

Remuneration Committee of Nomura Europe Holdings plc
Terms of Reference

1. Constitution

1.1 The principles of good governance apply to all Boards and Committees. An effective Board also relies on effective Committees, in their work, to provide challenge, oversight and scrutiny. This in turn will assist the Board to make informed decisions in line with its legal, regulatory and statutory obligations and provide effective oversight of risks and all other relevant matters. The Board of Directors (the "**Board**") of Nomura Europe Holdings plc ("**NEHS**") has established a Non-Executive Committee of the Board to be known as the NEHS Remuneration Committee (the "**Committee**") to provide challenge, oversight and scrutiny and be responsible for recommending to the Board remuneration policies for the Group (as defined in paragraph 1.2 below) and to ensure that the duties set out in paragraph 8 of these Terms of Reference are properly discharged in line with global remuneration strategy.

1.2 For these purposes:

1.2.1 the "**Relevant Entities**" shall mean NEHS, Nomura International plc ("**NIP**"), Nomura Bank International plc ("**NBI**"), Nomura Capital Markets Limited, Nomura European Investment Limited and Nomura Properties plc and any other entities that appear on the Nomura EMEA Structure Chart, as amended from time to time and that meet the requirements of the Capital Requirements Directive IV ("**CRD IV**");

1.2.2 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., and Nomura Europe Finance N.V and NIH 1 (Guernsey) Limited and its subsidiaries, which are outside of the scope of the Committee; and

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

2. Membership

2.1 The Committee shall consist of at least three of the UK based Non-Executive Directors of NEHS, the majority of whom should be independent. The Chair of the Board of NEHS (the "**Board Chair**") shall have the right to serve on the Committee regardless of his or her independence. Members of the Committee will be appointed by the Board, on the recommendation of the NEHS Governance and Nomination Committee and in consultation with the Chair of the Committee (the "**Chair**").

2.2 The following individuals are expected to attend all meetings as standing attendees:

- 2.2.1 the Chief Executive Officer;
- 2.2.2 the Executive Chair, EMEA;
- 2.2.3 the Chief Financial Officer, EMEA;
- 2.2.4 the Chief Risk Officer, EMEA;
- 2.2.5 the Head of Compliance, EMEA;
- 2.2.6 the General Counsel, EMEA;
- 2.2.7 the Head of Human Resources, EMEA;
- 2.2.8 the Global Head of Compensation and Benefits;
- 2.2.9 the EMEA Head of Compensation and Benefits; and
- 2.2.10 an Internal Audit representative.

2.3 At the invitation of the Chair, other non-members may attend all or part of any meeting as and when appropriate and necessary. The Internal Audit representative may participate in and facilitate discussion but shall not participate in any decision making.

2.4 Appointments to the Committee shall be for a period of no more than three years, extendable by no more than two additional three-year periods, so long as the majority of members (other than the Board Chair, if he or she is a member) continue to be independent Non-Executives.

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. The Board Chair shall not be the Chair.

3. Voting

3.1 Only members of the Committee are entitled to vote at Committee meetings.

3.2 Where recommendations from the Committee are not unanimous, the Chair shall reflect in recommendation to the Board any conflicting views.

4. Secretary

4.1 The Head of Compensation and Benefits, EMEA, or his or her nominee, shall act as the Committee Secretary.

4.2 The Committee Secretary will ensure the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to agenda items. In addition, the Committee Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance. Draft minutes of the Committee meetings shall be circulated promptly to all members of the Committee and will be formally approved by the Committee at the following meeting. A summary from each Committee meeting will be presented by the Chair at the next Board meeting.

5. Quorum

5.1 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee 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 Committee.

6. Frequency of meetings

6.1 The Committee shall meet at least four times per year at appropriate intervals and as otherwise required.

6.2 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.

7. Notice of meetings

7.1 Meetings of the Committee shall be convened by the Committee Secretary at the request of the Chair, the Head of Human Resources, EMEA, or any of its members if they consider it necessary.

7.2 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 Committee and any other person required to attend, with reasonable notice in advance of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, with reasonable notice in advance of the meeting.

