

# **COMPLAINTS HANDLING POLICY**

**December 30, 2024**

**Nomura Fiduciary Research & Consulting Co., Ltd.  
Index Services Department**

## **INTRODUCTION**

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

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

This policy should in principle be reviewed by ISD annually, with the results of the review reported to the Director in charge of ISD. Material changes on the policy require approval by the Strategic Solutions Committee.

## **DEFINITION**

ISD'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 NFRC's index determination. Alternatively, enquiries are other expressions relating to the NFRC'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 ISD against the NFRC's index determination.

NFRC 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 NFRC's indices and as an index distributor that makes the NFRC'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 NFRC's indices even if they are dissatisfied with the NFRC's indices. An index user, market participant, or market authority should address any complaint regarding any aspect of the NFRC's indices to ISD only.

## **PRINCIPLE**

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

## **PROCESS**

- Complaints must be submitted to ISD via e-mail (idx\_mgr@nfrco.jp).
- ISD will judge whether the e-mail is a complaint or an enquiry and whether it is related to the NFRC's Indices or not. In order to seek professional advice on complaint handling, ISD may consult with the Compliance Department in NFRC in accordance with the NFRC's internal rule.
- Any complaint or enquiry unrelated to the NFRC's Indices, but related to the services other departments in NFRC provide, are forwarded to those departments in accordance with NFRC's internal rules.
- ISD will answer in compliance with the internal rules if the communication is classified as an enquiry.
- ISD will acknowledge that the communication is a complaint against the NFRC's Indices and enter the following process.
- Complainants must provide the following details to allow for a proper investigation by and response from ISD or NFRC:
  - Full name, organization, and telephone number of the complainant
  - Index name, time period, index value, and supporting information for the complaint
- ISD will ask the sender for additional information if any of the requirements above are not met.
- ISD will conduct thorough investigation into the complaint without involving any personnel in charge of the index subject to the complaint.
- ISD will commence its review and investigation into the complaint within two business days of delivery.
- ISD will escalate the complaint to the Compliance Department and the Director in charge of ISD.
- ISD will also consider appropriate preventive measures or mitigation measures if deemed necessary as a result of the investigation.

- The time needed to handle a complaint will vary according to its nature, but ISD 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.
- The investigation result and mitigation measures are reported to the Compliance Department and the Director in charge of ISD. Non-urgent complaints are reported through Monthly In-House Inspection.
- ISD will notify the complainant of the investigation result and mitigation measures via e-mail as soon as reasonably possible after the conclusion of its investigation. The complaint should be escalated to the Director in charge of ISD 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.
- If a complaint results in material changes to the index determinations, NFRC 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**

ISD must retain records relating to complaints, investigations, preventive measures, and mitigation measures for at least five years subject to the applicable law or regulation.

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).

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

Further details:

- NFRC (Japanese site)

<https://www.nfrc.co.jp/nfr-t/policy/privacy.html>

### Revision history

<b>Revision date</b>	<b>Details</b>
March 27, 2019	First edition
January 24, 2020	Revisions to overall text
March 19, 2021	Partial revision of "PROCESS"
February 1, 2023	Revisions to overall text due to the business succession.
December 30, 2024	Partial revision of "PROCESS"