

Base Prospectus

HOTEI CAPITAL PLC

Programme for the issuance of Warrants

Guaranteed by

Nomura Holdings, Inc.

This document (the "**Base Prospectus**") constitutes a base prospectus in respect of the Programme (as defined below). Any Securities (as defined below) issued on or after the date of this Base Prospectus are issued subject to the provisions herein. This Base Prospectus constitutes a base prospectus for the purpose of Article 5.4 of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**").

Under the terms of the Programme for the issuance of Warrants described in this Base Prospectus (the "**Programme**"), Hotei Capital plc (the "**Issuer**") may from time to time issue warrants relating to a specified currency exchange rate or a basket of currency exchange rates (the "**Warrants**" or "**Securities**"). Each issue of Securities will be issued on the terms set out herein which are relevant to such Securities under "*Terms and Conditions of the Warrants*" (the "**General Conditions**"), as completed and/or amended by any applicable additional terms and conditions set out herein under "*Additional Terms and Conditions of the Warrants*" (the "**FX Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms (the "**Final Terms**") or the applicable series prospectus (the "**Series Prospectus**", and each reference in this document to "Final Terms" shall be construed as a reference to "the applicable Final Terms and/or Series Prospectus, as applicable").

Where the applicable Final Terms in respect of a series of Securities issued under the Programme specify the Securities are Guaranteed Warrants, Nomura Holdings, Inc. (the "**Guarantor**") will, pursuant to a deed of guarantee executed by the Guarantor on 2 May 2012 (the "**Guarantee**"), guarantee the payment obligations of the Issuer in respect of each series of Guaranteed Warrants issued under the Programme (see "*Form of Guarantee*") (the "**Guaranteed Warrants**"). The Guarantee will be governed by, and construed in accordance with, English law. The Securities will be governed by, and construed in accordance with, English law. **Prospective purchasers should note that the Guarantee will not be applicable in respect of a series of Securities unless expressly specified in the applicable Final Terms. If the applicable Final Terms in respect of any series of Securities do not state that the Guarantee is applicable to the Securities of such series, then such Securities will not have the benefit of the Guarantee or any other guarantee or similar arrangements from Nomura Holdings, Inc. or any other party.**

The Securities are unsecured and unsubordinated general obligations of the Issuer and not of any affiliate of that Issuer. The Guarantee is an unsecured and unsubordinated general obligation of the Guarantor and not of any of its affiliates.

The Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval has been sought for the purpose of giving information with regard to the issue of certain Guaranteed Warrants under the Programme on and during the period of 12 months after the date hereof. Such approval relates only to Guaranteed Warrants which are to be admitted to trading on the regulated market of the Irish Stock Exchange Limited (the "**Irish Stock Exchange**") or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

Application will be made to the Irish Stock Exchange for certain Guaranteed Warrants to be admitted to the Official List and trading on its regulated market. There is no guarantee that such application will be successful. References in this Base Prospectus to Securities being "listed" (and all related references) shall mean that such Guaranteed Warrants have been admitted to trading on the Irish Stock

Exchange's regulated market and have been admitted to the Official List. The regulated market is a regulated market for the purposes of Directive 2004/39/EC ("**MIFID**").

Arranger and Dealer

Nomura International plc

3 May 2012

IMPORTANT NOTICES

This document is a Base Prospectus in compliance with the Prospectus Directive, for the purpose of giving information with regard to the Issuer, the Guarantor and the Securities. Copies of this document in relation to the Securities to be issued during the period of 12 months from the date of this Base Prospectus have been filed with and approved by the Central Bank of Ireland in its capacity as competent authority in Ireland for the purposes of the Prospectus Directive. Copies of this document will be available, free of charge, to the public from the specified office set out below of the Principal Agent and the registered office of the Issuer. A copy of this Base Prospectus will be filed with the Irish Companies Registration Office within 14 days of approval as required by the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "**Irish Prospectus Regulations**").

The Programme provides that Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be agreed between the Issuer, the Guarantor in the case of Guaranteed Warrants and the relevant Dealer as specified in the Final Terms. The Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market. Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Certain issues of Securities involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment.

Each of the Issuer and the Guarantor (the "**Responsible Persons**") accepts responsibility for the information contained in this Base Prospectus and to the best of the knowledge of the Responsible Persons (each having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Guarantor accepts responsibility for the information contained in the sections entitled "*Description of Nomura International plc*", "*Description of the Guarantor*" and "*Form of Guarantee*". To the best of the knowledge and belief of the Guarantor, having taken all reasonable care to ensure that such is the case, the information contained in the sections entitled "*Description of Nomura International plc*", "*Description of the Guarantor*" and "*Form of Guarantee*" is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, none of the Dealers or the Arranger or the Principal Agent accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger, a Dealer or the Principal Agent or on any of their behalves in connection with the Issuer or the issue and offering of the Securities. The Arranger, each Dealer and the Principal Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Securities are the persons named in the applicable Final Terms as the relevant Dealer(s) or Manager(s) and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE SECURITIES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE MANAGER(S) OR DEALER(S) (AS THE CASE MAY BE)), IN CONNECTION WITH THE OFFER OR SALE OF THE SECURITIES AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the Issuer and the Guarantor (if applicable) for the information relating to the underlying specified, a specified currency exchange rate or a basket of currency exchange rates to which the relevant Securities relate and which is contained in such Final Terms.

No person has been authorised by the Issuer or the Guarantor to give any information or to make any representations other than those contained in this Base Prospectus or any other information supplied in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer of an issue of Securities. This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Securities or the distribution of this document in any jurisdiction where any such action is required.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor, or any Dealer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Securities should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any issue of Securities constitutes an offer or an invitation by or on behalf of the Issuer, the Guarantor or any Dealer or any other person to subscribe for or to purchase any Securities.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities made in connection herewith shall, under any circumstances, create any implication that:

- (a) there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented; or
- (b) that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented; or
- (c) that any other information supplied in connection with the Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of the Dealers, the Arranger or the Principal Agent undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Securities of any information coming to the attention of any of the Dealers or the Arranger.

The distribution of this Base Prospectus and the offering or sale of the Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus comes are to inform themselves about and to observe any such restrictions. The publication of this Base Prospectus is not intended as an offer or solicitation for the purchase or sale of any financial instrument in any jurisdiction where such offer or solicitation would violate the laws of such jurisdiction. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the United States, the European Economic Area and Ireland. For a description of certain further restrictions on offers and sales of Securities and distribution of this Base Prospectus, see "*Subscription and Sale*".

The Securities and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or under any state securities laws, and the Securities may not be offered, sold, transferred, pledged, delivered, exercised or redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person (as defined herein) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of

any State of the United States and any other jurisdiction. The Issuer has not registered and does not intend to register as an investment company pursuant to the United States Investment Company Act of 1940, as amended (the "**1940 Act**") and the rules thereunder in reliance on an exclusion from the definition of "investment company" pursuant to Section 3(c)(7) of the 1940 Act. Securities may be offered and sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Investors in the Securities will be deemed to have made or be required to make certain representations and warranties in connection with purchasing the Securities. See "*Notice to Purchasers and Holders of Securities and Transfer Restrictions*".

The Securities may not be acquired or held by, or acquired with the assets of, any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), any plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), an entity whose underlying assets include plan assets by reason of a plan's investment in such entity (collectively "**Benefit Plan Investors**"), or a governmental, church or non-U.S. plan subject to federal, state, local or non-U.S. laws substantially similar to Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**"), unless the purchase and holding of the Securities does not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violate the applicable provisions of any Similar Law. Purchasers of Securities on behalf of Benefit Plan Investors have exclusive responsibility for ensuring that their purchase and holding of the Securities does not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and by the purchase of Securities they will be deemed to have represented that the foregoing condition has been and will be met.

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**"), any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or adequacy of this Base Prospectus. Trading in the Securities has not been approved by the Commodity Futures Trading Commission (the "**CFTC**") pursuant to the U.S. Commodity Exchange Act, as amended (the "**CEA**"). Any representation to the contrary is a criminal offence in the United States.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Securities may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The credit ratings of the Guarantor referred to in this Base Prospectus have been issued by Standard & Poor's Ratings Japan, K.K. ("**S&P Japan**"), Moody's Investors Service Ltd., Rating and Investment Information, Inc. and Japan Credit Rating Agency, Ltd.

Standard and Poor's Ratings Japan, K.K. is not established in the European Union and has not applied for registration under the Regulation (EC) No. 1060/2009 (the "**CRA Regulation**"). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not either (a) issued or validly endorsed by a credit rating agency established in the European Union

and registered with the European Securities and Markets Authority ("ESMA") under the CRA Regulation) or (b) issued by a credit rating agency established outside the European Union which is certified under the CRA Regulation.

Standard & Poor's Credit Market Services Europe Limited ("**EU CRA affiliate**") is established in the European Union and is registered under the CRA Regulation. Moody's Investors Service Ltd. is established in the European Union and is registered under the CRA Regulation. Rating and Investment Information, Inc. is not established in the European Union and is not registered in accordance with the CRA Regulation. Japan Credit Rating Agency, Ltd. is not established in the European Union and has not applied for registration under the CRA Regulation, but it is certified in accordance with such Regulation. The ESMA has approved the endorsement by the EU CRA affiliate of credit ratings issued by S&P Japan. Accordingly, credit ratings issued by S&P Japan may be used for regulatory purposes in the European Union. The credit rating issued by Rating and Investment Information, Inc. is incorporated into this Base Prospectus for information purposes only.

The information set forth herein, to the extent that it comprises a description of certain provisions of the documentation relating to the transactions described herein, is a summary and is not presented as a full statement of the provisions of such documentation. Such summaries are qualified by reference to and are subject to the provisions of such documentation.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€" and "EUR" are to the Euro, "U.S.\$" and "USD" are to U.S. dollars, "GBP" and "£" are to pounds sterling and "yen" are to Japanese yen.

In connection with the issue of any Series of Securities, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms, as applicable, may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series and 60 days after the date of the allotment of the relevant Series. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

A Holder of a Warrant must pay all taxes, duties and/or expenses arising from the exercise and settlement of such Warrant. The Issuer shall not be liable for tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant and all payments will be made subject to any such tax, duty, withholding or other payment.

Notice of the aggregate number of Securities, issue price of the Securities, and any other terms and conditions not contained herein which are applicable to each series of Securities will be set out in the applicable Final Terms which, with respect to Securities to be admitted to the Official List and to be admitted to trading on the Irish Stock Exchange's regulated market or the subject of a public offer in Ireland will be filed with the Central Bank.

The Securities of each issue may be sold by the Issuer and/or any Dealer at such time and at such prices as the Issuer and/or the Dealer(s) may select. There is no obligation upon the Issuer or any Dealer to sell all of the Securities of any issue. The Securities of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer.

Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Securities. See "*Risk Factors*".

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of this Base Prospectus:

- the Form 20-F of the Guarantor for the years ended 31 March 2010 and 31 March 2011, each containing the auditors reports and the audited consolidated financial statements of the Guarantor for such years on pages F-1 to F-104 and F-1 to F-115, respectively (but excluding any documents incorporated therein).
- the Interim Operating and Financial Review of the Guarantor for the six months ended 30 September 2011 on Form 6-K, containing the auditors review and the unaudited interim consolidated financial statements of the Guarantor for such period on pages F-2 to F-75 (but excluding any documents incorporated therein)
- the Quarterly Securities Report Pursuant to the Financial Instruments and Exchange Act for the Nine Months Ended 31 December 2011 of the Guarantor on Form 6-K, containing the auditors review and unaudited consolidated financial statements of the Guarantor for such period on pages 24 to 84 (but excluding any documents incorporated therein).

