

Board of Directors of Nomura Bank International plc
Terms of Reference

1. Constitution

1.1 In accordance with the Articles of Association of Nomura Bank International plc (the "**Company**" or "**NBI**"), the Board of Directors of the Company (the "**Board**") has responsibility for the oversight, governance and direction of the business and affairs of the Company. The Board has delegated authority to the Nomura Europe Holdings plc ("**NEHS**") Board of Directors and its Committees to consider matters on behalf of the Company, as appropriate. This authority extends to the consideration of issues impacting NBI as a stand-alone entity, including the reporting of such issues to the Board. This authority does not extend to any matters which are reserved for decision by the Board.

2. Membership

2.1 Subject to the Articles of Association of the Company, the Board consists of the following:

2.1.1 a Chair (an Independent Non-Executive Director);

2.1.2 the Chief Executive Officer;

2.1.3 the Chief Financial Officer, EMEA;

2.1.4 the Global Chief Risk Officer; and

2.1.5 such other Directors as may be determined from time to time.

2.2 At the invitation of the Chair, non-members may attend all or part of any meeting as and when appropriate and necessary, including the acting NBI Chief Operating Officer and an Internal Audit representative who may participate in and facilitate discussion but shall not participate in business decision making.

2.3 The Company Secretary will attend Board meetings.

2.4 Appointments to the Board are recommended by the NEHS Governance and Nomination Committee. The overall composition of the Board will be reviewed periodically by the NEHS Governance and Nomination Committee.

2.5 The Board, in consultation with the NEHS Governance and Nomination Committee, shall appoint the Chair. In the absence of the Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2.6 Decisions of the Board will be decided by a majority vote of the Directors present at the meeting and entitled to vote.

2.7 The Chair shall have a second, casting vote on any matter that the Board considers.

3. Chair

3.1 The Chair is appointed by the Board.

3.2 The principal responsibilities of the Chair are to:

3.2.1 lead the Board to ensure its effectiveness on all aspects of its role and fully discharges its legal and regulatory responsibilities;

3.2.2 promote a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors in particular and ensuring constructive relations between Executive and Non-Executive Directors;

3.2.3 ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and long term objectives;

3.2.4 ensure that the Board has effective decision-making processes and that the Board reviews and monitors the implementation of key decisions; and

3.2.5 ensure that the Board receives accurate, timely and clear information on the Group's performance, issues, challenges and opportunities and the Matters Reserved to the Board for its decision.

4. Chief Executive Officer (the "CEO")

4.1 The CEO's role is to run the Group's business while being accountable and reporting to the Board.

4.2 The principal responsibility of the CEO is to propose and develop the Group's strategy and overall commercial objectives, in close consultation with the Chair and the Board, ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and long term objectives.

4.3 Other responsibilities of the CEO are set out in the formal Delegation of Authority document as approved by the Board from time to time.

5. Secretary

5.1 The Company Secretary, or his or her nominee, shall act as the Board Secretary.

5.2 The Company Secretary is responsible for notifying all Board members and circulating the agenda and relevant information in advance of each meeting. The Chair will agree the agenda and information to be distributed. All Board members are to receive all appropriate information on a timely basis. This is to include reports on business performance, matters discussed and decisions taken by any Committee, risk reports, internal control, legal and

regulatory issues, administration and infrastructure topics and management and financial accounts.

- 5.3 A record of the meetings of the Board are kept in the minutes which are the responsibility of the Company Secretary, who ensures these are formally kept and distributed to all Directors.

6. Quorum

- 6.1 The quorum necessary for the transaction of business shall be two Directors. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board.

7. Frequency of meetings

- 7.1 The Board shall meet at least four times per calendar year and as required, on a date determined by the Chair.
- 7.2 Meetings may be conducted by telephone or video-conference and decisions made by such means shall be appropriately recorded and shall have the same effect as those conducted in person.

8. Notice of meetings

- 8.1 Meetings of the Board shall be convened by the Company Secretary at the request of the Chair
- 8.2 Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Board and any other person required to attend with reasonable notice in advance of the meeting. Supporting papers shall be sent to Board members and to other attendees as appropriate in advance of each meeting.

9. Principles

- 9.1 The Board determines which matters shall be reserved for decisions by the Board itself (see Appendix 1: Matters Reserved for Decision by the Board of Directors).
- 9.2 Each Director should bring independent judgement to bear when considering matters presented to the Board.
- 9.3 Each Director will be provided with appropriate and timely training, both in the form of an induction programme for new Directors and on an ongoing basis for all members. The Chair is responsible for assessing the training needs of Board members.