8. Duties

8.1 The Committee shall carry out the duties below for the Relevant Entities and the Group as a whole as appropriate.

- 8.2 The Committee shall determine and recommend to the Board for approval, the framework or broad policy for the remuneration of employees of the Group.
- 8.3 Subject to the Articles of Association of NEHS and each company in the Group, the fee paid to each Non-Executive Director shall be determined by the Chair (only where the Chair's fee is not being considered), the Chief Executive Officer and EMEA Head of HR under a direct delegation of authority from the Board.
- 8.4 No Director or individual shall be involved in any decisions as to their own remuneration.
- 8.5 In determining remuneration policy, the Committee shall take into account all factors it deems necessary including relevant laws (e.g., the Equal Pay Act and Modern Slavery Act), applicable local and regional regulations (including the relevant provisions of the PRA Rulebook and FCA Handbook), and regulatory guidance (including European Banking Authority ("EBA") Guidelines on Sound Remuneration and PRA / FCA Policy and Supervisory Statements) and the provisions and recommendations of the Code and associated guidance.
 - 8.5.1 The remuneration policy shall be consistent with, and promote, sound and effective risk management and shall not encourage risk taking that exceeds the Group's risk appetite or provide an incentive to breach the Group's policies and procedures including the Employee Code of Conduct. The remuneration policy should align with the business strategy, objectives, values and long term interests of the Group and should foster a strong and appropriate culture across the Group.
- 8.6 When setting remuneration policy for Directors, the Committee shall review and have regard to remuneration trends across the Group.
- 8.7 The Committee will, annually, review and recommend for approval by the Board the ongoing appropriateness and relevance of the remuneration policy.
- 8.8 Subject to 8.4 above, the Committee shall, within the terms of agreed policy and in consultation with the Board Chair and/or the Chief Executive Officer as appropriate, review and recommend to the Board for approval recommendations for the total individual remuneration of:
 - 8.8.1 the Board Chair;

- 8.8.2 the Chief Executive Officer;
 - 8.8.3 the Executive Directors;
 - 8.8.4 the Company Secretary;
 - 8.8.5 the Heads of the Risk, Compliance, Human Resources, Finance and Internal Audit functions;
 - 8.8.6 a summary of the most highly remunerated employees of the Group (or such other number as shall be determined by the Committee from time to time);
 - 8.8.7 Banque Nomura France management personnel;
 - 8.8.8 Nomura Alternative Investment Management (Europe) Limited management personnel; and
 - 8.8.9 all employees escalated to the Committee through the Compensation Control Process by reason of their conduct.
- 8.9 The Committee may also request to review recommendations in respect of any other individuals or groups of individuals as it is deemed necessary and appropriate to do so (including, but not limited to, all employees identified as Material Risk Takers or employees involved in a material failure of risk management whether or not escalated via the Compensation Control Process).
- 8.10 The Committee may, at its request, obtain reliable, up-to-date information about remuneration in other companies and shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board.
- 8.11 The Chair shall, in respect of regulated entities within the Group (including Banque Nomura France), attest annually that the remuneration policies and practices of the Group satisfy the legal and regulatory requirements set out at 8.5 above.

9. Reporting responsibilities

- 9.1 The Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10. Other matters

10.1 The Committee shall:

- 10.1.1 have access to sufficient resources, in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- 10.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members. The Chair is responsible for assessing the training needs of the Committee members;
- 10.1.3 give due consideration to laws and regulations, the provisions of the Code and any other applicable rules, as appropriate;
- 10.1.4 have regard to any relevant advice from the NEHS Audit Committee, the NEHS Financial Conduct Committee, the NEHS Prudential Risk Committee, the heads of the Risk, Compliance, Human Resources, Finance and Internal Audit function concerning the effectiveness of remuneration policy;
- 10.1.5 oversee any investigation of activities which are within these Terms of Reference; and
- 10.1.6 work and liaise with all other Board Committees, in particular the NEHS Financial Conduct Committee, NEHS Prudential Risk Committee and the NEHS Audit Committee to ensure that overlap of duties is avoided; and
- 10.1.7 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board. The Committee is subject to an annual effectiveness review by the Board and will be required to report that it has fulfilled its duties under the mandate delegated to it by the NEHS Board under the Terms of Reference in the NEHS Annual Report and Accounts.

11. Authority

11.1 The Committee is authorised to:

- 11.1.1 seek any information it requires from any employee of the Group in order to perform its duties;
- 11.1.2 obtain, at the expense of the appropriate legal entity, independent legal, accounting or other professional advice on any matter it believes is necessary to do so;

11.1.3 call any employee to be questioned at a meeting of the Committee as and when required; and

11.1.4 have the right to raise and discuss, with the appropriate Nomura Holdings, Inc. group functions, the details of any issues that cannot be resolved between the Committee and the Board.

11.2 The Committee may establish Sub-Committees and/or forums which will report to the Committee as necessary. The Committee shall on a timely basis consider and make decisions on all matters raised for its attention by any of its Sub-Committees and/or forums, including reports from the risk function as appropriate, and shall be entitled to seek any information it requires, including commissioning specific reports from the risk function as it deems necessary to fulfil its role.

12. Changes to the Terms of Reference

12.1 Substantive changes to the Committee's Terms of Reference must be approved by the Board.

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