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Base Prospectus. Any decision to invest in any Securities should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Issuer:	Hotei Capital plc.
Description:	Programme for the issuance of Warrants.
Guarantor:	Nomura Holdings, Inc. (only where specified in the Final Terms).
Substitution of Issuer and Guarantor:	Each of the Issuer and the Guarantor have a right of substitution as set out in General Condition 13.
Registrar:	Citigroup Global Markets Deutschland AG.
Principal Agent:	Citibank Europe plc.
Calculation Agent:	Nomura International plc (unless otherwise specified in the applicable Final Terms).
Dealers:	Nomura International plc and such other dealer(s) as may be appointed by the Issuer from time to time.
Counterparty:	In connection with each Series, the Issuer may enter into Derivative Agreements (as defined below) with Nomura International plc (the " Counterparty ").
Issue Price:	The Issuer may issue Securities at such price as shall be determined by the Issuer or the relevant Dealer appointed in respect of the issue.
Terms of Securities:	The Issuer may from time to time issue Securities linked to one or more currency exchange rates, and on such terms and as may be determined by the Issuer and specified in the applicable Final Terms.
Form of Securities:	Securities may be sold outside of the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act (" Regulation S "). Securities of each Series will be in registered form and will be represented by a Warrant in permanent global form (" Permanent Global Warrant ").
Settlement:	Settlement will be by way of cash payment.
Exercise Rights:	Warrants may be American Style Warrants or European Style Warrants. American Style Warrants are exercisable in the

manner set out in the Conditions on any Business Day during the Exercise Period. European Style Warrants are exercisable in the manner set out in the Conditions on the Exercise Date. The Warrants will be automatically exercised on the Expiration Date (in the case of American Style Warrants) or the Exercise Date (in the case of European Style Warrants).

Event of Default on Insolvency: The terms of the Securities contain events of default relating to the insolvency of the Issuer and, if applicable, the Guarantor.

Expenses and Taxation: The Issuer shall not be liable for tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise, settlement or enforcement of any Warrant and all payments will be made subject to any such tax, duty, withholding or other payment.

Amounts payable: Amounts payable in respect of the Securities will be calculated by reference to a specified currency exchange rate or a basket of currency exchange rates.

Additional Features: The applicable Final Terms will specify additional or other features.

General

Status of the Securities: The Securities are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without prejudice among themselves and (subject as aforesaid and save for such exceptions as may be provided by applicable legislation) at least equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

Status of the Guarantee: In respect of Guaranteed Warrants, the Issuer's payment obligations are unconditionally and irrevocably guaranteed by the Guarantor under the Guarantee. The obligations of the Guarantor under the Guarantee will constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall (save for obligations in respect of national and local taxes and certain other statutory exceptions) at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

The Issuer will keep indemnified the Guarantor against any payment required to be made by the Guarantor pursuant to the terms of the Guarantee, subject to the Guarantor having no actual or contingent liabilities to the Issuer under the Guarantee. The Issuer's obligations under such indemnity will be secured by a security interest created by the Issuer in favour of the Guarantor over all of the Issuer's rights under the Agency Agreement and the Derivative Agreement, in each case, to the extent that they relate to the Guaranteed Warrants and all sums deriving from them.

Derivative Agreements: In connection with each Series, the Issuer may enter into derivative agreements (each, a "**Derivative Agreement**") with Nomura International plc.

Each Derivative Agreement will be documented on the basis of one or more derivative confirmations which supplements forms part of, and is subject to, a 2002 ISDA Master Agreement (and Schedule thereto) made between the Issuer and the Counterparty.

Approval, listing and admission to trading: Application has been made to the Irish Stock Exchange for Securities issued under the Programme to be admitted to Official List and to be admitted to trading on its regulated market.

Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as determined by the Issuer. Securities which are neither listed nor admitted to trading on any market may also be issued. Any applicable listing and/or admission to trading will be specified in the applicable Final Terms.

Governing law: The Securities, the Guarantee and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law.

Selling Restrictions: The United States, the European Economic Area and Ireland, and such other restrictions as may be required in connection with the offering and sale of a particular series of Securities. See "*Subscription and Sale*".

Risk Factors: Certain factors that may affect each of the Issuer's and the Guarantor's ability to fulfil its obligations under the Securities and the Guarantee, as the case may be, and that are material for the purposes of assessing the risks associated with investing in the Securities are specified under "*Risk Factors*" and include market risk, credit risk, equity price risk, interest rate risk, liquidity risk, currency risk, emerging market risk, tax liabilities, regulatory risk, competition risk, reputational risk, operational/business risk, event risk, structural risks relating to the Securities, risks relating to unsecured obligations, market disruption, settlement disruption, failure to deliver due to illiquidity, expenses and taxation, no claim against any Underlying Asset(s), modification, meetings, hedging and potential conflicts of interest, settlement risk, illegality and cancellation, factors affecting the value and trading price of Securities, time lag after exercise, minimum exercise amount, limitations on exercise, possible illiquidity of Securities, exchange rate risks and exchange listing and legal regulation risk.

The obligations of the Issuer and the Guarantor pursuant to the Securities are not secured and investors in the Securities do not have any rights in respect of the Underlying Asset(s) referenced by such Securities.

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO SEE HOW THE AMOUNT PAYABLE ON THE SECURITIES ARE DETERMINED AND WHEN SUCH AMOUNTS ARE PAYABLE BEFORE MAKING ANY DECISION TO PURCHASE ANY SECURITIES.

RISK FACTORS

Each of the Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations in respect of Securities issued under the Programme and/or are material for the purpose of assessing the market risks associated with Securities issued under the Programme. All of these factors are contingencies which may or may not occur and neither of the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer or the Guarantor to pay any cash amounts in connection with any cash settled Securities may occur for other reasons and neither the Issuer nor the Guarantor represents that the statements below regarding the risks of holding any Securities are exhaustive. Additional risks and uncertainties not presently known to any of the Issuer or the Guarantor or that the Issuer or the Guarantor currently believes to be immaterial could also have a material impact on its business operations or the Securities. The Final Terms in respect of an issue of Securities may contain additional Risk Factors in respect of such Securities. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

THE PURCHASE OF SECURITIES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE SECURITIES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS BASE PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT UNDERLYING ASSET(S) ARE AND TO SEE HOW THE CASH SETTLEMENT AMOUNT IS DETERMINED AND WHEN SUCH AMOUNT IS PAYABLE, BEFORE MAKING ANY DECISION TO PURCHASE ANY SECURITIES. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY (INCLUDING, WITHOUT LIMITATION, CONSULTING WITH SUCH FINANCIAL, LEGAL OR OTHER ADVISORS AS THEY DEEM APPROPRIATE) WITHOUT RELYING ON THE ISSUER, THE GUARANTOR (IF APPLICABLE) OR ANY DEALER.

AN INVESTMENT IN SECURITIES LINKED TO ONE OR MORE CURRENCY OR FOREIGN EXCHANGE RATES MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OR EXERCISE OF THE SECURITIES MAY BE LESS THAN THE NOMINAL AMOUNT OR ISSUE PRICE OF THE SECURITIES, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

CERTAIN ISSUES OF SECURITIES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

Terms used in this section and not otherwise defined shall have the meanings given to them in the section "*Terms and Conditions of the Warrants*".

Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme

The Issuer is a special purpose vehicle

The Issuer's primary business is the raising of money by issuing Series of Securities for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of each Series from time to time (and any related profits and the proceeds of any deposits and investments made from such fees).

No regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the Holders.

The Issuer is not regulated by the Central Bank by virtue of the issue of the Securities.

Reliance on creditworthiness of the Counterparty, the Arranger and the Agents

The ability of the Issuer to meet its obligations under a Series of the Securities may be hedged by the Issuer entering into certain hedging arrangements with Nomura International plc (the "**Counterparty**").

The Issuer may, on the issue date of the Securities of a Series, enter into one or more Derivative Agreements with the Counterparty. The Derivative Agreement will be documented on the basis of one or more derivative confirmations which supplements forms part of, and is subject to, a 2002 ISDA Master Agreement (and Schedule thereto) made between the Issuer and the Counterparty dated on or around the date of this Base Prospectus.

Under the Derivative Agreement, the Issuer will pay to the Counterparty the net proceeds received by the Issuer in respect of the issue of a relevant Series of Securities and the Counterparty will make certain payments to the Issuer in respect of amounts due to be paid in respect of such Series. **Accordingly, Holders should note that the Issuer's ability to make payments on the Securities will depend solely on and to the extent of payments received by the Issuer under the Derivative Agreement as such Derivative Agreement relates to the Securities.**

Certain events (such as the failure by the Counterparty to deliver the relevant Underlying Asset(s) or make the relevant payment under the Derivative Agreement) beyond the control of the Issuer may occur and such events may materially increase the costs of the Issuer to perform its obligations under the Securities. To the extent that the Counterparty fails to make payments due to the Issuer under any Derivative Agreement, the Issuer will be unable to meet its obligations in respect of the Securities. Consequently, the Issuer is exposed to the ability of each Counterparty to perform their obligations under the Derivative Agreements.

The enforcement of the Issuer's rights under any Derivative Agreement may be prevented or rendered more difficult or subject to delay as a result of mandatory provisions of any applicable insolvency regime. In the event of the insolvency of the Counterparty, a relevant insolvency official may seek to interfere with the disposition of any of the Issuer's assets.

The ability of the Issuer to meet its obligations in respect of a Series and/or to remain solvent may be impaired if, in the event of the insolvency of the Arranger, the Issuer's operating expenses remain unpaid by the Arranger.

The insolvency of any Agent (in particular the Calculation Agent) may lead to delay in making determinations. A failure to maintain or disclose appropriate records may give rise to difficulties in valuing the Series or determining termination payments in respect of any Derivative Agreement.

Early termination of a Derivative Agreement

If any Derivative Agreement (or any transaction entered thereunder) is terminated and not replaced, the Warrants will be subject to redemption.

If there is an early termination of a Derivative Agreement, the Issuer, or the relevant Counterparty, may be liable to make a termination payment to the other (if applicable, regardless of which of such parties may have caused such termination). Such termination payment may be calculated by the relevant Counterparty and may take into account, without limitation, loss of bargain, cost of funding and the cost of terminating, liquidating, obtaining or re-establishing any relevant hedge. Alternatively, the Counterparty may determine such termination payment by reference to market quotations obtained from dealers; such quotations may be unreasonable or may not reflect the intrinsic value of the relevant transaction. Where such termination payment falls to be made by the Issuer, costs may be incurred in relation to the appointment of a third party agent for the purpose of determining such termination payment. Where the Issuer or any relevant agent seek market quotations, such quotations may not be reasonable.

If there is an early termination of a Derivative Agreement and a resulting early redemption of the Warrants then regardless of which party makes the determination of the termination payment (if any) there is no assurance that such termination payment will be sufficient to repay the settlement amount due to be paid in respect of the Warrants and any other amounts due in respect thereof.

Factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee

Guaranteed Warrants issued under the Programme are guaranteed on an unsubordinated basis by the Guarantor pursuant to the Guarantee. Therefore, if the Guarantor's financial condition were to deteriorate, the Issuer and investors in the Guaranteed Warrants may suffer direct and materially adverse consequences. Accordingly, prospective investors in Guaranteed Warrants should review, among others, the factors below in respect of the Guarantor's ability to fulfil its obligations under the Guarantee.

The Guarantor (referred to in this "*Risk Factors*" section as "**NHI**") is a holding company for the Nomura Group. The Guarantor, together with its consolidated subsidiaries, shall be referred to in this "*Risk Factors*" section as the "**Nomura Group**".

The Guarantor's ability to fulfil its obligations under the Guarantee may therefore be affected by certain factors as set out in the section entitled "*Risks relating to the Nomura Group*" below, which may affect the Guarantor directly or other entities within the Nomura Group.

Risks Relating to the Issuer's business

Price Risk and Issuer Credit Risk

The Issuer issues Warrants with returns linked to the performance of certain specified currency exchange rate or a basket of currency exchange rates (the "**Underlying Asset(s)**"). The Issuer enters into hedging transactions in order to hedge its position in respect of such Warrants. Fluctuations in the relevant exchange or other relevant markets may result in the proceeds of the hedging transactions being less than the liabilities under the Warrants. This may adversely affect the Issuer's financial situation and its profits.