- 9.4 The Directors are responsible for, amongst other things, on an annual basis, approving the formal review of the monitoring the effectiveness of the services provided by Nomura International plc (“NIP”) under the Service Level Agreement (“SLA”) between NIP and the Company.
- 9.5 The Directors are also responsible for, amongst other things, the preparation of the annual financial statements of the Company and for the approval thereof. They are also responsible for ensuring proper accounting records are maintained, for safeguarding the Company's assets, for the application of appropriate accounting policies and for the maintenance of effective systems of internal control. The systems, internal control mechanisms and arrangements that are established must take into account the nature, scale and complexity of the business and the nature and range of financial services and activities undertaken during the course of business.
- 9.6 The Board has overall responsibility for the oversight over the Company's compliance with the FCA and PRA's Principles for Business and acknowledges its role in facilitating relationships between the Company and the FCA and PRA. The Board seeks to ensure that the Company operates in an open and responsive manner with the FCA and PRA.
- 9.7 The Board endorses the principles contained within the Nomura Group's Code of Ethics and Vision Statement and Values and is committed to ensuring the same are promoted.
- 9.8 The Board should have regard to, amongst other things, the following factors in deciding whether a particular course of action would most likely promote the success of the Company:
- 9.8.1 the likely consequences of any decision in the long term;
 - 9.8.2 the need to foster the Company's business relationships with suppliers, customers and others;
 - 9.8.3 the impact of the Company's operations on the community and the environment;
 - 9.8.4 the desirability of the Company maintaining a reputation for high standards of business conduct; and
 - 9.8.5 the need to act fairly as between members of the Company.

10. Committees, Sub-Committees and Forums

- 10.1 The Board may establish Committees, Sub-Committees or Forums, which shall have the responsibilities determined by the Board.
- 10.2 In accordance with the Terms of Reference for each Committee of the Board, each Committee Chair is responsible for ensuring that the Board is briefed in an appropriate and timely manner on the matters considered and decisions made by each Committee. In accordance with the relevant Terms of Reference any such Committee shall have the authority to sub-delegate

to Sub-Committees or Forums (being defined as non-voting bodies formed for the purpose of detailed discussion to be referred to the relevant Committee) any powers or discretions delegated to it.

- 10.3 The Board has delegated responsibility to the Regional Transaction Committees and Regional New Product Review Committees, to review and authorise business approvals, investments, business strategies, products and transactions and to monitor progress on existing transactions subject to the attendance of a NBI representative where required.

11. Changes to the Terms of Reference

- 11.1 Substantive changes to these Terms of Reference must be approved by the Board.
- 11.2 Administrative amendments to these Terms of Reference may be made by the Chair of the Board and the NBI Company Secretary as necessary.

**Appendix 1 to the Board of Directors of
Nomura Bank International plc
Terms of Reference**

Matters Reserved for Decision by the Board of Directors

1.	Strategy and Management
1.1	Responsibility for the overall leadership of the Company and setting the Company's values and standards and effective oversight of the framework within which the senior management operate.
1.2	Approval of the Company's strategic aims and objectives, including the endorsement and promotion of the principles contained within the Nomura Group's (being Nomura Holdings, Inc. ("NHI") and its global subsidiaries and affiliates) Code of Ethics, Vision Statement and Values.
1.3	Approval of strategic initiatives or decisions which are likely to be of material significance in terms of the Company's future profitability, organisation or infrastructure, including the extension of the Company's activities into new business or geographic areas, client segment, or any decision to cease to operate all or any material part of the Company's business.
1.4	Monitor and periodically assess the adequacy of the implementation of the Company's strategic aims, objectives, business plans and ensure that any necessary corrective action is taken. Such matters may be first considered by the Business Executive Committee which may make recommendations to the Board.
1.5	Oversight of the Company's operations by ensuring: <ul style="list-style-type: none"> (i) the effectiveness of the functions performed by NIP under the SLA; (ii) effective and prudent management; (iii) sound planning; (iv) maintenance of sound management and internal control systems; (v) integrity of accounting, financial reporting systems and other records; (vi) compliance with statutory and regulatory obligations; and (vii) effective internal governance.
1.6	Review of the Company's business model to ensure that it continues to meet the minimum threshold conditions as required by the Regulators.
2.	Structure and Capital
2.1	Changes relating to the Company's capital structure including reduction of capital, share issues and share buy backs.
2.2	Decisions on capital, liquidity and regulatory matters as may be referred to the Board by any of its Committees or Sub-Committees.
2.3	Major changes to the Company's corporate structure, including, but not

