

Board of Directors of Nomura Europe Holdings plc
Terms of Reference

1. Constitution

1.1 In accordance with the Articles of Association of Nomura Europe Holdings plc (the "**Company**" or "**NEHS**"), 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. As the Company is the main European holding entity, certain of its subsidiaries and European affiliates (the "**Group**", as defined in paragraph 1.2.1 below) have delegated authority to the Board to consider matters on their behalf, as appropriate. This authority does not extend to any matters which are reserved for decision by the Board of Directors of any Group company, although the Board may make recommendations in relation to Group-wide issues.

1.2 For these purposes:

1.2.1 the "**Group**" shall mean NEHS, its subsidiaries and those entities which appear on the Nomura EMEA Structure Chart as amended from time to time (excluding Nomura Asia Holding N.V., Nomura Europe Finance N.V. and NIH 1 (Guernsey) Limited and its subsidiaries, which are outside of the scope of the Board); and

1.2.2 the "**Code**" shall mean the UK Corporate Governance Code as published by the Financial Reporting Council.

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 Executive Chair, EMEA;

2.1.4 the Global Chief Risk Officer;

2.1.5 the Chief Financial Officer, EMEA; and

2.1.6 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 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.

- 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 of the Board present shall elect one of themselves to chair the meeting.
- 2.6 The overall composition of the Board will be reviewed periodically by the NEHS Governance and Nomination Committee.
- 2.7 Decisions of the Board will be decided by a majority vote of the Directors present at the meeting and entitled to vote.
- 2.8 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. Senior Independent Director

5.1 The Senior Independent Director is appointed by the Board.

5.2 The principal responsibilities of the Senior Independent Director are to:

5.2.1 provide a sounding board for the Chair in the delivery of their objectives and serve as an intermediary to the other Directors where necessary to ensure that their views are given due consideration;

5.2.2 act as chair of the Board in the absence of the Chair or when matters concerning the Chair are considered;

5.2.3 chair the Nomination Committee when it is considering succession to the role of Chair, except in the case where the Senior Independent Director is a potential candidate for Chairmanship.

5.2.4 lead a meeting of the non-executive Directors without the Chair present at least annually to appraise the Chair's performance (taking into account the views of the executive Directors) and on such other occasions as are deemed appropriate; and

5.2.5 act as a conduit to the Board for the communication of shareholder concerns when other channels of communication are inappropriate.

6. Secretary

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

6.2 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, compliance reports, internal control, legal and regulatory issues, administration and infrastructure topics and management and financial accounts.

6.3 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.

7. Quorum

7.1 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.

8. Frequency of meetings

8.1 The Board shall meet at least six times in every calendar year and as required, on a date determined by the Chair. Board meetings may be held jointly with the board of Nomura International plc.

8.2 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.

9. Notice of meetings

9.1 Meetings of the Board shall be convened by the Company Secretary at the request of the Chair.

9.2 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.

10. Principles

10.1 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).

10.2 Each Director should bring independent judgement to bear when considering matters presented to the Board.

10.3 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.

10.4 The Board has established the following Committees, which shall have responsibilities determined by the Board:

10.4.1 NEHS Audit Committee;

10.4.2 NEHS Remuneration Committee;

10.4.3 NEHS Governance and Nomination Committee;

10.4.4 NEHS Prudential Risk Committee; and

10.4.5 NEHS Financial Conduct Committee.

- 10.5 The Directors are 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.
- 10.6 The Board has overall responsibility for 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.
- 10.7 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.
- 10.8 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:
 - 10.8.1 the likely consequences of any decision in the long term;
 - 10.8.2 the interests of the Company's employees;
 - 10.8.3 the need to foster the Company's business relationships with suppliers, customers and others;
 - 10.8.4 the impact of the Company's operations on the community and the environment;
 - 10.8.5 the desirability of the Company maintaining a reputation for high standards of business conduct; and
 - 10.8.6 the need to act fairly as between members of the Company.

11. Committees, Sub-Committees and Forums

- 11.1 The Board may establish Committees, Sub-Committees or Forums, which shall have the responsibilities determined by the Board.
- 11.2 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.

11.3 A representative from Internal Audit (acting in their capacity as observer) shall have a standing invitation to the following Committees:

11.3.1 NEHS Audit Committee;

11.3.2 NEHS Remuneration Committee;

11.3.3 NEHS Governance and Nomination Committee;

11.3.4 NEHS Prudential Risk Committee; and

11.3.5 NEHS Financial Conduct Committee.

11.4 From time to time, a representative from Internal Audit may also attend other meetings of the Board's Committees. When attending any Committee meeting, either as an invitee or on a periodic basis, the Internal Audit representative may participate in and facilitate discussion but shall not participate in any business decision making.