Liquidity Risk

Besides market risk, any financial assets that may be held by the Issuer are also subject to the risk that as a result of insufficient market liquidity the relevant assets cannot be sold or hedged on short notice or can only be sold for a lower price. Such risk especially exists in relation to assets for which there are no markets with sufficient liquidity from the beginning. Limited liquidity in respect of such assets may also adversely affect the liquidity of the Issuer.

Credit Risk of Nomura International Plc

The Issuer may enter into different business relationships with Nomura International plc ("**NIplc**"). In respect of any issue of Securities, NIplc may act as a Dealer in respect of such issue and/or as the Counterparty to the Derivative Agreement made with the Issuer in relation to such Securities. Within the context of such business relationships there is the risk that NIplc which owes the Issuer money,

securities or other financial assets cannot fulfil its liabilities. Credit risk may particularly arise as a result of insolvency, illiquidity, cyclical downturn, decline in real estate prices and/or mistakes in the management of NIplc. Credit risk is particularly relevant to NIplc's performance of its obligations under the Derivative Agreement as the realisation of such risk may result in the Issuer not receiving scheduled payments under the Derivative Agreement. See "*Reliance on creditworthiness of the Counterparty, the Arranger and the Agents*".

Introduction of International Financial Reporting Standards ("IFRS")

The Issuer's Irish corporation tax position depends to a significant extent on the accounting treatment applicable to the Issuer. The accounts of the Issuer are required to comply with IFRS or with generally accepted accounting principles in Ireland ("**Irish GAAP**") which has been substantially aligned with IFRS. Companies such as the Issuer might, under either IFRS or Irish GAAP, be forced to recognise in their accounts movements in the fair value of assets that could result in profits or losses for accounting purposes which bear little relationship to the company's actual cash position. These movements in value may generally be brought into the charge to tax (if not relieved) as a company's tax liability on such assets broadly follows the accounting treatment. However, the taxable profits of a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997 (the "**1997 Act**"), as amended (which it is anticipated that the Issuer will be) will be based on the profits that would have arisen to the company had its accounts been prepared under Irish GAAP as it existed at 31 December 2004. It is possible to elect out of such treatment and such election, if made, is irrevocable. If the Issuer makes such an election, then taxable profits or losses could arise to the Issuer as a result of the application of IFRS or current Irish GAAP that are not contemplated in the cash-flows for a Series of Warrants and as such may have a negative effect on the Issuer and its ability to make payments to the Holders. The Issuer does not intend to make any such election if its cashflows would be adversely affected thereby.

European Union Directive on Taxation of Savings Income

The Council of the European Union has adopted a directive regarding the taxation of interest income known as the "European Union Directive on the Taxation of Savings Income (Directive 2003/48/EC)".

Ireland has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of the Issuer to an individual, and certain residual entities defined in the 1997 Act, resident in another EU Member State and certain associated and dependent territories of a Member State will have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned. In November 2008 the European Commission proposed that a number of changes be made to the directive following a report on its operation since its original adoption. If any of these proposed changes are adopted they are likely to broaden the scope of the directive.

Limited Recourse

Each Warrant issued under the Programme will be limited recourse obligations of the Issuer and will not be obligations or responsibilities of, or guaranteed by, any other person or entity (but without prejudice to the rights of a Holder under the Guarantee in respect of the Guaranteed Warrants).

The ability of the Issuer to meet its obligations in respect of the Warrants will be dependent on the receipt by the Issuer of moneys due to it under the Derivative Agreement as it relates to the Warrants. The obligations of the Issuer shall be limited accordingly (but without prejudice to the rights of such Holder under the Guarantee in respect of the Guaranteed Warrants).

Potential Withholding Tax on Redemptions under new U.S. Tax Law

New U.S. Tax Law

Under recently enacted U.S. tax legislation ("**New U.S. Tax Law**"), payments made on or after 14 September 2010 (i) pursuant to a securities lending transaction, a sale-repurchase transaction or a specified notional principal contract (as defined under the New U.S. Tax Law) that directly or indirectly are contingent upon, or determined by reference to, the payment of a U.S. source dividend (generally a dividend with respect to a U.S. corporation and, possibly, a foreign corporation that is

engaged in a U.S. trade or business) or (ii) otherwise determined to be substantially similar to a payment described in clause (i) above ("**Dividend Equivalent Payments**"), will be treated as U.S. source dividends and subject to withholding.

The New U.S. Tax Law also includes new tax provisions commonly known as the Foreign Account Tax Compliance Act ("**FATCA**"). FATCA may impose a 30 per cent. withholding tax on payments of U.S. source interest and dividends made on or after 1 January 2014 and of gross proceeds from the sale of certain U.S. assets made on or after 1 January 2015 to a foreign financial institution (or "**FFI**") (such as the Issuer) that does not enter into, and comply with, an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its U.S. accountholders, including those holding debt or equity interests issued by the FFI. Further, FATCA may impose a withholding tax of up to 30 per cent. on gross payments due on or after 1 January 2014 under derivatives in certain circumstances. In general, an FFI is a non-US bank, non-US custodian, or a non-US entity engaged primarily in the business of investing, reinvesting, or trading in (i) securities, (ii) partnership interests, (iii) notional principal contracts, (iv) insurance annuity contracts or (v) commodities (or in a derivative position in any of the foregoing).

To avoid the withholding tax, the Issuer may enter into an agreement with the IRS (an "**IRS FATCA Agreement**"). An FFI that does not enter into such agreement or whose agreement is voided by the IRS will be treated as a "non-Participating FFI" Although the IRS has not yet announced the details, it is expected that the IRS FATCA Agreement will require the Issuer (or an intermediary financial institution, broker or agent (each, an "**Intermediary**") through which a beneficial owner holds its interest in a Note) to agree to (i) obtain certain identifying information regarding each Holder or beneficial owner of the Warrants to determine whether such Holders or beneficial owners are U.S. persons or U.S. owned foreign entities and to periodically provide identifying information about Holders and beneficial owners to the IRS and (ii) comply with withholding and other requirements. In order to comply with its information reporting obligation under the IRS FATCA Agreement, the Issuer will be obliged to obtain information from all Holders or beneficial owners (not just from U.S. Holders or beneficial owners) because unless the Issuer can adequately identify the non-U.S. Holders and non-U.S. beneficial owners, it will be unable to properly identify (by matter of elimination) the direct and indirect U.S. Holders and beneficial owners. To the extent any payments in respect of Warrants are made to a beneficial owner by an Intermediary, such beneficial owner may be required to comply with the Intermediary's requests for identifying information that would permit the Intermediary to comply with its own IRS FATCA Agreement. Any Holder or beneficial owner that fails to properly comply with the Issuer's or an Intermediary's requests for certifications and identifying information or, if applicable, a waiver of non-U.S. law prohibiting the release of such information to the IRS, will be treated as a "**Recalcitrant Holder**" that may be subject to a 30 per cent. U.S. withholding tax on all payments (including principal or gross proceeds) under the Warrants.

If the Issuer or a non-U.S. Intermediary enters into an IRS FATCA Agreement, it may be required to deduct a withholding tax of up to 30 per cent. on payments (including gross proceeds and redemptions) made on or after 1 January 2017 to a Recalcitrant Holder or a Holder or beneficial owner that itself is an FFI and does not have in place an effective IRS FATCA Agreement (i.e., the Holder or beneficial owner is a non- Participating FFI). Neither the Issuer nor an Intermediary will make any additional payments to compensate a Holder or beneficial owner for any amounts deducted pursuant to FATCA. It is also possible that the Issuer may be required to cause the disposition or transfer of Warrants held by a Recalcitrant Holder and the proceeds from any such disposition or transfer may be an amount less than the then current fair market value of the Warrants transferred.

If a US Intermediary makes a payment in respect of the Warrants to a non-US entity, such payment may be subject to a withholding tax of up to 30 per cent. if the recipient of such payment (whether or not it is the beneficial owner of such payment) either is a non-participating FFI or does not comply with such Intermediary's request for identifying information.

In general, obligations that are outstanding as of December 31, 2012 and that are not modified and treated as reissued after December 31, 2012 for U.S. federal income tax purposes (such obligations, "**Grandfathered Obligations**") will neither be treated as U.S. assets nor subject to withholding. Obligations that are treated as equity and certain debt obligations lacking a definitive term (such as saving and demand deposits), however, are excluded from the grandfathering clause. Because the Warrants likely will be treated as equity in the Issuer for US federal income tax purposes, they likely will not qualify for the grandfathering exemption.

If the Issuer decides not to enter into an IRS FATCA Agreement, the Issuer will be subject to a 30 per cent. withholding tax on payments of U.S. source interest and dividends made on or after 1 January 2014 and of gross proceeds from the sale of certain U.S. assets made on or after 1 January 2015 to the Issuer. In addition, the Issuer may be subject to a withholding tax of up to 30 per cent. on gross payments due on or after 1 January 2014 under the Derivative Agreement. Further, the Issuer's failure to enter into an IRS FATCA Agreement may preclude certain of its affiliates from themselves complying with FATCA. For this purpose affiliates are generally persons or entities that possess (directly or indirectly) 50 per cent. or more common ownership. Although not clear, for purposes of this common ownership test, each series of Warrants may be treated as a separate entity. Prospective investors in the Issuer should consult with their own tax advisors with respect to whether they may be deemed (for U.S. federal income tax purposes) to own more than 50 per cent. of both (i) the Issuer and (ii) other non-U.S. financial entities, since such ownership could (if the Issuer does not enter into an IRS FATCA Agreement) subject such other non-US entities to a 30 per cent. withholding tax, which could affect distributions to such prospective investors. Similarly, if an investor is deemed to own 50 per cent. of both the Issuer and another non-U.S. financial entity that is required to, but that does not, enter into an IRS FATCA Agreement, the Issuer may be subject to a withholding tax of up to 30 per cent.

There can be no assurance that (i) payments to the Issuer in respect of its assets, including under the Derivative Agreement or (ii) payments on a Warrant will not be subject to withholding under the New U.S. Tax Law or FATCA. If payments to the Issuer in respect of its assets, including the Derivative Agreement are subject to withholding, this will result in the termination of the Derivative Agreement and the early cancellation of the Warrants in accordance with the Conditions. In addition, even if a beneficial owner of a payment complies with requests for identifying information, the ultimate payment to such beneficial owner could be subject to withholding if an Intermediary is subject to withholding for its failure to comply with FATCA. Accordingly, Holders should consult their own tax advisors as to the potential implication of the U.S. withholding taxes on the Warrants before investing.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act, 1990, as amended (the "1990 Act") to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. Creditors would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to such creditors, especially if such proposals included a writing down to the value of amounts due by the Issuer to such creditors.

The primary risks to the Holders of Warrants if an examiner were appointed to the Issuer are as follows:

- the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Holders;

- the potential for the examiner to seek to set aside any negative pledge in the Warrants prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to its creditors.

Risk factors relating to the Nomura Group

In this Document, the term "Nomura Group" describes the Guarantor (or "NHI") and its consolidated subsidiaries. Any factors which affect the financial condition and/or creditworthiness of the Guarantor may have a direct or indirect impact upon the financial condition and/or creditworthiness of other entities within the Nomura Group. Accordingly, risks identified in this "Risk factors relating to the Nomura Group" section relating to NHI should, unless the context requires otherwise, be construed as potentially applying also to all other entities within the Nomura Group.

Recent financial and credit crises and recessionary economies around the world have had, and may continue to have, adverse effects on NHI's businesses, financial condition and results of operations

Over recent years, continuous disruptions have led to an acute downturn in the markets and economic conditions in Japan and elsewhere around the world. In 2008 and through to early 2009, the financial services industry, global securities markets and real economies, especially in developed countries, were materially and adversely affected by a world-wide market crisis and dislocation. While the world economy grew in 2010 due to stimuli from expansive monetary and fiscal policies, in 2011 the manifestation of financial problems in the U.S. and the worsening of financial, economic and structural issues in the peripheral countries of the Eurozone, including Greece, have adversely influenced major global financial markets. Global markets also face new challenges, for example political instability in certain regions such as the Middle East, and the economic outlook in the medium to long term remains uncertain.

