich Petroleum Corporation (the Company ), in connection with its offers to exchange, on the terms and subject to the conditions set forth in the Amended and Restated Offer to Exchange, dated February 5, 2016 (as it may be further supplemented and amended from time to time, the Offer to Exchange ), and the related Amended and Restated Letter of Transmittal (as it may be further supplemented and amended from time to time, the Letter of Transmittal ) and, together with the Offer to Exchange, the Offering Documents ), any and all of the shares of the Company s outstanding 5.375% Series B Cumulative Convertible Preferred Stock, any and all of the depositary shares representing the Company s outstanding 10.00% Series C Cumulative Preferred Stock, any and all of the depositary shares representing the Company s outstanding 9.75% Series D Cumulative Preferred Stock and any and all of the depositary shares representing the Company s outstanding 10.00% Series E Cumulative Convertible Preferred Stock for newly issued shares of our common stock, par value \$0.20 per share.

This Amendment No. 2 is being filed to provide the conference call script used by management to discuss the Offer to Exchange. The script is filed as exhibit (a)(2)(iii) hereto. Except as specifically provided herein, the information contained in the Offering Documents remains unchanged by this Amendment No. 2. You should read this Amendment No. 2 together with the Offering Documents.

### Item 12. Exhibits.

Exhibit	Description
(a)(1)(i)*	Offer to Exchange, dated January 26, 2016.
(a)(1)(ii)*	Form of Letter of Transmittal.
(a)(1)(iii)**	Amended and Restated Offer to Exchange, dated February 5, 2016.
(a)(1)(iv)**	Form of Amended and Restated Letter of Transmittal.
(a)(2)(i)	Press Release, dated January 26, 2016 (Incorporated by reference to Exhibit 99.1 to Goodrich Petroleum Corporation s Current Report on Form 8-K (File No. 001-12719) filed on January 26, 2016).
(a)(2)(ii)	Press Release, dated February 5, 2016 (Incorporated by reference to Exhibit 99.1 to Goodrich Petroleum Corporation s Current Report on Form 8-K (File No. 001-12719) filed on February 5, 2016).
(a)(2)(iii)***	Script of Conference Call Regarding Offer to Exchange.
(b)	Not applicable.
(d)(i)	Registration Rights Agreement, dated March 12, 2015, by and among Goodrich Petroleum Corporation, Goodrich Petroleum Company, L.L.C. and Franklin Advisers, Inc., as investment manager on behalf of certain funds and accounts (Incorporated by reference to Exhibit 4.3 of the Company s Current Report on Form 8-K (File No. 001-12719) filed on March 18, 2015).
(d)(ii)	Warrant Registration Rights Agreement, dated March 12, 2015, by and among Goodrich Petroleum Corporation and Franklin Advisers, Inc., as investment manager on behalf of certain funds and accounts (Incorporated by reference to Exhibit 4.4 of the Company s Current Report on Form 8-K

(File No. 001-12719) filed on March 18, 2015).

- (g) Not applicable.
- (h) Not applicable.

\* Previously filed with the Schedule TO-I on January 26, 2016.

\*\* Previously filed with the Schedule TO-I/A on February 5, 2016.

\*\*\* Filed herewith.

**Item 13. *Information Required by Schedule 13E-3.***

Not applicable.

**SIGNATURES**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 16, 2016

GOODRICH PETROLEUM CORPORATION

By: /s/ Michael J. Killelea

Name: Michael J. Killelea

Title: Senior Vice President, General Counsel  
and Corporate Secretary

**EXHIBIT INDEX**

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\*\*\* Filed herewith.

t to such underlying or any successor index are open for trading during their respective regular trading sessions, notwithstanding any such relevant stock exchange or related futures or options exchange closing prior to its scheduled closing time.