12. Changes to the Terms of Reference

12.1 Substantive changes to these Terms of Reference must be approved by the Board.

12.2 Administrative amendments to these Terms of Reference may be made by the Chair of the Board and the NEHS Company Secretary as necessary.

**Appendix 1 to the Board of Directors of
Nomura Europe Holdings 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, setting the Company's values and standards and effective oversight of the framework within which the senior management operate.
1.2	Approval of the Group's strategic aims and objectives, including the endorsement and promotion of the principles contained within the Nomura Group's (being Nomura Holdings, Inc. and its global subsidiaries and affiliates) Code of Ethics, Vision Statement and Values.
1.3	Approval of the annual operating and capital expenditure budgets and any material changes to them. Such matters may be first considered by the EMEA Executive Committee (the "EEC") which may make recommendations to the Board.
1.4	Approval of strategic initiatives or decisions which are likely to be of material significance in terms of the Group's future profitability, organisation or infrastructure, including the extension of the Group's activities into new business or geographic areas, client segments or any decision to cease to operate all or any material part of the Group's business.
1.5	Monitor and periodically assess the adequacy of the implementation of the Group's strategic aims, objectives, business plans and budgets and ensure that any necessary corrective action is taken. Such matters may be first considered by the EEC which may make recommendations to the Board.
1.6	Oversight of the Group's operations by ensuring: <ul style="list-style-type: none"> (i) effective and prudent management; (ii) sound planning; (iii) maintenance of sound management and internal control systems; (iv) integrity of accounting, financial reporting systems and other records; (v) compliance with statutory and regulatory obligations; (vi) effective internal governance .
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 including the corporate governance statement and any other periodic interim statement advertised or issued to shareholders of the Company.
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 ILAAP, and RRP documents.
3.6	Approval of material unbudgeted capital or operating expenditures greater than \$30m.
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) setting and approving the Risk Appetite Statement for the Group on recommendation by the NEHS Prudential Risk and NEHS Financial Conduct Committees; (ii) receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives and regulatory compliance; (iii) approving procedures for the detection of fraud and the prevention of bribery as recommended by the NEHS Financial Conduct Committee; (iv) reviewing the results of an annual assessment of these processes; and (v) 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.
5.2	Approval of any major changes to the Group's pension scheme.
6.	Communication
6.1	Ensuring a satisfactory dialogue with shareholders 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 and senior management (defined as members of the EEC) so as to maintain an appropriate balance of skills and experience within the Company and on the Board, as recommended by the NEHS Governance and Nomination Committee.
7.3	Approval of the continuation in office of any Director at the end of their term of office, 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.	Remuneration
8.1	Approval of the Group's remuneration policy, as recommended by the NEHS Remuneration Committee.
8.2	Approval of new share incentive arrangements or major changes to existing plans, as recommended by the NEHS Remuneration Committee.
9.	Delegation of Authority

9.1	Ensuring division of responsibilities between the Chair and the Chief Executive are clearly established.
9.2	Approval of the delegated levels of authority, including the Chief Executive's authority limits (which must be in writing).
9.3	Establishing Board Committees and approving their terms of reference, including any material changes thereto.
9.4	Receiving reports from Board Committees on their activities.
10.	Corporate Governance and Policies
10.1	Define, oversee and be accountable for the implementation of the governance arrangements to ensure effective and prudent management of the Group. This shall include the conflicts of interest management and prevention framework.
10.2	Monitor and periodically assess the adequacy of the governance arrangements by undertaking a formal and rigorous annual review of its own performance, that of its Committees and individual Directors, and take steps to address any deficiencies.
10.3	Determining the independence of Non-Executive Directors in light of their character, judgement and relationships.
10.4	Review, approve and monitor the effectiveness of the Group's overall corporate governance arrangements.
10.5	Receiving reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole.
10.6	Approval of conflicts of interest or potential conflicts of interest of Directors in accordance with the Company's Articles of Association.
10.7	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.
10.8	Approval of policies and procedures and/or any material changes of any existing policies and procedures which require Board approval for regulatory purposes, or which the Chair has requested be approved by the Board, and take appropriate steps to address any deficiencies.
10.9	Approval of the Modern Slavery Act Statement, pursuant to the Modern Slavery Act 2015, for and on behalf of the Company and its subsidiaries Nomura International plc and Nomura Bank International plc.
11.	Other
11.1	Review and approval of any political donations.
11.2	If escalated at the discretion of the 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.
11.3	Approval of any decision likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.
11.4	Oversight of the Group's Conduct & Culture Programme.
11.5	This schedule of matters is reserved for Board decisions.