In addition, not only purely economic factors but also future war, acts of terrorism, economic or political sanctions, pandemics, geopolitical risks and events, natural disasters or other similar events could have a material adverse effect on economic and financial market conditions. For example, with respect to NHI's home market of Japan, the economic downturn has been prolonged and some time may be required for recovery due to the economic consequences arising from direct and indirect negative effects of the East Japan Earthquake in March 2011, including damages to nuclear power plants and resulting power shortages, and supply line disruptions. A sustained market/economic downturn can adversely affect NHI's business and can result in substantial losses. Even in the absence of a prolonged market/economic downturn, NHI may incur substantial losses due to market volatility. Also, governmental fiscal and monetary policy changes in Japan and other jurisdictions where NHI conducts business and other business environmental changes may adversely affect NHI's business, financial condition and results of operations. The following are certain risks related to the financial markets and economic conditions on NHI's specific businesses.

NHI's brokerage and asset management revenues may decline

A market downturn could result in a decline in the revenues concerning NHI's intermediary business because of a decline in the volume and value of securities that NHI brokers for NHI's clients. Also, with regard to NHI's asset management business, in most cases, NHI charges fees for managing NHI's clients' portfolios that are based on the value of their portfolios. A market downturn that reduces the value of NHI's clients' portfolios may increase the amount of withdrawals or reduce the amount of new investments in these portfolios, and would reduce the revenue NHI receives from NHI's asset management businesses.

NHI's investment banking revenues may decline

Changes in financial or economic conditions would be likely to affect the number and size of transactions for which NHI provides securities underwriting, financial advisory and other investment banking services. NHI's investment banking revenues, which include fees from these services, are directly related to the number and size of the transactions in which NHI participates and would therefore decrease if there are financial and market changes unfavourable to NHI's investment banking business and NHI's clients.

NHI may incur significant losses from NHI's trading and investment activities

NHI maintains large trading and investment positions in the fixed income, equity and other markets, both for NHI's own account and for the purpose of facilitating NHI's clients' trades. NHI's positions consist of various types of assets, including financial derivatives transactions in equity, interest rate,

currency, credit, commodity and other markets, as well as in loans and real estate. Fluctuations in the markets where these assets are traded can adversely affect the value of these assets. To the extent that NHI owns assets, or have long positions, a market downturn could result in losses if the value of these long positions decreases.

Furthermore, to the extent that NHI has sold assets that NHI does not own, or has short positions, an upturn in the prices of the assets could expose NHI to potentially significant losses. Although NHI has worked to mitigate these position risks with a variety of hedging techniques these market movements could result in losses. NHI can incur losses if the financial system is overly stressed and markets move in a way NHI has not anticipated as a result of specific events such as the global financial and credit crisis in the autumn of 2008.

NHI's businesses have been and may continue to be affected by changes in market volatility levels. Certain of NHI's trading businesses depend on market volatility to provide trading and arbitrage opportunities, and decreases in volatility may reduce these opportunities and adversely affect the results of these businesses. On the other hand, increased volatility, while it can increase trading volumes and spreads, also increases risk as measured by value at risk, or "VaR", and may expose NHI to increased risks in connection with NHI's market-making and proprietary businesses or cause NHI to reduce the outstanding position or size of these businesses in order to avoid increasing NHI's VaR. Furthermore, NHI commits capital to take relatively large positions for underwriting or warehousing assets to facilitate certain capital market transactions. Also, NHI structures and possesses pilot funds for developing financial investment products and invest seed money to set up and support financial investment products. NHI may incur significant losses from these positions in the event of significant market fluctuations.

In addition, if NHI is the party providing collateral in a transaction, significant declines in the value of the collateral can increase NHI's costs and reduce NHI's profitability; and if NHI is the party receiving collateral, such declines can reduce NHI's profitability by reducing the level of business done with NHI's clients and counterparties.

Holding large and concentrated positions of securities and other assets may expose NHI to large losses

Holding a large amount of securities concentrated in specific assets can increase NHI's risks and expose NHI to large losses in NHI's businesses such as market-making, block trading, underwriting, asset securitisation and acquiring newly-issued convertible bonds through third-party allotment. NHI has committed substantial amounts of capital to these businesses. This often requires NHI to take large positions in the securities of a particular issuer or issuers in a particular industry, country or region. In addition, NHI may incur substantial losses due to market fluctuations on asset-backed securities such as commercial mortgage-backed securities.

Extended market declines can reduce liquidity and lead to material losses

Extended market declines can reduce the level of market activity and the liquidity of the assets traded in the market for NHI's business, which may make it difficult to sell, hedge or value such assets. If NHI cannot properly close out or hedge its associated positions in a timely manner or in full, particularly with respect to over-the-counter derivatives, NHI may incur substantial losses. Further the inability or difficulty of monitoring prices in a less liquid market could lead to unanticipated losses.

NHI's hedging strategies may not prevent losses

NHI uses a variety of instruments and strategies to hedge NHI's exposure to various types of risk. If NHI's hedging strategies are not effective, NHI may incur losses. NHI bases many of NHI's hedging strategies on historical trading patterns and correlations. For example, if NHI holds an asset, NHI may hedge this position by taking another asset which has, historically, moved in a direction that would offset a change in value of the former asset. However, historical trading patterns and correlations may not continue, as seen in the case of the global financial and credit crisis in the autumn of 2008, and these hedging strategies may not be fully effective in mitigating NHI's risk exposure because NHI is exposed to all types of risk in a variety of market environments.

NHI's risk management policies and procedures may not be fully effective in managing market risk

NHI's policies and procedures to identify, monitor and manage risks may not be fully effective. Some of NHI's methods of managing risk are based upon observed historical market behaviour. This historical market behaviour may not continue in future periods. As a result, NHI may suffer large losses by being unable to predict future risk exposures that could be significantly greater than the historical measures indicate. Other risk management methods that NHI uses also rely on NHI's evaluation of information regarding markets, clients or other matters, which is publicly available or otherwise accessible by NHI. This information may not be accurate, complete, up-to-date or properly evaluated, in which case NHI may be unable to properly assess its risks, and thereby suffer large losses. Furthermore, certain factors, such as market volatility, may render NHI's risk evaluation model unsuitable for the new market environment. In such event, NHI may become unable to evaluate or otherwise manage its risks adequately.

Market risk may increase other risks that NHI faces

In addition to the potentially adverse effects on NHI's businesses described above, market risk could exacerbate other risks that NHI faces. For example, the risks associated with new products developed through financial engineering/innovation may be increased by market risk. Also, if NHI incurs substantial trading losses caused by NHI's exposure to market risk, NHI's need for liquidity could rise sharply while NHI's access to cash may be impaired as a result of market perception of NHI's credit risk. Furthermore, in a market downturn, NHI's clients and counterparties could incur substantial losses of their own, thereby weakening their financial condition and, as a result, increasing NHI's credit risk exposure to them.

NHI may have to recognise impairment charges with regard to the amount of goodwill and tangible and intangible assets recorded on NHI's consolidated balance sheets

NHI has purchased all or a part of the equity interests in, or certain operations from, certain other companies in order to pursue its business expansion, and expect to continue to do so when and as NHI deems appropriate. NHI accounts for each of those and similar purchases and acquisitions in conformity with U.S. GAAP, as a business combination, and by allocating its acquisition costs to the assets acquired and liabilities assumed and recording the remaining amount as goodwill. NHI may have to record impairment charges with regard to the amount of goodwill and tangible and intangible assets. Any impairment charges for goodwill or tangible or intangible assets NHI recognises, if recorded, may adversely affect NHI's results of operations and financial condition.

Liquidity risk could impair NHI's ability to fund operations and jeopardise NHI's financial condition

Liquidity, or having ready access to cash, is essential to NHI's businesses. In addition to maintaining a readily available cash position, NHI seeks to secure ample liquidity through repurchase and securities lending transactions, access to long-term debt, issuance of mid/long-term bonds, diversification of NHI's short-term funding sources such as commercial paper, and by holding a portfolio of highly liquid assets. NHI bears the risk that NHI may lose liquidity under certain circumstances, including but not limited to the following:

NHI may be unable to access the debt capital markets

NHI depends on continuous access to the short-term credit markets and the debt capital markets to finance NHI's day-to-day operations. An inability to raise money in the long-term or short-term debt markets, or to engage in repurchase agreements and securities lending, could have a substantial negative effect on NHI's liquidity. For example, lenders could refuse to extend the credit necessary for NHI to conduct business based on their assessment of NHI's long-term or short-term financial prospects if:

- NHI incurs large trading losses;
- the level of NHI's business activity decreases due to a market downturn; or
- regulatory authorities take significant action against NHI.

In addition to the above, NHI's ability to borrow in the debt markets could also be impaired by factors that are not specific to it, such as increases in banks' nonperforming loans which reduce their lending capacity, a severe disruption of the financial and credit markets which, among others, can lead to widening credit spreads and thereby increase NHI's borrowing costs, or negative views about the general prospects for the investment banking, brokerage or financial services industries generally.

NHI may be unable to access the short-term debt markets

NHI depends primarily on the issuance of commercial paper and short-term bank loans as a source of unsecured short-term funding of NHI's operations. NHI's liquidity depends largely on NHI's ability to refinance these borrowings on a continuous basis. Investors who hold NHI's outstanding commercial paper and other short-term debt instruments have no obligation to provide refinancing when the outstanding instruments mature. NHI may be unable to obtain short-term financing from banks to make up any shortfall.

NHI may be unable to sell assets

If NHI is unable to borrow in the debt capital markets or if NHI's cash balances decline significantly, NHI will need to liquidate NHI's assets or take other actions in order to meet NHI's maturing liabilities. In volatile or uncertain market environments, overall market liquidity may decline. In a time of reduced market liquidity, NHI may be unable to sell some of NHI's assets, which may adversely affect NHI's liquidity or NHI may have to sell assets at depressed prices, which could adversely affect NHI's results of operations and financial condition. NHI's ability to sell NHI's assets may be impaired by other market participants seeking to sell similar assets into the market at the same time.

Lowering of NHI's credit ratings could increase NHI's borrowing costs

NHI's borrowing costs and NHI's access to the debt capital markets depend significantly on NHI's credit ratings. Rating agencies may reduce or withdraw their ratings or place NHI on "credit watch" with negative implications. This could increase NHI's borrowing costs and limit NHI's access to the capital markets. This, in turn, could reduce NHI's earnings and adversely affect NHI's liquidity.

Further, other factors which are not specific to NHI may increase its funding cost, such as negative market perception of Japanese fiscal soundness.

Event risk may cause losses in NHI's trading and investment assets as well as market and liquidity risk

Event risk refers to potential losses in value NHI may suffer through unpredictable events that cause large unexpected market price movements. These include not only commonly significant events such as the terrorist attacks in the United States on 11 September, 2001, U.S. subprime issues since 2007, the global financial and credit crisis in the autumn of 2008 and the East Japan Earthquake in March 2011, but also more specifically the following types of events that could cause losses on NHI's trading and investment assets:

- sudden and significant reductions in credit ratings with regard to NHI's trading and investment assets by major rating agencies;
- sudden changes in trading, tax, accounting, laws and other related rules which may make NHI's trading strategy obsolete, less competitive or not workable; or
- an unexpected failure in a corporate transaction in which NHI participates resulting in NHI not receiving the consideration it should have received, as well as bankruptcy, deliberate acts of fraud, and administrative penalties with respect to the issuers of NHI's trading and investment assets.

Losses caused by financial or other problems of third parties may expose NHI to credit risk

NHI's counterparties are from time to time indebted to NHI as a result of transactions or contracts, including loans, commitments to lend, other contingent liabilities, and derivatives transactions such as swaps and options.

NHI may incur material losses when NHI's counterparties default on their obligations to NHI due to bankruptcy, deterioration in their creditworthiness, lack of liquidity, operational failure, an economic or political event, or other reasons. Credit risk may arise from:

- holding securities issued by third parties; or
- the execution of securities, futures, currency or derivative trades that fail to settle at the required time due to non-delivery by the counterparty, such as monoline insurers (financial guarantors) which are counterparties in credit default swap contracts, or systems failure by clearing agents, exchanges, clearing houses or other financial infrastructure.

