

COMPLAINTS HANDLING POLICY

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**Nomura Securities Co., Ltd.
Global Research Division,
Financial Engineering & Technology Research Center
Index Operations Dept.**

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

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

DEFINITION

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 the NSC's index determination. Alternatively, enquiries are other expressions relating to the 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 IOD against the NSC's index determination.

NSC outsources the index calculation and distribution functions to third parties. For example, Nomura Research Institute, Ltd. (NRI) is involved both as a calculation agent for the NSC's indices and as an index distributor that makes the 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 the NSC's indices even if they are dissatisfied with the NSC's indices. An index user, market participant, or market authority should address any complaint regarding any aspect of the NSC's indices to IOD only.

PRINCIPLE

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

PROCESS

- Complaints must be submitted to IOD via e-mail (idx_mgr@jp.nomura.com).
- IOD will judge whether the e-mail is a complaint or an enquiry and whether it is related to the NSC's Indices or not. In order to seek professional advice on complaint handling, IOD may consult with the appropriate department of NSC in accordance with the NSC's internal rule.
- Any complaint or enquiry unrelated to the NSC's Indices will be directed to the appropriate department of NSC in accordance with NSC's internal rules.
- IOD will answer in compliance with the internal rules if the communication is classified as an enquiry.
- IOD will acknowledge that the communication is a complaint against the NSC's Indices and enter the following process.
- Complainants must provide the following details to allow for a proper investigation by and response from IOD or NSC:
 - Full name, organization, and telephone number of the complainant
 - Index name, time period, index value, and supporting information for the complaint
- IOD will ask the sender for additional information if any of the requirements above are not met.
- IOD will conduct thorough investigation into the complaint without involving any personnel in charge of the index subject to the complaint.
- IOD will commence its review and investigation into the complaint within two business days of delivery.
- IOD will escalate the complaint to the Compliance Division or the Index Governance Board (IGB).
- 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 IOD will work to respond within two weeks. However, if information provided by the complainant is inadequate or if a conflict of interest or a deviation from social norms is suspected, the response could be delayed.
- IOD will notify the complainant of its response via e-mail as soon as reasonably possible after the conclusion of its investigation. The complaint should be escalated to IGB in such cases where the complainant is not satisfied with its response as appropriate. However, if a complaint is judged as a deviation from social norms, the response could not be made at all.
- IOD must retain records relating to complaints, investigations, preventive measures, and resolutions for at least five years subject to the applicable law or regulation.
- IOD will review and mitigate operational vulnerability based on the result of its investigation. Mitigation measures may be reported to the Compliance Division or IGB.
- If a complaint results in material changes to the index determinations, NSC will disseminate this information to the index users and stakeholders in accordance with the procedures of changes to methodologies stipulated in “Index Calculation Policy” and the internal rules.

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

Revision history

Revision date	Details
March 27, 2019	First edition
January 24, 2020	Change overall