



NOMURA

Nomura Financial Advisory and Securities (India)
Private Limited

Corporate Social Responsibility (CSR) Policy

Address: Ceejay House, Level 11, Plot F Shivsagar
Estate, Dr. Annie Besant Road Worli, Mumbai 400 018,
India **Website:** www.nomura.com

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Versions

Version	Release date	Description
1.0	September 2018	Included definition of "Local Area"
2.0	August 2019	Included CSR working group, role of implementation partner, items from schedule VII, removal of appendix A for current year projects
3.0	March 2021	Modifications carried out as per the new Companies (CSR Policy) Amendment Rules , 2021

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1. Preamble

The Nomura Financial Advisory and Securities (India) Private Limited (hereby referred to as 'The Company') Corporate Social Responsibility Policy (hereby referred to as 'The CSR Policy') has been developed in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 (hereby collectively referred to as the 'Act' in this CSR Policy document) notified by the Ministry of Corporate Affairs, Government of India.

2. Introduction

Nomura Group ("The Group") is a leading financial services group and an Asian based investment bank group headquartered in Japan with an international network spread across 30 countries.

The Group's unique understanding of Asia enables it to provide its clients with services across five business divisions: Retail, Global Markets, Investment Banking, Merchant Banking, and Asset Management.

As a socially responsible Group for several years, the Group contributes to society by providing services based on the needs of customers and society and through dialogue with its stakeholders, thereby contributing to the solution of many social issues around the world.

The Company, an affiliate Company within the Group, with its registered office at Ceejay House, Dr. Annie Besant Road Worli, Mumbai, through Group-wide collaboration, is taking the initiative in creating new value and services that it shares with its stakeholders by drawing on its core skill of "finance" and its "network."

3. CSR Vision

The Company is committed to improving the lives of the communities in which it operates in a sustainable way. It aspires to be a responsible Corporate Citizen, by contributing to nation building through CSR Projects / Programs, in true letter and spirit.

The CSR Vision of the Company is **to build relationships of trust with local communities, society and stakeholders as good corporate citizens and to contribute to developing a sustainable society for future generations.**

4. Objectives of CSR Policy

The CSR Policy, formulated in alignment with the Vision of the Company, lays down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects / Programs.

All CSR Projects / Programs will be conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact.

CSR Projects / Programs of the Company may be carried out in partnership with credible implementing agencies.

5. Applicability, Validity & Review

The CSR Policy shall apply to all CSR Projects / Programs undertaken by the Company. The Board shall review the CSR policy once in a year and may amend the same as per the requirement of the Company. The Board may review and make changes to the policy at any other intervals in case of any change in the Act.

5.1 Local Area

Nomura is a Financial Services organization based out of Mumbai, Maharashtra. The term Local Area referred in proviso to section 135 (5) of the Companies Act 2013 (herein after referred to as the "Act") has not defined in the Act.

Nomura accordingly would like to declare Local Area as area covering the entire state of Maharashtra. The term Local Area must be seen in a broad sense of understanding. If proposed CSR activities/projects* are aligned with Nomura's CSR strategic goals then preference would be given to take up the project irrespective of the geographical location within India.

6. CSR Budget

The CSR Budget will be allocated as per the provisions of the Act i.e. at least two per cent of the average net profit calculated as per Section 198 of the Act read with the Companies (Corporate Social Responsibility) Rules thereof ('average net profit') accrued during the three immediately preceding Financial Years.

The Board of the Company will endeavor to spend in each Financial Year, at least two per cent of the average net profit on CSR Projects / Programs.

CSR Projects / Programs will be identified and budgets will be allocated through a process incorporating identification of suitable implementing agencies, need assessment (where required) and clear outlining of desired outcomes.

In the event that the amount indicated above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per Section 134(3) (o) of the Act and also adopt any one option from the below mentioned as provided in the Act:

1. In case the project is not an 'on - going' project

- a. Transfer such unspent amount to the below mentioned Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
 - Prime minister's national relief fund,
 - Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund and
 - Clean Ganga Fund

2. In case the project is or is to be considered as 'Ongoing project'

- a. Pass a Board Resolution to approve the project as 'on-going' if it has not been already identified as an ongoing project;
- b. Open an 'Unspent CSR bank account' and transfer the amount which is unspent/ unutilized on the approved CSR project within a period of 30 days from the end of the Financial Year;
- c. Ensure completion of the project within 3 years from the date of such transfer to the 'unspent CSR bank account' of the Company.

In implementing its CSR Projects/Programs the Company should choose to partner with a registered trust, society or a Section 8 company that fulfill all requirements of Section 135 of Companies Act, 2013. The Company may collaborate or pool resources with other entities within the Group to undertake CSR Projects / Programs. The Company may also enter into partnerships with the government, business partners and communities to achieve a significant impact of the social projects.