Problems related to third party credit risk may include the following:

Defaults by a large financial institution could adversely affect the financial markets generally and NHI specifically

The commercial soundness of many financial institutions is closely interrelated as a result of credit, trading, clearing or other relationships among the institutions. As a result, concern about the credit standing of, or a default by, one institution could lead to significant liquidity problems or losses in, or defaults by, other institutions. This may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which NHI interacts on a daily basis. Actual defaults, increases in perceived default risk and other similar events could arise in the future and could have an adverse effect on the financial markets and on NHI. NHI's finance operations may be damaged if major financial institutions, Japanese or otherwise, fail or experience severe liquidity or solvency problems.

There can be no assurance as to the accuracy of the information about, or the sufficiency of the collateral NHI uses in managing, NHI's credit risk

NHI regularly reviews its credit exposure to specific clients or counterparties and to specific countries and regions that NHI believes may present credit concerns. Default risk, however, may arise from events or circumstances that are difficult to detect, such as account-rigging and fraud. NHI may also fail to receive full information with respect to the risks of the Counterparty. In addition, in cases where NHI has extended credit against collateral, NHI may fall into a deficiency in value in the collateral. For example, if sudden declines in market values reduce the value of NHI's collateral, NHI may become undersecured.

NHI's clients and counterparties may be unable to perform their obligations to NHI as a result of political or economic conditions

Country, regional and political risks are components of credit risk, as well as market risk. Political or economic pressures in a country or region, including those arising from local market disruptions or currency crises, may adversely affect the ability of clients or counterparties located in that country or region to obtain credit or foreign exchange, and therefore to perform their obligations owed to NHI.

The financial services industry is intensely competitive and rapidly consolidating

NHI's businesses are intensely competitive, and NHI expects them to remain so. NHI competes on the basis of a number of factors, including transaction execution, NHI's products and services, innovation, reputation and price. In recent years, NHI has experienced intense price competition, particularly in brokerage, investment banking and other businesses.

Competition with commercial banks, commercial bank-owned securities subsidiaries and non-Japanese firms in the Japanese market is increasing

Since the late 1990s, the financial services sector in Japan has been undergoing deregulation. In accordance with the amendments to the Securities and Exchange Law (which has been renamed as the Financial Instruments and Exchange Act (the FIEA) since 30 September 2007), effective from 1 December 2004, banks and certain other financial institutions became able to enter into the securities brokerage business. In addition, in accordance with the amendments to the FIEA effective from 1 June 2009, firewalls between commercial banks and securities firms were deregulated. Therefore, as NHI's competitors will be able to cooperate more closely with their affiliated commercial banks, banks and

other types of financial services firms can compete with NHI to a greater degree than they could before deregulation in the areas of financing and investment trusts. Among others, securities subsidiaries of commercial banks and non-Japanese firms have been affecting NHI's market shares in the sales and trading, investment banking and retail business.

Increased domestic and global consolidation in the financial services industry means increased competition for NHI

In recent years, there has been substantial consolidation and convergence among companies in the financial services industry. In particular, a number of large commercial banks, insurance companies and other broad-based financial services firms have established or acquired broker-dealers or have consolidated with other financial institutions in Japan and overseas. Through such business alliances and consolidations, these other securities companies and commercial banks have the ability to offer a wide range of products including loans, deposit-taking, insurance, brokerage, asset management and investment banking services within their group. This diversity of services offered may enhance their competitive position compared with NHI. They also have the ability to supplement their investment banking and brokerage businesses with commercial banking, insurance and other financial services revenues in an effort to gain market share. NHI's policy to remain independent from commercial banks may result in the loss of market share as these large, consolidated firms expand their businesses.

NHI's ability to expand internationally will depend on NHI's ability to compete successfully with financial services firms in international markets

NHI believes that there are significant opportunities in the international markets, but there is also significant competition for such opportunities. In order to take advantage of those opportunities, NHI will have to compete successfully with financial services firms based in important non-Japanese markets, including the U.S., Europe and Asia. Some of these financial services firms are larger in scale and better capitalized, are able to secure talented human resources and have a stronger local presence in these markets. As a means to bolster NHI's international operations, NHI acquired certain Lehman operations in Europe, the Middle East and Asia in 2008 and NHI has been rebuilding and expanding NHI's operations in these regions and the U.S.. However, in light of an increasing sense of uncertainty associated with market conditions and the global economy from various unstable factors including the European sovereign debt crisis, many competitor financial services firms have announced plans to reduce costs. NHI has also begun to carry out plans to reduce costs aimed at reallocating management resources and lowering NHI's breakeven point. Such optimization of management resource reallocation for NHI's global businesses is critical to NHI's global management strategy, and if NHI fails to realize the full benefits of these efforts NHI's global business strategy and financial condition may be adversely affected.

Operational risk may disrupt NHI's businesses, result in regulatory action against NHI or limit NHI's growth

NHI faces, for example the following types of operational risk which could result in financial losses, disruption in NHI's business, litigation from relevant parties, intervention in NHI's business by the regulatory authorities, or damage to NHI's reputation:

- failure to execute, confirm or settle securities transactions;
- failure by officers or employees to perform proper administrative activities prescribed in regular procedures, such as placing erroneous orders to securities exchanges;
- suspension or malfunction of internal or third party systems, or unauthorized access, misuse and computer viruses affecting such systems;
- the destruction of NHI's facilities or systems or impairment of NHI's ability to do business arising from impacts of disasters or acts of terrorism, which are beyond anticipation and may not be covered by NHI's contingency plan; or
- the disruption of NHI's business due to pandemic diseases or illnesses, such as avian and swine flu.

NHI's business is subject to substantial legal, regulatory and reputational risks

Substantial legal liability or a significant regulatory action against NHI could have a material financial effect or cause reputational harm to NHI, which in turn could seriously damage NHI's business prospects and results of operations. Also, material changes in regulations applicable to NHI or to NHI's market could adversely affect NHI's business.

NHI's exposure to legal liability is significant

NHI faces significant legal risks in NHI's businesses. These risks include liability under securities or other laws in connection with securities underwriting and offering transactions, liability arising from the purchase or sale of any securities or other products, disputes over the terms and conditions of complex trading arrangements or the validity of contracts for transactions with NHI and legal claims concerning NHI's financial advisory and merchant banking business.

During a prolonged market downturn or upon the occurrence of an event that adversely affects the market, NHI would expect claims against it to increase. NHI may also face significant litigation. The cost of defending such litigation may be substantial and NHI's involvement in litigation may damage NHI's reputation. In addition, even legal transactions might be subject to social criticism according to the particular details of such transactions. These risks may be difficult to assess or quantify and their existence and magnitude may remain unknown for substantial periods of time.

Extensive regulation of NHI's businesses limits NHI's activities and may subject NHI to significant penalties and losses

The financial services industry is subject to extensive regulation. NHI is subject to regulation by governmental and self regulatory organisations in Japan and in virtually all other jurisdictions in which NHI operates, and such governmental and regulatory scrutiny may increase as its operations expand. These regulations broadly are designed to ensure the stability of the financial system and the integrity of the financial markets and financial institutions, and to protect clients and other third parties who deal with NHI and often limit NHI's activities, through net capital, client protection and market conduct requirements.

Although NHI has policies in place to prevent violations of such laws and regulations, NHI may not always be able to prevent violations, and NHI could be fined, prohibited from engaging in some of NHI's business activities, ordered to improve NHI's internal governance procedures, or be subject to revocation of NHI's license to conduct business. NHI's reputation could also suffer from the adverse publicity that any administrative or judicial sanction against NHI may create. As a result of any such sanction, NHI may lose business opportunities for a period of time, even after the sanction is lifted, if and to the extent that NHI's clients, especially public institutions, decide not to engage NHI for their financial transactions.

Tightening of regulations applicable to the financial system and financial industry could adversely affect NHI's business, financial condition and operating results

If regulations that apply to NHI's businesses are introduced, modified or removed, NHI could be adversely affected directly or through resulting changes in market conditions. For example, to improve the stability and transparency of Japan's financial system and to ensure the protection of investors, a bill to amend the FIEA was passed by the Diet, which became effective on 1 April 2011, excluding certain sections. The amendment strengthened supervision through introducing corporate group regulations, which NHI is subject to, such as consolidated capital adequacy regulations on financial instruments business operators the size of which exceeds specified parameters and on certain parent companies, and by requiring reports on the financial status of such companies. In addition, the Japanese Financial Services Agency (the "Japanese FSA") amended the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." which became effective on 1 April 2011. Such amendment includes, among others, restrictions on the compensation systems of the corporate group of a specified parent company, including Nomura Group, which are designed to reduce excessive risk taking by their executives and employees.

For more information about such amendments, see "Regulation—Japan" under Item 4.B. of NHI's Form 20-F for the year ended 31 March 2011.

In addition, in response to the financial markets crisis in the autumn of 2008, various reforms to the financial regulatory framework at a national level and by international agreements, such as the agreements reached at the Group of Twenty (G-20) Summit, are undergoing to restore financial stability and to enhance financial industry's resilience against future crises. Such proposals for reform include the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") in the U.S. and various proposals to strengthen financial regulation in the European Union and the United Kingdom (U.K.). The impact of these proposals (including bank levy) on NHI and its industry may be significant. However, policy responses to such proposals and amendment of existing systems are still ongoing and are difficult to precisely predict at this point.

The changes in regulations on accounting standards, consolidated regulatory capital adequacy rules and liquidity ratio could also have a material adverse effect on NHI's business, financial condition, and results of operations. For example, NHI currently calculates its consolidated regulatory capital adequacy ratio in accordance with the Japanese FSA's notice on Basel 2.5 based consolidated capital adequacy rules applicable to an Ultimate Designated Parent Company. As of February 2012, the Japanese FSA has published a draft amendment to the notice on capital adequacy rules in order to respond to the Basel III measures announced by the Basel Committee on Banking Supervision (the "Basel Committee"), and is seeking public comments. The implementation of those new measures may cause NHI's capital adequacy ratio to decrease or may require NHI to liquidate assets, raise additional capital or otherwise restrict NHI's business activities in a manner that could adversely increase NHI's funding costs or could otherwise adversely affect NHI's operating or financing activities or the interests of NHI's shareholders. Further, based on Basel III, the Financial Stability Board and the Basel Committee have announced they will annually update the list of global systemically important financial institutions ("G-SIFIs") identified by financial regulators and additional regulatory capital requirements will be imposed on those G-SIFIs. The costs and impact on NHI as described above may further increase if it is identified as a G-SIFI in the future. For more information about such regulations, see "Regulation—Overseas" under Item 4.B. of NHI's Form 20-F for the year ended 31 March 2011 (as incorporated by reference into this Base Prospectus at page 7).

Deferred tax assets may be reviewed due to a change in laws and regulations, resulting in an adverse affect on NHI's operating result and financial condition

NHI recognises deferred tax assets on the consolidated balance sheet as a possible benefit of tax relief in the future. If there is a tax reform such as a reduction of corporate tax rate or a change in accounting standards in the future, NHI may reduce the deferred tax assets in its consolidated balance sheet. As a result, it could adversely affect NHI's operating result and financial condition.

Misconduct or fraud by an employee, director or officer, or any third party, could occur, and NHI's reputation in the market and its relationships with clients could be harmed

NHI faces the risk that misconduct by an employee, director or officer, or any third party, could occur which may adversely affect its business. Misconduct by an employee, director or officer can include, for example, entering into transactions in excess of authorised limits, acceptance of risks that exceed NHI's specified limits, or concealment of unauthorised or unsuccessful activities. The misconduct could also involve, for example, the improper use or disclosure of confidential information relating to NHI or its clients, such as insider trading, which could result in regulatory sanctions, legal liability and serious reputational or financial damage to NHI. Although NHI has precautions in place to detect and prevent any such misconduct, these may not be effective in all cases, and NHI may not always be able to detect or deter misconduct by an employee, director or officer. If any administrative or judicial sanction is issued against NHI as a result of such misconduct, it may lose business opportunities for a period of time, even after the sanction is lifted, if and to the extent that its clients, especially public institutions, decide not to engage NHI for their financial transactions.