A "market disruption event" with respect to the EURO STOXX 50 Index means, any of (A), (B), (C) or (D) below, as determined by the calculation agent in its sole discretion:



Any of the following events occurs or exists with respect to any security included in such underlying or any (A) successor index, and the aggregate of all securities included in such underlying or successor index with respect to which any such event occurs comprise 20% or more of the level of such underlying or successor index:

a material suspension of or limitation imposed on trading by the relevant stock exchange for such security or otherwise at any time during the one-hour period that ends at the scheduled closing time for the relevant stock exchange for such security on that day, whether by reason of movements in price exceeding limits permitted by the relevant stock exchange or otherwise;

any event, other than an early closure, that materially disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, such security on its relevant stock exchange at any time during the one-hour period that ends at the scheduled closing time for the relevant stock exchange for such security on that day; or

the closure on any exchange business day of the relevant stock exchange for such security prior to its scheduled closing time unless the earlier closing is announced by such relevant stock exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such relevant stock exchange and (ii)

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the submission deadline for orders to be entered into the relevant stock exchange system for execution at the scheduled closing time for such relevant stock exchange on that day.

(B) Any of the following events occurs or exists with respect to futures or options contracts relating to such underlying or any successor index:

a material suspension of or limitation imposed on trading by any related futures or options exchange or otherwise at any time during the one-hour period that ends at the close of trading on such related futures or options exchange on that day, whether by reason of movements in price exceeding limits permitted by the related futures or options exchange or otherwise;

any event, other than an early closure, that materially disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, futures or options contracts relating to such underlying or successor index on any related futures or options exchange at any time during the one-hour period that ends at the close of trading on such related futures or options exchange on that day; or

the closure on any exchange business day of any related futures or options exchange prior to its scheduled closing time unless the earlier closing time is announced by such related futures or options exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such related futures or options exchange and (ii) the submission deadline for orders to be entered into the related futures or options exchange system for execution at the close of trading for such related futures or options exchange on that day.

The relevant index sponsor fails to publish the level of such underlying or any successor index (other than as a result of the relevant index sponsor having discontinued publication of such underlying or successor index and no successor index being available).

(D) Any related futures or options exchange fails to open for trading during its regular trading session.

For purposes of determining whether a market disruption event has occurred with respect to the EURO STOXX 50 Index:

(1) the relevant percentage contribution of a security included in such underlying or any successor index to the level of such index will be based on a comparison of (x) the portion of the level of such index attributable to that security to (y) the overall level of such index, in each case using the official opening weightings as published by the relevant index sponsor as part of the market opening data;

(2) the “scheduled closing time” of any relevant stock exchange or related futures or options exchange on any trading day means the scheduled weekday closing time of such relevant stock exchange or related futures or options exchange on such trading day, without regard to after hours or any other trading outside the regular trading session hours; and

(3) an “exchange business day” means any trading day on which (i) the relevant index sponsor publishes the level of such underlying or any successor index and (ii) each related futures or options exchange is open for trading during its regular trading session, notwithstanding any related futures or options exchange closing prior to its scheduled closing time.

If a market disruption event occurs or is continuing with respect to an underlying on any valuation date, then such valuation date for such underlying will be postponed to the first succeeding trading day for such underlying on which a market disruption event for such underlying has not occurred and is not continuing; however, if such first succeeding trading day has not occurred as of the eighth trading day for such underlying after the originally scheduled valuation date, that eighth trading day shall be deemed to be the valuation date for such underlying. If a valuation date has been postponed eight trading days for an underlying after the originally scheduled valuation date and a market disruption event occurs or is continuing with respect to such underlying on such eighth trading day, the calculation agent will determine the closing value of such underlying on such eighth trading day in accordance with the formula for and method of calculating the closing value of such underlying last in effect prior to commencement of the market disruption event, using the closing price (or, with respect to any relevant security, if a market disruption event has occurred with respect to such security, its good faith estimate of the value of such security at (i) with respect to the S&P 500 Index or the Russell 2000 Index, the scheduled closing time of the relevant stock exchange for such security or, if earlier, the actual closing time of the regular trading session of such relevant stock exchange or (ii) with respect to the EURO STOXX 50 Index, the time at which the official closing level of such underlying is calculated and published by the relevant index sponsor) on such date of each security included in such underlying. As used herein, “closing price” means, with respect to any security on any date, the relevant stock

