

COMPLAINTS HANDLING POLICY

27 March 2019

INTRODUCTION

Nomura Securities Co., Ltd. (NSC) makes every effort to provide high-quality index services. NSC takes index user complaints very seriously, and strives to improve its operations based on such feedback. NSC acts for the benefit of index users as a matter of policy.

NSC acts as the licensor of intellectual properties related to NSC's indices, while the Index Operations Dept. (IOD) acts as administrator of the indices. The Complaints Handling Policy stipulates that the IOD handles any complaints made against NSC's indices in its role as administrator.

DEFINITION

The IOD's definition of what constitutes a "complaint" or an "enquiry" makes the difference between the two quite distinct. Complaints are defined as expressions of dissatisfaction from or on behalf of an eligible complainant against NSC's index determination. Alternatively, enquiries are other expressions relating to NSC's indices (i.e., communications which do not express dissatisfaction). Index users, market participants, and market authorities (regulatory authorities, self-regulatory organizations, regulated markets or exchanges) are all eligible to raise complaints with the IOD.

The IOD outsources index calculation and distribution functions to third parties. For example, Nomura Research Institute, Ltd. (NRI) is involved both as a calculation agent for NSC indices and as an index distributor that makes NSC's indices available to users through NRI's systems. Index users, market participants, and market authorities are advised to refrain from addressing complaints to individual vendors that are calculation agents or distributors of NSC's indices even if they are dissatisfied with NSC's indices. An index user, market participant, or market authority should address any complaint regarding any aspect of NSC's indices to the IOD only.

PRINCIPLE

- Complaints must be handled in a fair and timely manner.

PROCESS

- Complaints must be submitted to the IOD via e-mail (idx_mgr@jp.nomura.com).
- Complainants must provide the following details to allow for a proper investigation by and response from the IOD or NSC:
 - full name, organization, and telephone number of the complainant
 - index name, time period, index value, and supporting information for the complaint
- The IOD will ask the sender for additional information if any of the requirements above are not met.
- The IOD will judge whether the e-mail is a complaint or an enquiry.
- The IOD will answer in compliance with internal rules if the communication is classified as an enquiry.
- The IOD will acknowledge that the communication is a complaint to the sender and will commence its review and investigation into the complaint within two business days of delivery.
- The IOD will conduct a thorough investigation into the complaint without involving any personnel in charge of the index subject to the complaint and will escalate the complaint to the Compliance Division or the Index Governance Board (IGB) appropriately depending on the nature and the materiality of the complaint. The IOD will also consider appropriate preventive measures if deemed necessary as a result of the investigation.
- The time needed to handle a complaint will vary according to its nature, but the IOD will work to respond within two weeks. The IOD will notify the complainant of its response via e-mail as soon as reasonably possible after the conclusion of its investigation.
- The IOD will consider if the complaint should be escalated to the IGB in such cases where the complainant is not satisfied with its response.
- The IOD must retain records relating to complaints, investigations, preventive measures, and resolutions for at least five years subject to the applicable law or regulation.
- The IOD will review and mitigate operational vulnerability based on the result of its investigation. Mitigation measures may be reported to the Compliance Division or the IGB.
- Reference is given to the "Index Calculation Policy" when preventive measures result in material changes to NSC's indices.

NOTE

The information provided by the complainant may be used throughout the investigation and reporting processes and, as such, may not be kept confidential (in particular in connection with any related legal, regulatory, or other type of proceeding).

NSC handles the personal information received from clients subject to Japanese laws and regulations.

Further details:

[NSC (Japanese site) <https://www.nomura.co.jp/guide/privacy.html>

Nomura Holdings, Inc. (English site) https://www.nomuraholdings.com/policy/privacy_hd.html]

Any complaint or enquiry unrelated to the indices managed by the IOD will be escalated to the appropriate department of NSC based on NSC internal rules.

This policy should in principle be reviewed by the IOD annually, with the results of the review reported to the IGB and approved by the IGB when necessary.