Third parties may also engage in fraudulent activities, including devising a fraudulent scheme to induce investment, loans, guarantees or any other form of financial commitment by NHI, both direct and indirect. Because of the broad range of businesses that NHI engages in and the large number of third parties with whom NHI deals in its day-to-day business operations, such fraud or any other misconduct may be difficult to prevent or detect. NHI may not be able to recover the financial losses caused by such activities and its reputation may also be damaged by such activities.

Unauthorised disclosure of personal information held by NHI may adversely affect its business

NHI keeps and manages personal information obtained from clients in connection with its business. In recent years, there have been many reported cases of personal information and records in the possession of corporations and institutions being improperly accessed or disclosed.

Although NHI exercises care in protecting the confidentiality of personal information and takes steps to safeguard such information in compliance with the Japanese Act on the Protection of Personal Information and the rules, regulations and guidelines relating thereto, if any material unauthorized disclosure of personal information does occur, NHI's business could be adversely affected in a number of ways. For example, NHI could be subject to complaints and lawsuits for damages from clients if they are adversely affected as a result of the release of their personal information. In addition, NHI could incur additional expenses associated with changing its security systems, either voluntarily or in response to administrative guidance or other regulatory initiatives, or in connection with public relations campaigns designed to prevent or mitigate damage to its corporate or brand image or reputation. Any damage to its reputation caused by such unauthorized disclosure could lead to a decline in new clients and/or a loss of existing clients, as well as to increased costs and expenses in dealing with any such problems.

NHI is a holding company and depends on payments from NHI's subsidiaries

NHI depends on dividends, distributions and other payments from NHI's subsidiaries to fund dividend payments and to fund all payments on NHI's obligations, including debt obligations. Regulatory and other legal restrictions may limit NHI's ability to transfer funds freely, either to or from NHI's subsidiaries. In particular, many of NHI's subsidiaries, including NHI's broker-dealer subsidiaries, are subject to laws and regulations that authorize regulatory bodies to block or reduce the flow of funds to the parent holding company, or that prohibit such transfers altogether in certain circumstances. These laws and regulations may hinder NHI's ability to access funds that NHI may need to make payments on NHI's obligations.

NHI may not be able to realise gains it expects, and may even suffer losses, on NHI's private equity investments

NHI engages in private equity business in and outside of Japan through fully owned subsidiaries and other consolidated entities which have third party pooling of funds. Decline of fair values of NHI's investment positions, which could arise from deteriorating business performance of investee companies, or any deterioration in the market conditions of these sectors, may cause material losses to NHI. Further, NHI's inability to dispose of its private equity investments at the level and time NHI may wish, could have a material impact on NHI's operating results and financial condition.

NHI may not be able to dispose of its operating investments at the time or with the speed it would like

NHI holds substantial operating investments, which refer to investments in equity securities of companies not affiliated with NHI which NHI holds on a long-term basis in order to promote existing and potential business relationships. A substantial portion of these investments consists of equity securities of public companies in Japan. Under U.S. GAAP, depending on market conditions, NHI may record significant unrealised gains or losses on its operating investments, which would have a substantial impact on their consolidated statements of operations. Depending on the conditions of the Japanese equity markets, NHI may not be able to dispose of these equity securities when NHI would like to do so, as quickly as NHI may wish or at the desired values.

Equity investments in affiliates and other investees accounted for under the equity method in NHI's consolidated financial statements may decline significantly over a period of time and result in NHI incurring an impairment loss.

NHI has affiliates and investees, accounted for under the equity method in its consolidated financial statements, whose shares are publicly traded. Under U.S. GAAP, if there is a decline in the fair value, i.e., the market price, of the shares NHI holds in such affiliates over a period of time, and NHI determines that the decline is other-than-temporary, then NHI records an impairment loss for the applicable fiscal period.

NHI may face an outflow of clients' assets due to losses of cash reserve funds or bonds NHI offered

NHI offers many types of products to meet various needs of its clients with different risk profiles. Cash reserve funds, such as money management funds and money reserve funds are categorised as low-risk products. Such cash reserve funds may fall below par value as a result of losses caused by the rise of interest rates or the withdrawals or defaults on bonds contained in the portfolio. In addition, bonds that NHI offers may default or experience delays in their obligation to pay interest and/or principal. Such losses in the products NHI offers may result in the loss of client confidence and lead to an outflow of client assets from its custody.

It may not be possible for investors to effect service of process within the United States upon NHI or its directors or executive officers, or to enforce against NHI or those persons judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States.

NHI is a limited liability, joint-stock corporation incorporated under the laws of Japan. Most of its directors and executive officers reside in Japan. Many of its assets and the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for U.S. investors to effect service of process within the United States upon NHI or these persons or to enforce against NHI or these persons judgments obtained in the United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. NHI believes that there is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgment of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States.

Factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme

Current Market

Investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Securities. Such lack of liquidity may result in investors suffering losses on the Securities in secondary market sales even if there is no decline in the performance of the applicable currency or foreign exchange rates to which the Securities are linked or the creditworthiness of the Issuer and/or the Nomura Group. The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Securities at that time.

Certain countries in Europe currently have large sovereign debts and/or fiscal deficits and this has led to uncertainties in the markets as to whether or not the governments of those countries will be able to pay in full and on time the amounts due in respect of those debts. These concerns have led to significant spikes in secondary market yields for sovereign debt of the affected countries (especially Greece, Spain, Portugal, Ireland and, to a lesser extent, Italy) and also to significant exchange rate volatility, especially with respect to the Euro. Further, the continued concern about the fiscal positions of the governments of the affected countries has also raised concerns regarding the exposures of banks to such countries, especially banks domiciled within Europe. These concerns may lead to such banks being unable to obtain funding in the interbank market, which may cause such banks to suffer liquidity stress and potentially insolvency. As at the date of this Base Prospectus, there has not been a recurrence of the inter-bank funding dislocations experienced in 2008. However, if the current concerns over sovereign and bank solvency continue, there is a danger that inter bank funding may become generally unavailable or available to most banks only at elevated interest rates. If this were to happen, investors may suffer market value and/or credit losses in respect of the Securities.

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to evaluate the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the applicable Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities (including an inability to sell the Securities), including Securities with amounts payable in one or more currencies, or where the Specified Currency of the Securities is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Securities and be familiar with any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in Securities linked to a specified currency exchange rate or a basket of currency exchange rates may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "*Specific risks relating to Securities linked to currency or foreign exchange rates*" below.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial

instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how such Securities will perform under changing conditions, the resulting effects on the value of those Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Risks relating to Securities generally

Securities are unsecured obligations of the Issuer and are subject to the credit risk of the Issuer and the Guarantor

The Securities are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without prejudice among themselves and (save for such exceptions as may be provided by applicable legislation) at least equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding. The obligations of the Issuer and the Guarantor are not secured and investors in the Securities do not have any rights in respect of the Underlying Asset(s) referenced by such Securities.

In respect of Guaranteed Warrants, the Issuer's payment obligations are unconditionally and irrevocably guaranteed by the Guarantor under the Guarantee. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall (save for obligations in respect of national and local taxes and certain other statutory exceptions) at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

The Issuer's payments on the Securities will be made solely out of and to the extent of payments received by it under the Derivative Agreement as it relates to the Securities. Holders should note that the obligations of the Issuer are limited accordingly (but without prejudice to the rights of Holders under the Guarantee in respect of the Securities).

The market value of the Securities and the Cash Settlement Amount payable in respect of the Securities will be subject to the credit risk of the Issuer and the Guarantor. Holders will have no recourse to the Underlying Asset(s), or any assets of the Issuer, the Guarantor or any other person. Therefore, Holders will be exposed to the credit risk of the Issuer and the Guarantor. The market value of the Securities will not only be affected by the value of the Underlying Asset(s), but will also depend in part on the credit rating of the Issuer or Guarantor. See "*Factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee*".

Not a bank deposit

Any investment in the Warrants does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank.

Holders cannot exercise "European Style" Warrants during their term

The Securities are "European style" Warrants which cannot be exercised during their term. Consequently, the date on which the Cash Settlement Amount is calculated is predetermined in the Conditions of such Securities and such Securities cannot be exercised by the Holder on any other day during the term of the Securities.

Time Lag after Exercise

In the case of any exercise of American Style Warrants, there will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the Conditions of the Warrants. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Warrants arising from any daily maximum exercise limitation, the occurrence of a market disruption event or failure to open of an exchange or related exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies). The applicable Cash Settlement Amount may change significantly during any such

period, and such movement or movements could decrease the Cash Settlement Amount of the Warrants being exercised and may result in such Cash Settlement Amount being zero.

Minimum Exercise Amount

If so indicated in the applicable Final Terms, a Holder must tender or hold a specified number of Securities at any one time in order to exercise. Thus, Holders with fewer than the specified minimum number of Securities will either have to sell their Securities or purchase additional Securities, incurring transaction costs in each case, in order to realise their investment. Furthermore, Holders of such Securities incur the risk that there may be differences between the trading price of such Securities and the Cash Settlement Amount.

Limitations on Exercise

In the case of American Style Warrants, if so indicated in the applicable Final Terms, the Issuer will have the option to limit the number of Warrants exercisable on any date (other than the Expiration Date) to the maximum number specified in the applicable Final Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being exercised on any date (other than the Expiration Date) exceeds such maximum number and the Issuer elects to limit the number of Warrants exercisable on such date, a Holder may not be able to exercise on such date all Warrants that such holder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected at the discretion of the Issuer or in any other manner specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, the Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which such Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Adjustments and Cancellation

The Calculation Agent may be entitled to make adjustments to the Conditions of the Securities following the occurrence of certain events, as described in the Conditions and/or the applicable Final Terms. Such adjustment may have an adverse impact on the value of the Securities. Any such discretion exercised by, or any calculation made by the Calculation Agent (in the absence of manifest error) shall be binding.

The Issuer may also be entitled to cancel the Securities before the scheduled settlement. It is possible that the Issuer may cancel the Securities at a time which causes the Holder to suffer a loss. The Issuer may be entitled to cancel the Securities early for reasons related to the Issuer's hedging positions relating to the Securities or on account of certain tax-related, regulatory or other events.

Holdings have no recourse to any assets of the Issuer or any Underlying Asset(s) referenced by the Securities

Upon insolvency of the Issuer, Holders of the Securities will be paid at the same time as Holders of other unsecured obligations of the Issuer and will be paid after preferred obligations (for example, secured creditors). If the Issuer is unable to repay amounts due to Holders, each Holder will be treated equally with all other Holders who own unsecured Securities issued by the Issuer, but, in the case of Guaranteed Warrants, will be able to claim against the Guarantor for any shortfalls in amounts owed but unpaid by the Issuer. Holders will not have any recourse to any Underlying Asset(s) or to any assets of the Issuer.

Holders, or any person acting on behalf of a Holder, will not be permitted under the Conditions of the Securities to institute or join any person in instituting against the Issuer, its officers or directors, any bankruptcy, examinership, administration, suspension of payments, moratorium of any indebtedness, winding-up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law.

The Securities are linked to the performance of one or more Underlying Asset(s), but investors in the Securities do not have and shall not receive any rights in respect of the Underlying Asset(s) and shall have no right to call for any Underlying Asset(s) to be delivered to them. There is no obligation on the

Issuer or the Guarantor to hold the Underlying Asset(s) referenced by the Securities. Even if the Issuer or the Guarantor does hold any Underlying Asset(s), it will not be segregated from the other assets of the Issuer or the Guarantor for the benefit of the Holders.

Modification and Waivers

The relevant Conditions provide that the Principal Agent and the Issuer may, without the consent of Holders, agree to (i) any modification (subject to certain specific exceptions) of the Securities or the Agency Agreement which is not, in the sole opinion of the Issuer, materially prejudicial to the interests of the Holders or (ii) any modification of the Securities or the Agency Agreement which is, in the sole opinion of the Issuer, of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law.