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exchange traded or quoted price of such security as of (i) with respect to the S&P 500 Index or the Russell 2000 Index, the scheduled closing time of the relevant stock exchange for such security or, if earlier, the actual closing time of the regular trading session of such relevant stock exchange or (ii) with respect to the EURO STOXX 50 Index, the time at which the official closing level of such underlying is calculated and published by the relevant index sponsor. Notwithstanding the postponement of a valuation date for an underlying due to a market disruption event with respect to such underlying on such valuation date, the originally scheduled valuation date will remain the valuation date for any underlying not affected by a market disruption event on such day.

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**Market Linked Securities—Auto-Callable with Contingent Coupon and Contingent Downside**

**Principal at Risk Securities Linked to the Worst Performing of the S&P 500<sup>®</sup> Index, the Russell 2000<sup>®</sup> Index and the EURO STOXX 50<sup>®</sup> Index due January 27, 2022  
Information About the S&P 500<sup>®</sup> Index**

The S&P 500<sup>®</sup> Index consists of the common stocks of 500 issuers selected to provide a performance benchmark for the large capitalization segment of the U.S. equity markets. It is calculated and maintained by S&P Dow Jones Indices LLC.

As of July 31, 2017, the securities of companies with multiple share class structures are no longer eligible to be added to the S&P 500<sup>®</sup> Index, but securities already included in the S&P 500<sup>®</sup> Index have been grandfathered and are not affected by this change. Please refer to the section “Equity Index Descriptions—The S&P U.S. Indices—The S&P 500 Index” in the accompanying underlying supplement for additional information.

We have derived all information regarding the S&P 500<sup>®</sup> Index from publicly available information and have not independently verified any information regarding the S&P 500<sup>®</sup> Index. This pricing supplement relates only to the securities and not to the S&P 500<sup>®</sup> Index. We make no representation as to the performance of the S&P 500<sup>®</sup> Index over the term of the securities.

The securities represent obligations of Citigroup Global Markets Holdings Inc. (guaranteed by Citigroup Inc.) only. The sponsor of the S&P 500<sup>®</sup> Index is not involved in any way in this offering and has no obligation relating to the securities or to holders of the securities.

**Historical Information**

The closing value of the S&P 500<sup>®</sup> Index on January 30, 2019 was 2,681.05.

The graph below shows the closing value of the S&P 500<sup>®</sup> Index for each day such value was available from January 2, 2013 to January 30, 2019. We obtained the closing values from Bloomberg L.P., without independent verification. You should not take historical closing values as an indication of future performance.

**Market Linked Securities—Auto-Callable with Contingent Coupon and Contingent Downside**

**Principal at Risk Securities Linked to the Worst Performing of the S&P 500<sup>®</sup> Index, the Russell 2000<sup>®</sup> Index and the EURO STOXX 50<sup>®</sup> Index due January 27, 2022  
Information About the Russell 2000<sup>®</sup> Index**

The Russell 2000<sup>®</sup> Index is designed to track the performance of the small capitalization segment of the U.S. equity market. All stocks included in the Russell 2000<sup>®</sup> Index are traded on a major U.S. exchange. It is calculated and maintained by FTSE Russell.

Please refer to the section “Equity Index Descriptions—The Russell Indices—The Russell<sup>®</sup>2000<sup>®</sup>” in the accompanying underlying supplement for additional information.

We have derived all information regarding the Russell 2000<sup>®</sup> Index from publicly available information and have not independently verified any information regarding the Russell 2000<sup>®</sup> Index. This pricing supplement relates only to the securities and not to the Russell 2000<sup>®</sup> Index. We make no representation as to the performance of the Russell 2000<sup>®</sup> Index over the term of the securities.