7. Treatment of Surplus

In the event that the Company makes any surplus or profit from pursuing its CSR Projects / Programs, these will not form part of the business profit and will be invested back into CSR Projects or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year

Any amount spent in excess of requirement provided under the Companies Act, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities,
- (ii) the Board of the Company shall pass a resolution to that effect

8. Focus Areas

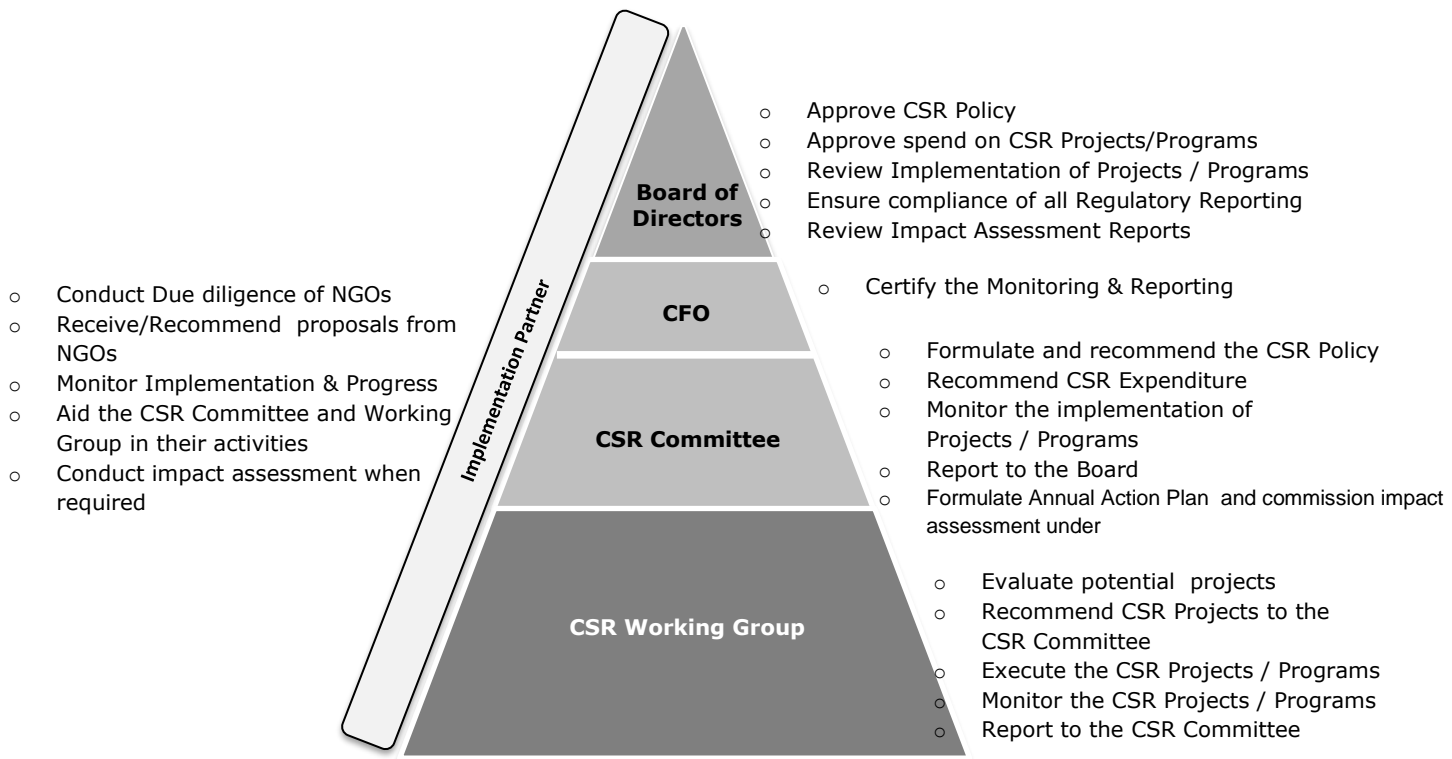
The Company shall undertake CSR Projects / Programs that are aligned with areas listed in Schedule VII of the Act, within the geographical limits of India, for the benefit of marginalized, disadvantaged and underserved sections of the community and the environment.

The detailed list of CSR Projects should be within the scope of the following activities:

- i. Eradicating hunger, poverty and malnutrition, promoting health care, including preventive health care and sanitation, including contribution to the Swacch Bharat Kosh set-up by the Central Government for the promotion of sanitation, and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens, measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects;
- xi. Slum area development (Amendment Notification dated 6th August 2014)
- xii. Such other activities as may be specified under the Act or CSR Rules from time to time.

