

Policy on Related Party Transactions

Nomura Fixed Income Securities Private Limited

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1. PREAMBLE

The Board of Directors (the “Board”) of Nomura Fixed Income Securities Private Limited (the “Company” or “NFIS”), has adopted the following policy with regard to Related Party Transactions as defined below.

This policy is aimed at laying down a framework to a class of transactions between the Company and its Related Parties based on the applicable laws and regulations.

2. OBJECTIVE

This document provides the details of related party transactions between NFIS and its associated enterprise as per applicable laws and regulations. The Company proposes to categorize transactions into various classes (Annexure 2) and adopt the benchmarking mechanism as may be most appropriate to that class of transactions or as provided under the Indian Income Tax Laws.

3. DEFINITIONS

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company.

“**Board**” means Board of Directors of the Company

“**Related Party**”:

An entity shall be considered as related to the Company if:

- (i) Such entity is an associated enterprise under the Indian Income tax laws; or/and
- (ii) Such entity is a related party under the applicable accounting standards."

“**Policy**” means Related Party Transaction Policy.

“**Arm’s length transaction**” means a transaction between two related persons that is conducted as if they were unrelated, so that there is no conflict of interest.

4. DOCUMENTATION

It would be the joint responsibility of business and finance to ensure that adequate documentation is maintained to establish the transaction is at arm’s length.

ANNEXURE 1

ACRONYMS

Acronym	Description
NFASI	Nomura Financial Advisory and Securities (India) Pvt Ltd
NFIS	Nomura Fixed Income Securities Pvt Ltd
NCIPL	Nomura Capital (India) Pvt Ltd
NSL	Nomura Singapore Ltd
NSIPL	Nomura Services India Pvt. Ltd
NSFS	Nomura Structured Finance Services Pvt. Ltd
NISP	Nomura Investments (Singapore) Pte Ltd
NIHK	Nomura International (Hong Kong) Ltd
NHI	Nomura Holdings Inc.

ANNEXURE 2

CLASS OF TRANSACTIONS

Sr no	Nature of transaction	Brief description	Manner of pricing	Related Party
1	Cross charge for Occupancy cost	NFASI has signed lease agreements with the landlord and it allows usage of some portion by its various group companies necessitating cross charge for occupancy and related costs to NFIS.	Total occupancy cost is charged based on actual area used by respective entities	NFASI
2	Cross charge for Support costs	NFASI houses all the corporate divisions who support various group companies necessitating appropriate cross charge to NFIS.	Total support cost is charged based on Headcount allocated or time spent	NFASI
3	Purchase & sale of securities	NFIS purchases and sells securities such as corporate bonds, government securities and TBills with various related parties	Market price	NSL, NISP, NCIPL
4	Powai Cross charge	Powai provides support in areas of finance, legal, compliance etc	IT enabled services @cost + 6% (current markup) which is a global TP policy for similar services	NSIPL, NSFS
5	Inter corporate deposits	Borrowing	Interest is priced at 1 year G-sec or other appropriate method	NSIPL, NSFS, NFASI
6	Re-imbursement / Recovery of expense	At actuals	At actuals	NIHK etc
7	Commercial Paper	Borrowing	Interest is priced at similar instruments issued by other PD of same credit standing	NSL, NISP etc

8	Director & KMP remuneration	Remuneration	HR Compensation process	Directors, CFO etc
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Note: If a new class of transaction is added, this Policy would require a modification. However, addition / deletion of a related party for the same class of transaction would not require any modification.