The securities represent obligations of Citigroup Global Markets Holdings Inc. (guaranteed by Citigroup Inc.) only. The sponsor of the Russell 2000<sup>®</sup> Index is not involved in any way in this offering and has no obligation relating to the securities or to holders of the securities.

**Historical Information**

The closing value of the Russell 2000<sup>®</sup> Index on January 30, 2019 was 1,486.942.

The graph below shows the closing value of the Russell 2000<sup>®</sup> Index for each day such value was available from January 2, 2013 to January 30, 2019. We obtained the closing values from Bloomberg L.P., without independent verification. You should not take historical closing values as an indication of future performance.

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Information About the EURO STOXX 50<sup>®</sup> Index**

The EURO STOXX 50<sup>®</sup> Index is composed of 50 component stocks of market sector leaders from within the 19 EURO STOXX<sup>®</sup> Supersector indices, which represent the Eurozone portion of the STOXX Europe 600<sup>®</sup> Supersector indices. The STOXX Europe 600<sup>®</sup> Supersector indices contain the 600 largest stocks traded on the major exchanges of 18 European countries. It is calculated and maintained by STOXX Limited.

Please refer to the section “Equity Index Descriptions—The EURO STOXX<sup>®</sup> 50 Index” in the accompanying underlying supplement for important disclosures regarding the EURO STOXX 50<sup>®</sup> Index.

We have derived all information regarding the EURO STOXX 50<sup>®</sup> Index from publicly available information and have not independently verified any information regarding the EURO STOXX 50<sup>®</sup> Index. This pricing supplement relates only to the securities and not to the EURO STOXX 50<sup>®</sup> Index. We make no representation as to the performance of the EURO STOXX 50<sup>®</sup> Index over the term of the securities.

The securities represent obligations of Citigroup Global Markets Holdings Inc. (guaranteed by Citigroup Inc.) only. The sponsor of the EURO STOXX 50<sup>®</sup> Index is not involved in any way in this offering and has no obligation relating to the securities or to holders of the securities.

**Historical Information**

The closing value of the EURO STOXX 50<sup>®</sup> Index on January 30, 2019 was 3,161.74.

The graph below shows the closing value of the EURO STOXX 50<sup>®</sup> Index for each day such value was available from January 2, 2013 to January 30, 2019. We obtained the closing values from Bloomberg L.P., without independent verification. You should not take historical closing values as an indication of future performance.

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**United States Federal Tax Considerations**

You should read carefully the discussion under “United States Federal Tax Considerations” and “Risk Factors Relating to the Securities” in the accompanying product supplement and “Summary Risk Factors” in this pricing supplement.

Due to the lack of any controlling legal authority, there is substantial uncertainty regarding the U.S. federal tax consequences of an investment in the securities. In connection with any information reporting requirements we may have in respect of the securities under applicable law, we intend (in the absence of an administrative determination or judicial ruling to the contrary) to treat the securities for U.S. federal income tax purposes as prepaid forward contracts with associated coupon payments that will be treated as gross income to you at the time received or accrued in accordance with your regular method of tax accounting. In the opinion of our counsel, Davis Polk & Wardwell LLP, which is based on current market conditions, this treatment of the securities is reasonable under current law; however, our counsel has advised us that it is unable to conclude affirmatively that this treatment is more likely than not to be upheld, and that alternative treatments are possible.

Assuming this treatment of the securities is respected and subject to the discussion in “United States Federal Tax Considerations” in the accompanying product supplement, the following U.S. federal income tax consequences should result under current law:

Any coupon payments on the securities should be taxable as ordinary income to you at the time received or accrued in accordance with your regular method of accounting for U.S. federal income tax purposes.