Meetings of Holders

The relevant Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

Hedging and other Potential Conflicts of Interest

The Issuer, the Guarantor and/or any of their respective Affiliates or agents may engage in activities that may result in conflicts of interests between them and their respective Affiliates' or agents' financial interests on the one hand and the interests of the Holders on the other hand. The Issuer, the Guarantor and/or any of their respective Affiliates or agents may also engage in trading activities (including hedging activities) related to the Underlying Asset(s) underlying any Securities and other instruments or derivative products based on or related to the Underlying Asset(s) underlying any Security for their proprietary accounts or for other accounts under their management. The Issuer, the Guarantor and/or any of the Guarantor's Affiliates or agents may also issue other derivative instruments in respect of the Underlying Asset(s) underlying Securities.

Such activities could present certain conflicts of interest and could adversely affect the value of such Securities. The Issuer also may enter into arrangements with Affiliates or agents to hedge market risks associated with its obligations under the Securities. Any such Affiliate or agent would expect to make a profit in connection with such arrangements. The Issuer might not seek competitive bids for such arrangements from unaffiliated parties.

Where the Securities are offered through a distributor(s) or via an introducing broker, such distributor(s) or introducing broker may act pursuant to a mandate granted by the Issuer or Dealer and may receive fees on the basis of the services performed and the outcome of the placement of the Securities. In this case, potential conflicts of interest could arise.

In addition, unless otherwise specified in the applicable Final Terms, the Calculation Agent is an Affiliate of the Guarantor and in such capacity may make certain determinations and calculate amounts payable or deliverable to Holders. Under certain circumstances, the Calculation Agent being an Affiliate of the Guarantor and its responsibilities as Calculation Agent for the Securities could give rise to potential conflicts of interest between the Calculation Agent and the Holders. In performing its services in relation to the Securities, the Calculation Agent may in certain circumstances have a wide discretion and does not, in any case, act on behalf of, or accept any duty of care or fiduciary duty to any Holder or, except as required by law, any other person. Subject to regulatory obligations, the Calculation Agent will pursue actions and take steps that it deems necessary or appropriate in accordance with the Conditions of the Securities without regard to the consequences for Holders. The Calculation Agent may at any time be in possession of information in relation to the Securities which may not be available to Holders. There is no obligation on the Calculation Agent to disclose such information to Holders.

Distributor(s)/Introducing Broker Fees

Investors should note that, in certain circumstances immediately following the issue of the Securities, the secondary market price of the Securities may be less than the Issue Price and/or the Offer Price for

a number of reasons which may include the fact that the Issue Price and/or the Offer Price included fees or commissions, including fees to be paid to distributor(s) and/or introducing brokers.

Illegality of Securities

If the Issuer determines that the performance of either its obligations under the Securities or the obligations of the Guarantor under the Guarantee has or will become illegal in whole or in part for any reason, the Issuer may cancel the Securities.

If, in the case of illegality and to the extent permitted by applicable law, the Issuer cancels the Securities, then the Issuer will cancel each Security and the Early Cancellation Amount which may be less than the purchase price of the Securities and may in certain circumstances be zero.

Change in law

The terms of the Conditions are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Risks relating to regulatory reform

Regulatory reform could ultimately affect the performance of the Underlying Asset(s) and hence the performance of the Securities. In particular, some legislative and regulatory proposals, such as those in the Dodd-Frank Act may require certain of the Securities to be cleared and traded on an exchange, expand entity registration requirements and impose business conduct requirements on persons active in the swaps market. While many provisions of the Dodd-Frank Act must be implemented through future rulemaking, and any regulatory or legislative activity may not necessarily have a direct or indirect, immediate effect upon the Issuer or the Securities, it is possible that, upon implementation of these measures or any future measures, such regulatory reform could potentially limit or completely restrict the ability of the Issuer to offer Securities, increase the costs of offering the Securities or make them less effective, which could then affect the performance of the Securities.

Securities may have foreign exchange currency exposure

The Cash Settlement Amount payable is dependent upon movements in currency or foreign exchange rates or are payable in one or more currencies which may be different from the currency in which the Securities are denominated. Accordingly, an investment in Securities linked to linked to currency or foreign exchange rates may bear similar market risks to a direct foreign exchange investment and investors should take advice accordingly. An investment in the Securities will entail significant risks not associated with a conventional debt security.

Specific risks relating to Securities linked to currency or foreign exchange rates

The Securities will represent an investment linked to the economic performance of one or more Underlying Asset(s) (which may involve a combination of two or more currency or foreign exchange rates) and prospective investors should note that the return (if any) on their investment in such Securities will depend upon the performance of such Underlying Asset(s). Potential investors should also note that whilst the market value of such Securities is linked to such Underlying Asset(s) and will be influenced (positively or negatively) by such Underlying Asset(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Underlying Asset(s) will vary over time. In contrast to a direct investment in the relevant Underlying Asset(s), Securities represent the right to receive payment of the Cash Settlement Amount(s) which will be determined by reference to the performance of the relevant Underlying Asset(s).

As the amounts payable in respect of the Securities are linked to the performance of the relevant Underlying Asset(s), a purchaser of such a Security must generally inform itself about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying Asset(s).

The foreign exchange rate(s) to which the Securities are linked will affect the nature and value of the investment return on such Securities. Foreign exchange rates are dependent on the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates and interest rates in the jurisdiction(s) in which the relevant currency is the

lawful currency, economic forecasts, international political factors, currency convertibility and risks associated with making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Emerging market or non-deliverable currencies can be significantly more volatile than deliverable currencies or currencies of developed markets and are more likely to be the subject of events that disrupt a particular market for a currency. Disruption events that may apply to the Securities are set out in "*Additional Terms and Conditions of the Warrants*". The applicable Final Terms will specify which Disruption Events apply to a particular series of Securities. Consequences of a Disruption Event are set out below.

Potential investors in any Securities should be aware that depending on the terms of the Securities (i) payments may occur at a different time than expected and (ii) except in the case of Securities which are principally protected at maturity, they may lose all or a substantial portion of their investment if the currency exchange rates do not move in the anticipated direction.

In addition, the movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the currency exchange rates, the greater the effect on yield.

If the Cash Settlement Amount is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on the Cash Settlement Amount payable will be magnified.

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of the Securities. Furthermore, investors who intend to convert gains or losses from the exercise or sale of the Securities into their home currency may be affected by fluctuations in exchange rates between their home currency and Settled Currency (as defined below) of the Securities. Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency/currencies, regardless of other market forces (see "*Exchange rate risks and exchange controls*" below).

Occurrence of a Disruption Event

In the event that a Disruption Event has occurred or exists as of the relevant time(s) for determination of any Settlement Rate or any other relevant time on any day and such Disruption Event is material in the context of determining such Settlement Rate then one or more of the following fallback provisions may be applicable to the Securities, each as further specified in the applicable Final Terms (and, if more than one such fallback provision is relevant, the Calculation Agent may select any of such fallback provisions as it determines appropriate):

- the Calculation Agent may determine the relevant Settlement Rate by reference to such source(s) it deems relevant;
- the Calculation Agent may determine the relevant Settlement Rate by reference to a specified fallback reference price;
- the relevant valuation date may be postponed; or
- the Issuer may cancel the Securities early.

The application of any such fallback provisions may have an adverse effect on the value and liquidity of the affected Securities. Prospective purchasers should review the relevant Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

Other risks relating to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

Possible Illiquidity of the Securities in the Secondary Market

There is currently no market for the trading of the Warrants and there can be no assurance that such a market will develop. The Issuer may, but is not obliged to, list or admit to trading Securities on a stock exchange or market. If the Securities are not listed or admitted to trading on any stock exchange or market, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected. If the Issuer does list or admit to trading an issue of Securities, there can be no assurance that at a later date, the Securities will not be delisted or that trading on such stock exchange or market will not be suspended. In the event of a delisting or suspension of listing or trading on a stock exchange or market, the Issuer will use its reasonable efforts to list or admit to trading the Securities on another stock exchange or market. Also, (in the case of American Style Warrants) to the extent Warrants of a particular issue are exercised, the number of Warrants of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants of such issue. A decrease in the liquidity of an issue of Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants.

The Issuer cannot assure Holders that a trading market for their Securities will ever develop or be maintained. Many factors independent of the creditworthiness of the Issuer or the Guarantor affect the trading market of the Securities. These factors include:

- the complexity and volatility of the Underlying Asset(s) or formula or other basis of reference applicable to the Securities;
- the method of calculating amounts payable and/or deliverable, or other consideration, if any, in respect of the Securities;
- the time remaining to the expiration or exercise (of the Warrants);
- the number of Securities outstanding;
- the settlement features of the Securities;
- the amount of other securities linked to the Underlying Asset(s) or formula or other basis of reference applicable to the Securities; and
- the level, direction and volatility of market interest rate generally.

Neither the Issuer, the Guarantor nor the Guarantor's respective Affiliates are obliged to, at any time, purchase Securities at any price, whether in the open market or by tender or private treaty, for their own account for business reasons or in connection with their hedging arrangements, or otherwise. The Issuer, the Guarantor or the Guarantor's respective Affiliates may, but is not obliged to, provide prices in respect of an issue of Securities. Even if the Issuer or such other entity provides prices in respect of an issue of Securities, there can be no assurance that a secondary market for such Securities will develop. To the extent that an issue of Securities becomes illiquid, or where a secondary market fails to develop an investor may not be able to sell the Securities and will have to exercise such Securities (in the case of American Style Warrants) or wait until the Exercise Date (in the case of European Style Warrants) of such Securities to realise value. These activities may affect the price of such obligations or securities in a manner that would be adverse to a Holder's investment in the Securities. The Issuer, the Guarantor or the Guarantor's respective Affiliates have not considered, and are not required to consider, the interest of investors as Holders in connection with entering into any of the above mentioned transactions.

There may be less liquidity in the market for Securities if the Securities are exclusively offered to retail investors without any offer to institutional investors.

Exchange rate risks and exchange controls

As the Issuer will pay the Cash Settlement Amount in respect of the Securities in the Specified Currency specified in the applicable Final Terms, this presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency (the "**Settled Currency**"). These

include the risk that exchange rates may significantly change (including changes due to devaluation of the Settled Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settled Currency would decrease (i) the Investor's Currency-equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the Cash Settlement Amount in respect of the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, the Cash Settlement Amount that investors may receive may be less than expected or zero.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Use of credit ratings are restricted under the CRA Regulation

In general, European-regulated investors are restricted under CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Securities are legal investments for it, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Emerging Markets Risks

Securities may be linked to, or denominated in, the currencies of emerging markets jurisdictions. Emerging markets jurisdictions may be characterised as politically unstable and/or lacking a stable and fully developed economy and financial system and/or lacking in established rule of law. Emerging markets investments generally have greater risks than those from developed jurisdictions including political risk, economic risk, currency risk, market risk, regulatory/legal risk and shareholder risk as further described below:

- *Political risk:* The relative instability of political systems of emerging markets jurisdictions may leave them more vulnerable to public unrest and instability. Such circumstances, in turn, could lead to a reversal of some or all economic or political reform including such policies as confiscatory taxation, exchange controls or expropriation of foreign-owned assets without adequate compensation. Any such policies could have an adverse effect on the value of the Underlying Asset(s) and, in turn, the relevant Securities.
- *Economic risk:* Businesses and governments of emerging markets jurisdictions may be relatively inexperienced in dealing with difficult market conditions (such as the on-going global recession) and may have a limited capital base from which to borrow funds. In addition, an emerging markets jurisdiction may lack a developed banking sector and its financial institutions may not be adequately regulated. These factors, among other economic issues,

could affect the functioning of the economy and have a corresponding adverse effect on the performance of the Underlying Asset(s) and, in turn, the relevant Securities.