	limited to acquisitions and disposals of shares which are material relative to the size of the Company (taking into account initial and deferred consideration).
2.4	Any changes to the Company's name or status as a plc.
3.	Financial Reporting and Controls
3.1	Approval of the Annual Report and Accounts.
3.2	Approval of any Dividend Policy.
3.3	Declaration of any interim dividend and recommendation of any final dividend.
3.4	Approval of any significant changes in accounting policies or practices. Such matters may first be considered by the NEHS Audit Committee who may make recommendations to the Board.
3.5	Approval of the ICAAP, regulatory treasury policies, including the ILAA/ILAAP, and RRP documents.
3.6	Approval of any material cost items greater than US \$1 million in relation to which expenditure is proposed to be incurred.
4.	Oversight of Internal Controls
4.1	<p>Ensuring the maintenance of a sound system of internal controls and risk management including:</p> <ul style="list-style-type: none"> (i) the effectiveness of the functions performed by NIP under the SLA; (ii) setting and approving the Risk Appetite Statement for the Company on recommendation by the NEHS Prudential Risk and NEHS Financial Conduct Committees; (iii) receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives and regulatory compliance; (iv) approving procedures for the detection of fraud and the prevention of bribery as recommended by the NEHS Financial Conduct Committee; (v) reviewing the results of an annual assessment of these processes; and (vi) approving an appropriate statement for inclusion in the annual report.
4.2	The setting of the risk appetite in relation to, and oversight of, liquidity risk. Such matters may be first considered by the NEHS Prudential Risk Committee.
5.	Contracts
5.1	Approval of major investments other than in relation to day-to-day business activity.

6.	Communication
6.1	Ensuring a satisfactory dialogue with the shareholder based on the mutual understanding of objectives.
6.2	Approval of press releases and regulatory disclosures and communications concerning matters decided by the Board.
7.	Board Membership and Other Appointments
7.1	Approval of changes to the structure, size and composition of the Board (including the selection of the Chair and Chief Executive Officer) as well as Committee membership and Chairmanship as recommended by the NEHS Governance and Nomination Committee.
7.2	Ensuring adequate succession planning for the Board so as to maintain an appropriate balance of skills and experience on the Board, as recommended by the NEHS Governance and Nomination Committee.
7.3	Approval of the continuation in office of any Director, including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the law and their service contract, as recommended by the NEHS Governance and Nomination Committee.
7.4	Appointment or removal of the Company Secretary.
7.5	Appointment and replacement of the Compliance Officer.
7.6	Appointment, reappointment or removal of the external auditor to be put to the shareholders for approval at the AGM, in consultation with representatives of NHI following the recommendation of the NEHS Audit Committee.
7.7	The Chief Risk Officer, EMEA shall: (1) not be removed without prior approval of the Board; and (2) have direct access to the Board where necessary.
8.	Delegation of Authority
8.1	Ensuring division of responsibilities between the Chair and the Chief Executive are clearly established,
8.2	Approval of the delegated levels of authority, including the Chief Executive's authority limits (which must be in writing).
8.3	Establishing Board Committees and approving their terms of reference, including any material changes thereto.
8.4	Receiving reports from NEHS Board Committees on their activities where relevant to the Company.
9.	Corporate Governance and Policies
9.1	Determining the independence of Non-Executive Directors in light of their character, judgement and relationships.
9.2	Review, approve and monitor the effectiveness of the Company's overall

	corporate governance arrangements.
9.3	Receiving reports on the views of the Company's shareholder(s) to ensure that they are communicated to the Board as a whole.
9.4	Approval of conflicts of interest or potential conflicts of interest of Directors in accordance with the Company's Articles of Association.
9.5	Decisions on the wording of any changes to be recommended to the Memorandum and Articles of Association and any other constitutional documents of the Company.
9.6	Approval of any NBI specific policies and procedures and/or any material changes of any existing NBI specific policies and procedures which require Board ratification for regulatory purposes, or which the Chair has requested be approved by the Board, and take appropriate steps to address any deficiencies.
10.	Other
10.1	Review and approval of any political donations.
10.2	If escalated at the discretion of the EMEA General Counsel, following consultation with the CEO (unless in circumstances where it is not appropriate to consult with members of any senior management), approval of prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism being otherwise material to the interests of the Group.
10.3	Approval of any decision likely to have a material impact on the Company from any perspective, including, but not limited to, financial, operational, strategic or reputational.
10.4	This schedule of matters is reserved for Board decisions.