Upon a sale or exchange of a security (including retirement at maturity), you should recognize capital gain or loss equal to the difference between the amount realized and your tax basis in the security. For this purpose, the amount realized does not include any coupon paid on retirement and may not include sale proceeds attributable to an accrued coupon, which may be treated as a coupon payment. Such gain or loss should be long-term capital gain or loss if you held the security for more than one year.

We do not plan to request a ruling from the IRS regarding the treatment of the securities, and the IRS or a court might not agree with the treatment described herein. In addition, the U.S. Treasury Department and the IRS have released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts.” While it is not clear whether the securities would be viewed as similar to the typical prepaid forward contract described in the notice, it is possible that any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, including the character and timing of income or loss, possibly with retroactive effect. You should consult your tax adviser regarding possible alternative tax treatments of the securities and potential consequences of the IRS notice.



**Withholding Tax on Non-U.S. Holders.** Because significant aspects of the tax treatment of the securities are uncertain, persons having withholding responsibility in respect of the securities may withhold on any coupon payment paid to Non-U.S. Holders (as defined in the accompanying product supplement), generally at a rate of 30%. To the extent that we have (or an affiliate of ours has) withholding responsibility in respect of the securities, we intend to so withhold. In order to claim an exemption from, or a reduction in, the 30% withholding, you may need to comply with certification requirements to establish that you are not a U.S. person and are eligible for such an exemption or reduction under an applicable tax treaty. You should consult your tax adviser regarding the tax treatment of the securities, including the possibility of obtaining a refund of any amounts withheld and the certification requirement described above.

Moreover, as discussed under “United States Federal Tax Considerations – Tax Consequences to Non-U.S. Holders – Possible Withholding Under Section 871(m) of the Code” in the accompanying product supplement, Section 871(m) of the Code and Treasury regulations promulgated thereunder (“Section 871(m)”) generally impose a 30% withholding tax on dividend equivalents paid or deemed paid to Non-U.S. Holders with respect to certain financial instruments linked to U.S. equities (“U.S. Underlying Equities”) or indices that include U.S. Underlying Equities. Section 871(m) generally applies to instruments that substantially replicate the economic performance of one or more U.S. Underlying Equities, as determined based on tests set forth in the applicable Treasury regulations (a “Specified Security”). However, the regulations, as modified by an IRS notice, exempt financial instruments issued prior to January 1, 2021 that do not have a “delta” of one. Based on the terms of the securities and representations provided by us, our counsel is of the opinion that the securities should not be treated as transactions that have a “delta” of one within the meaning of the regulations with respect to any U.S. Underlying Equity and, therefore, should not be Specified Securities subject to withholding tax under Section 871(m).

A determination that the securities are not subject to Section 871(m) is not binding on the IRS, and the IRS may disagree with this treatment. Moreover, Section 871(m) is complex and its application may depend on your particular circumstances. For example, if you enter into other transactions relating to a U.S. Underlying Equity, you could be subject to withholding tax or income tax liability under Section 871(m) even if the securities are not Specified Securities subject to Section 871(m) as a general matter. You should consult your tax adviser regarding the potential application of Section 871(m) to the securities.

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We will not be required to pay any additional amounts with respect to amounts withheld.

**FATCA.** You should review the section entitled “United States Federal Tax Considerations—FATCA” in the accompanying product supplement regarding withholding rules under the “FATCA” regime. The discussion in that section is hereby modified to reflect regulations proposed by the U.S. Treasury Department indicating an intent to eliminate the requirement under FATCA of withholding on gross proceeds of the disposition of affected financial instruments. The U.S. Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their finalization.