9. Governance Framework

The Governance Structure for CSR Projects / Programs undertaken by the Company shall be as represented below:



Board of Directors - The Board of Directors of the Company will be responsible for:

- Setting up the CSR Committee as per the Act;
- Approving the CSR policy and list of activities as per Annexure A as formulated by the CSR Committee;
- Ensuring that in each financial year the Company spends at least 2% of the average net profit made during the three immediate preceding financial years;
- Ensuring that every financial year, funds committed by the Company for CSR Projects / Programs are utilized effectively, and regularly monitoring implementation;
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR Projects / Programs on the Company website; if any &
- Ensuring annual reporting of CSR Policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format, if required
- Reviewing and amending the Annual Action Plan, during the course of the financial year based on reasonable justification to that effect;

Chief Financial Officer (CFO): The CFO of the Company or the person responsible for Financial Management affairs of the Company shall certify that the funds disbursed have been utilized for the purpose in the manner approved by the Board on a periodic basis.

CSR Committee - The CSR Committee will consist of all the directors on the Board of the Company.

The CSR Committee will be responsible for:

- Formulating the CSR Policy in compliance with the Act;
- Identifying Projects / Programs to be undertaken as per Schedule VII of the Act;
- Recommending to the Board the CSR expenditure to be incurred;
- Regularly monitoring the implementation of the CSR Policy;
- Identifying and engaging with partners such as NGOs, business partners etc. for effective implementation of the CSR Policy;
- Constituting a transparent monitoring mechanism to ensure implementation of the CSR Projects / Programs undertaken by the Company;
- Reporting to the Board on the progress of the various CSR Projects / Programs and spends on a regular basis; and
- Recommending to the Board, modifications to the CSR policy as and when required.

CSR Working Group – The CSR Working Group will comprise of senior representatives from Nomura offices such as Country Head, Chief Administrative Officer Chief Financial Officer, Head of Legal, Head of Compliance, Head of HR & CSR, etc.

The CSR Working Group will be responsible for:

- Select Implementation partner that will assist the CSR Working Group in the execution of its responsibilities. Oversee the due diligence of the potential Implementation partner conducted by procurement team and recommend the shortlisted Implementation partner to the CSR Committee.
- Evaluate potential projects, in conjunction with the selected Implementation partner and select NGOs and CSR projects that are of greatest strategic importance to Nomura.
- Request Implementation partner to conduct due diligence of the potential NGOs and the respective CSR projects.
- Discuss potential project proposals in the Working Group Meeting and submit the minutes of the meeting to the CSR Committee.
- Recommend the final CSR projects to the CSR Committee of the Board
- Oversee implementation of the projects as per implementation plans
- Track and maintain progress reports for the projects through Implementation partner.
- Update the CSR Committee and the Board about the progress of the projects periodically
- Conduct impact assessment of projects, as required.
- Undertake measures to facilitate and enhance employee engagement in CSR activities
- CSR Working Groups prior to presenting/suggesting any new NGO partner to the CSR Committee may choose to discuss the project details and NGO details with Head of Legal and/or Head of Compliance and/or Country Head.
- Meet as a group periodically, along with the Implementation partner, to review project proposals, oversee progress of CSR projects in terms of programmatic achievements and financial utilization; review documents and presentations for the CSR Committee and the Board; and any other CSR related matters that require attention.

10. Formulating the Annual Action Plan

The CSR Committee shall, at the beginning of each financial year, submit an annual action plan to the Board detailing the list of CSR activities planned for that financial year, along with the proposed implementation schedules, monitoring mechanism and if impact assessment is required to be undertaken in case of applicable projects. The CSR Committee will monitor the implementation of the CSR projects and recommend changes to the action plan during the year if so required and recommend such amended plan to the Board, along with sufficient justification for such changes

The CSR committee will submit an Action Plan to the Board. The plan encompasses the following components;

Section 1 - Summary

- a. CSR budget allocated
- b. CSR budget pending for allocation
- c. CSR budget utilized by implementation agencies

Section 2 - Detailed plan (covering allocation and utilization)

- a. List of approved projects
- b. Implementation mode and timelines
- c. Budget

Programmatic and Financial utilization status

11. Planning & Implementation

The Company's CSR Projects / Programs will, to the extent possible, include components such as:

- Clearly defined objectives developed out of existing societal needs or determined through baselines / studies / research, where considered necessary / feasible
- Identified sectors, geographies and target group / beneficiaries
- Milestones / Targets and timelines
- Specification of annual financial allocation
- Robust monitoring system
- Reporting framework and system

The mode of implementation of CSR programs will include a combination of direct implementation and through implementing agencies. The Company will select its implementing agencies after appropriate due diligence in accordance with applicable laws.

The Company may use services of expert agencies, consultancy firms, international agencies as defined under the CSR Rules 2021, etc. wherever required for carrying out surveys, guidance on project design and implementation, impact assessment surveys, etc.

12. Monitoring & Reporting

A comprehensive monitoring framework shall be devised by the Company to ensure that all Projects / Programs are duly implemented as per the CSR Policy. The Company's CSR Committee shall monitor the approved projects. The monitoring and reporting mechanism will include program review, evaluation, documentation and reporting.

13. Impact Assessment

Mandatory impact assessment will be undertaken as per the criteria specified under applicable law, and that the impact assessment reports will be placed before the Board and disclosed as per the Act and CSR Rules.

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