**You should read the section entitled “United States Federal Tax Considerations” in the accompanying product supplement. The preceding discussion, when read in combination with that section, constitutes the full opinion of Davis Polk & Wardwell LLP regarding the material U.S. federal tax consequences of owning and disposing of the securities.**

**You should also consult your tax adviser regarding all aspects of the U.S. federal income and estate tax consequences of an investment in the securities and any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.**

**Supplemental Plan of Distribution**

Pursuant to the terms of the Amended and Restated Global Selling Agency Agreement, dated April 7, 2017, CGMI, acting as principal, will purchase the securities from Citigroup Global Markets Holdings Inc. CGMI, as the lead agent for the offering, has agreed to sell the securities to Wells Fargo, as agent. Wells Fargo will receive an underwriting discount and commission of 1.92% (\$19.20) for each security it sells. Wells Fargo will pay selected dealers, which may include WFA, a fixed selling commission of 1.50% (\$15) for each security they sell. In addition to the selling commission allowed to WFA, Wells Fargo will pay \$0.75 per security of the underwriting discount and commission to WFA as a distribution expense fee for each security sold by WFA. For the avoidance of doubt, the fees and selling concessions described in this pricing supplement will not be rebated if the securities are automatically redeemed prior to maturity.

The public offering price of the securities includes the underwriting discount and commission described on the cover page of this pricing supplement and the estimated cost of hedging our obligations under the securities. We expect to hedge our obligations under the securities through affiliated or unaffiliated counterparties, which may include our affiliates and affiliates of Wells Fargo. Our cost of hedging will include the projected profit that such counterparties, which may include our affiliates and affiliates of Wells Fargo, expect to realize in consideration for assuming the risks inherent in hedging our obligations under the securities. Because hedging our obligations entails risks and may be

influenced by market forces beyond the control of any counterparty, which may include our affiliates and affiliates of Wells Fargo, such hedging may result in a profit that is more or less than expected, or could result in a loss.

This pricing supplement and the accompanying product supplement, underlying supplement, prospectus supplement and prospectus may be used by Wells Fargo or an affiliate of Wells Fargo in connection with offers and sales related to market-making or other transactions in the securities. Wells Fargo or an affiliate of Wells Fargo may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale or otherwise.

No action has been or will be taken by Citigroup Global Markets Holdings Inc., Wells Fargo or any broker-dealer affiliates of any of them that would permit a public offering of the securities or possession or distribution of this pricing supplement or the accompanying product supplement, underlying supplement, prospectus supplement or prospectus in any jurisdiction, other than the United States, where action for that purpose is required. No offers, sales or deliveries of the securities, or distribution of this pricing supplement, the accompanying product supplement, underlying supplement or prospectus supplement and prospectus, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on Citigroup Global Markets Holdings Inc., Wells Fargo or any broker-dealer affiliates of any of them.

For the following jurisdictions, please note specifically:

### **Argentina**

Citigroup Global Markets Holdings Inc.'s Series N Medium-Term Senior Notes program and the related offer of the securities and the sale of the securities under the terms and conditions provided herein does not constitute a public offering in Argentina. Consequently, no public offering approval has been requested or granted by the Comisión Nacional de Valores, nor has any listing authorization of the securities been requested on any stock market in Argentina.

### **Brazil**

The securities may not be offered or sold to the public in Brazil. Accordingly, this pricing supplement and the accompanying prospectus supplement and prospectus have not been submitted to the Comissão de Valores Mobiliários for approval. Documents relating to this offering may not be supplied to the public as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

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**Market Linked Securities—Auto-Callable with Contingent Coupon and Contingent Downside**

**Principal at Risk Securities Linked to the Worst Performing of the S&P 500® Index, the Russell 2000® Index and the EURO STOXX 50® Index due January 27, 2022**  
**Chile**

The securities have not been registered with the Superintendencia de Valores y Seguros in Chile and may not be offered or sold publicly in Chile. No offer, sales or deliveries of the securities, or distribution of this pricing supplement or the prospectus supplement and prospectus, may be made in or from Chile except in circumstances that will result in compliance with any applicable Chilean laws and regulations.

**Mexico**

The securities have not been registered with the National Registry of Securities maintained by the Mexican National Banking and Securities Commission and may not be offered or sold publicly in Mexico. This pricing supplement and the accompanying prospectus supplement and prospectus may not be publicly distributed in Mexico.

**Paraguay**

This is a private and personal offering. The securities offered have not been approved by or registered with the National Securities Commission (Comisión Nacional de Valores) and are not part of a public offering as defined by the Paraguayan Securities Law. The information contained herein is for informational and marketing purposes only and should not be taken as an investment advice.

**Peru**

The securities have not been and will not be registered with the Capital Markets Public Registry of the Capital Markets Superintendence (SMV) nor the Lima Stock Exchange Registry (RBVL) for their public offering in Peru under the Peruvian Capital Markets Law (Law N°861/ Supreme Decree N°093-2002) and the decrees and regulations thereunder.

Consequently, the securities may not be offered or sold, directly or indirectly, nor may this prospectus supplement and the accompanying prospectus or any other offering material relating to the securities be distributed or caused to be distributed in Peru to the general public. The securities may only be offered in a private offering without using mass marketing, which is defined as a marketing strategy utilizing mass distribution and mass media to offer, negotiate or

distribute securities to the whole market. Mass media includes newspapers, magazines, radio, television, mail, meetings, social networks, Internet servers located in Peru, and other media or technology platforms.

## **Taiwan**

These securities may be made available outside Taiwan for purchase by Taiwan residents outside Taiwan but may not be offered or sold in Taiwan.

## **Valuation of the Securities**

CGMI calculated the estimated value of the securities set forth on the cover page of this pricing supplement based on proprietary pricing models. CGMI's proprietary pricing models generated an estimated value for the securities by estimating the value of a hypothetical package of financial instruments that would replicate the payout on the securities, which consists of a fixed-income bond (the "bond component") and one or more derivative instruments underlying the economic terms of the securities (the "derivative component"). CGMI calculated the estimated value of the bond component using a discount rate based on our internal funding rate. CGMI calculated the estimated value of the derivative component based on a proprietary derivative-pricing model, which generated a theoretical price for the instruments that constitute the derivative component based on various inputs, including the factors described under "Summary Risk Factors—The Value Of The Securities Prior To Maturity Will Fluctuate Based On Many Unpredictable Factors" in this pricing supplement, but not including our or Citigroup Inc.'s creditworthiness. These inputs may be market-observable or may be based on assumptions made by CGMI in its discretionary judgment.

We have been advised that, for a period of approximately three months following issuance of the securities, the price, if any, at which Wells Fargo would be willing to buy the securities from investors, and the value that will be indicated for the securities on any brokerage account statements prepared by Wells Fargo or its affiliates, will reflect a temporary upward adjustment from the price or value that would otherwise be determined. This temporary upward adjustment represents a portion of the costs associated with selling, structuring and hedging the securities that are included in the public offering price of the securities. The amount of this temporary upward adjustment will decline to zero on a straight-line basis over the three-month temporary adjustment period. However, Wells Fargo is not obligated to buy the securities from investors at any time. See "Summary Risk Factors—The Securities Will Not Be Listed On Any Securities Exchange And You May Not Be Able To Sell Them Prior To Maturity."

## **Validity of the Securities**

In the opinion of Davis Polk & Wardwell LLP, as special products counsel to Citigroup Global Markets Holdings Inc., when the securities offered by this pricing supplement have been executed and issued by Citigroup Global Markets Holdings Inc. and

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authenticated by the trustee pursuant to the indenture, and delivered against payment therefor, such securities and the related guarantee of Citigroup Inc. will be valid and binding obligations of Citigroup Global Markets Holdings Inc. and Citigroup Inc., respectively, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above. This opinion is given as of the date of this pricing supplement and is limited to the laws of the State of New York, except that such counsel expresses no opinion as to the application of state securities or Blue Sky laws to the securities.

In giving this opinion, Davis Polk & Wardwell LLP has assumed the legal conclusions expressed in the opinions set forth below of Scott L. Flood, General Counsel and Secretary of Citigroup Global Markets Holdings Inc., and Barbara Politi, Assistant General Counsel—Capital Markets of Citigroup Inc. In addition, this opinion is subject to the assumptions set forth in the letter of Davis Polk & Wardwell LLP dated April 7, 2017, which has been filed as an exhibit to a Current Report on Form 8-K filed by Citigroup Inc. on April 7, 2017, that the indenture has been duly authorized, executed and delivered by, and is a valid, binding and enforceable agreement of, the trustee and that none of the terms of the securities nor the issuance and delivery of the securities and the related guarantee, nor the compliance by Citigroup Global Markets Holdings Inc. and Citigroup Inc. with the terms of the securities and the related guarantee respectively, will result in a violation of any provision of any instrument or agreement then binding upon Citigroup Global Markets Holdings Inc. or Citigroup Inc., as applicable, or any restriction imposed by any court or governmental body having jurisdiction over Citigroup Global Markets Holdings Inc. or Citigroup Inc., as applicable.

In the opinion of Scott L. Flood, Secretary and General Counsel of Citigroup Global Markets Holdings Inc., (i) the terms of the securities offered by this pricing supplement have been duly established under the indenture and the Board of Directors (or a duly authorized committee thereof) of Citigroup Global Markets Holdings Inc. has duly authorized the issuance and sale of such securities and such authorization has not been modified or rescinded; (ii) Citigroup Global Markets Holdings Inc. is validly existing and in good standing under the laws of the State of New York; (iii) the indenture has been duly authorized, executed and delivered by Citigroup Global Markets Holdings Inc.; and (iv) the execution and delivery of such indenture and of the securities offered by this pricing supplement by Citigroup Global Markets Holdings Inc., and the performance by Citigroup Global Markets Holdings Inc. of its obligations thereunder, are within its corporate powers and do not contravene its certificate of incorporation or bylaws or other constitutive documents. This opinion is given as of the date of this pricing supplement and is limited to the laws of the State of New York.

Scott L. Flood, or other internal attorneys with whom he has consulted, has examined and is familiar with originals, or copies certified or otherwise identified to his satisfaction, of such corporate records of Citigroup Global Markets Holdings Inc., certificates or documents as he has deemed appropriate as a basis for the opinions expressed above. In such examination, he or such persons has assumed the legal capacity of all natural persons, the genuineness of all signatures (other than those of officers of Citigroup Global Markets Holdings Inc.), the authenticity of all documents submitted to him or such persons as originals, the conformity to original documents of all documents submitted to him



or such persons as certified or photostatic copies and the authenticity of the originals of such copies.

In the opinion of Barbara Politi, Assistant General Counsel—Capital Markets of Citigroup Inc., (i) the Board of Directors (or a duly authorized committee thereof) of Citigroup Inc. has duly authorized the guarantee of such securities by Citigroup Inc. and such authorization has not been modified or rescinded; (ii) Citigroup Inc. is validly existing and in good standing under the laws of the State of Delaware; (iii) the indenture has been duly authorized, executed and delivered by Citigroup Inc.; and (iv) the execution and delivery of such indenture, and the performance by Citigroup Inc. of its obligations thereunder, are within its corporate powers and do not contravene its certificate of incorporation or bylaws or other constitutive documents. This opinion is given as of the date of this pricing supplement and is limited to the General Corporation Law of the State of Delaware.

Barbara Politi, or other internal attorneys with whom she has consulted, has examined and is familiar with originals, or copies certified or otherwise identified to her satisfaction, of such corporate records of Citigroup Inc., certificates or documents as she has deemed appropriate as a basis for the opinions expressed above. In such examination, she or such persons has assumed the legal capacity of all natural persons, the genuineness of all signatures (other than those of officers of Citigroup Inc.), the authenticity of all documents submitted to her or such persons as originals, the conformity to original documents of all documents submitted to her or such persons as certified or photostatic copies and the authenticity of the originals of such copies.

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