- *Currency risk:* Securities linked to, or denominated in, the currencies of emerging markets jurisdictions may be subject to greater volatility and possibly the suspension of the ability to exchange or transfer currency, or the devaluation of the currency.
- *Market risk:* The financial systems and markets of emerging markets jurisdictions may lack the level of transparency and liquidity found in more developed markets. As a result, such markets may suffer from extreme price volatility, price discrepancies and lack of liquidity. Any such circumstances or events may have an adverse effect on the performance of the Underlying Asset(s) and, in turn, the relevant Securities.
- *Regulatory/Legal risk:* In emerging markets jurisdictions there may be less government regulation of business and industry practices, stock exchanges, over-the-counter markets and market participants than in more developed countries. Legislation to safeguard the rights of private ownership and to prevent stock market manipulation may not be fully developed and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation and may be subject to change with retroactive effect. Any such circumstances or events may have an adverse effect on the performance of the Underlying Asset(s) and, in turn, the relevant Securities.

TERMS AND CONDITIONS OF THE WARRANTS

The following is the text of the terms and conditions of the Warrants (the "**General Conditions**") that, subject to completion and amendment in accordance with the provisions of the applicable Final Terms (as defined below) shall be incorporated by reference into the Permanent Global Warrant representing each Tranche of Warrants.

The Series of Warrants described in the applicable Final Terms (insofar as it relates to such Series of Warrants) (such Warrants being hereinafter referred to as the "**Warrants**") are issued by Hotei Capital plc (the "**Issuer**"). References in the General Conditions to "Warrants" are to the Warrants of one Series only, not to all Securities that may be issued under the Programme.

The Warrants are issued pursuant to an Agency Agreement (as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 2 May 2012 and made between the Issuer, the Guarantor (as defined below), Citigroup Global Markets Deutschland AG as registrar (the "**Registrar**", which expression shall include any successor registrar), Citibank Europe plc as principal agent (the "**Principal Agent**", which expression shall include any successor principal agent) and Nomura International plc as calculation agent (the "**Calculation Agent**", which expression shall include any successor calculation agent, and together with the Registrar and Principal Agent, the "**Agents**", which expression shall include any additional or successor agents).

If specified in the applicable Final Terms that the Securities are Guaranteed Warrants, the Warrants will be issued with the benefit of a guarantee from Nomura Holdings, Inc. (the "**Guarantor**") pursuant to a deed of guarantee executed by the Guarantor on or around 2 May 2012 (the "**Guarantee**", and such Warrants, the "**Guaranteed Warrants**").

The Guarantee will not be applicable in respect of a Series of Warrants unless expressly specified in the applicable Final Terms that the Securities are Guaranteed Warrants. If the applicable Final Terms in respect of any Series of Warrants does not state that the Warrants of such Series are Guaranteed Warrants, then such Series of Warrants will not have the benefit of the Guarantee or any other guarantee or similar arrangements from the Guarantor or any other party. The original of the Guarantee is held by the Principal Agent on behalf of the Holders at its specified office. All amounts payable or deliverable under the Guaranteed Warrants are unconditionally and irrevocably guaranteed by the Guarantor pursuant to the terms of the Guarantee.

Any reference herein to the Warrants being listed and/or admitted to trading shall mean that such Warrants have (i) been admitted to the Official List of the Irish Stock Exchange and trading on its regulated market, as specified in the applicable Final Terms, and/or (ii) been listed and/or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be determined by the Issuer and which, where known as of the Issue Date, shall be specified in the applicable Final Terms.

The terms and conditions for the Warrants are set out in the Final Terms applicable to the Warrants (the "**applicable Final Terms**", which term shall be construed as a reference to "the applicable Final Terms and/or Series Prospectus, as applicable") which complete and/or amend the General Conditions (the "**Conditions**", which term shall include the additional terms and conditions in the form annexed hereto (the "**FX Linked Conditions**") if specified as applicable in such Final Terms and the provisions set forth in the Permanent Global Warrant representing such Warrants). The applicable Final Terms in relation to any Series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, complete or modify the Conditions for the purpose of such Warrants (and "Conditions" shall be construed as the Conditions as completed and/or modified by such Final Terms).

The Holders are entitled to the benefit of the deed of covenant dated on or about 2 May 2012 and executed by the Issuer (as amended, supplemented and/or restated as at the Issue Date, the "**Deed of Covenant**"). The original of the Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg (each as defined below).

As used herein, "**Tranche**" means Warrants which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Warrants together with any further Tranche or Tranches of Warrants which are (i) expressed to be consolidated and form a single series and (ii)

identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, and/or Issue Prices.

The Warrants of each Series will be in registered form only. The Warrants may be sold outside of the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act and the Warrants will be represented by a Warrant in permanent global form (the "**Permanent Global Warrant**"). Definitive Warrants will not be issued. The Permanent Global Warrant will be deposited with a depository (a "**Common Depository**") on behalf of Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**").

Any reference to "**Holders**" shall mean the holders of the Warrants as described in Condition 1.2 below.

Copies of the Agency Agreement (which contains the form of the Guarantee and the Deed of Covenant) are available for inspection during normal business hours at the specified office of the Principal Agent. Copies of the applicable Final Terms are available for viewing during normal business hours at the specified office of the Principal Agent and copies may be obtained from those offices save that, if the Warrants are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**"), the applicable Final Terms will only be viewed or obtained by a Holder holding one or more Warrants and such Holder must produce evidence satisfactory to the Issuer and the Principal Agent as to its holding of such Warrants and identity. The Holders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

All capitalised terms that are not defined in the General Conditions will have the meanings given to them in the relevant Final Terms and/or the relevant Series Prospectus, as applicable, unless the context otherwise requires or unless otherwise stated. In the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms shall prevail. In the event of any inconsistency between (i) the Conditions and (ii) the FX Linked Conditions, the FX Linked Conditions shall prevail. In the event of any inconsistency between (i) the Conditions and/or the FX Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

1. **TYPE, TITLE AND TRANSFER**

1.1 **Type**

The Warrants relate to a specified currency exchange rate or a basket of currency exchange rates ("**Underlying Asset**"), as specified in the applicable Final Terms. The FX Linked Conditions shall apply to the Warrants unless otherwise specified in the applicable Final Terms.

Settlement in respect of the Warrants shall be by way of cash payment. Warrants must be exercised in an integral number of units. The Warrants may be terminated early following an illegality or change in law or regulation as described in Condition 5 below or an event of default as described in Condition 6 below.

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**"). Automatic exercise applies to the Warrants.

1.2 **Title to Warrants**

The Warrants of each Series will be in registered form only. The Issuer shall cause to be kept at the principal office of the Registrar, a register (the "**Register**") on which shall be entered the names and addresses of all holders of the Warrants, the number or amount, as the case may be, and type of the Warrants held by each Holder and details of all transfers of the Warrants.

Warrants will be represented by a Permanent Global Warrant held through Euroclear and/or Clearstream, Luxembourg. Each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular number of Warrants (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the number of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (in the case of Guaranteed Warrants) and any Agent as the holder of such number of Warrants for all purposes other than with respect to the payment of any amounts on such number of such Warrants, for which purpose the person recorded in the Register shall be treated by the Issuer, the Registrar, the Guarantor (in the case of Guaranteed Warrants) and any Agent as the Holder of such number of such Warrants in accordance with and subject to the terms of the relevant Warrant (and the expression "**Holder**" and related expressions shall be construed accordingly).

The Warrants may be sold outside of the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Agent from time to time and notified to the Holders in accordance with Condition 9.

1.3 **Transfers of Warrants**

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 3.1.

All transactions (including transfers) in the open market or otherwise relating to Warrants represented by a Permanent Global Warrant held through Euroclear and/or Clearstream, Luxembourg, must be effected through an account at Euroclear or Clearstream, Luxembourg subject to and in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg. The person for the time being shown in the records of Euroclear or Clearstream, Luxembourg as holding a Warrant shall be treated by the Issuer, the Guarantor, the Agents, Euroclear, Clearstream, Luxembourg and all other persons dealing with said person as the absolute owner thereof for all purposes other than with respect to the payment of any amounts in respect of such Warrants, for which purpose the person recorded in the Register shall be treated by such persons as the Holder of such number of such Warrants in accordance with and subject to the terms of the relevant Warrant (and the expression "**Holder**" and related expressions shall be construed accordingly).

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Warrants and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

2. **STATUS OF THE WARRANTS AND THE GUARANTEE**

2.1 **Status of the Warrants**

The Warrants are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without prejudice among themselves and (save for such exceptions as may be provided by applicable legislation) at least equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding. The Warrants are not secured by any property of the Issuer.

2.2 Status of the Guarantee

In respect of Guaranteed Warrants, the Issuer's payment obligations are unconditionally and irrevocably guaranteed by the Guarantor under the Guarantee. The obligations of the Guarantor under the Guarantee will constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall (save for obligations in respect of national and local taxes and certain other statutory exceptions) at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

3. EXERCISE AND SETTLEMENT

3.1 Exercise Rights

(a) American Style Warrants

American Style Warrants are exercisable on any Business Day during the Exercise Period. Any American Style Warrant with respect to which no Exercise Notice (as defined in Condition 4) has been delivered in the manner set out in Condition 4.2, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the final Business Day of the Exercise Period (the "**Expiration Date**"), and which in the determination of the Calculation Agent is "In-The-Money", such American Style Warrant will, upon appropriate notification by the Calculation Agent of such determination, be exercised by the Principal Agent on behalf of the relevant Holder on the Expiration Date (in relation to an American Style Warrant, "**Automatic Exercise**").

The expression "exercise", "due exercise" and related expressions shall be construed to apply to any American Style Warrants in accordance with this provision.

In the case of an American Style Warrant, if any Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Issuer after 10.00 a.m., Luxembourg or Brussels time (as applicable), on any Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 4 at or prior to 10.00 a.m. Luxembourg or Brussels time (as applicable) on the Expiration Date shall be automatically exercised on the Expiration Date, subject as provided above.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date. Where European Style Warrants are, in the determination of the Calculation Agent, "In-The-Money", each European Style Warrant will, upon appropriate notification by the Calculation Agent of such determination, be exercised by the Principal Agent on behalf of the relevant Holder on the Exercise Date (in relation to a European Style Warrant, "**Automatic Exercise**").

The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any European Style Warrants in accordance with this provision.

For the purposes of this Condition 3.1, "**In-The-Money**" means the Cash Settlement Amount in respect of each Warrant is or would be equal to or greater than zero.

3.2 Cash Settlement

Each Warrant entitles the Holder thereof in respect of an Actual Exercise Date, upon due exercise, to receive from the Issuer on the Settlement Date, a Cash Settlement Amount.

The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Specified Currency, with 0.005

(or, in the case of Japanese Yen, half a unit) being rounded upwards, with Warrants exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants.

3.3 **General**

None of the Issuer, the Guarantor (in respect of Guaranteed Warrants) or the Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount.

All references in this Condition to "Luxembourg or Brussels time" shall, where the Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

3.4 **Definitions**

For the purposes of the Conditions, the following definitions will apply (in each case unless otherwise specified in the applicable Final Terms):

"Actual Exercise Date" means (a) the Exercise Date (in the case of European Style Warrants) or (b) subject to Condition 4.7(b), the date during the Exercise Period on which the Warrant is actually exercised or is deemed exercised (in the case of American Style Warrants (as more fully set out in Condition 3.1(a)).

"Additional Business Centre" has the meaning given in the applicable Final Terms.

"Business Day" means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) where the Specified Currency is other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (ii) where the Specified Currency is euro, a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System (the **"TARGET2 System"**) is open.

"Cash Settlement Amount" means the amount to which a Holder is entitled in the Specified Currency in relation to each Warrant, as determined by the Calculation Agent in accordance with FX Linked Condition 8, unless otherwise specified in the applicable Final Terms.

"Exercise Date" means the date specified as such in the applicable Final Terms.

"Exercise Period" means the period specified as such in the applicable Final Terms.

"Issue Date" means the date specified as such in the applicable Final Terms.

"Issue Price" means the amount specified as such in the applicable Final Terms.

"Series Prospectus" means any prospectus or summary (if applicable) and securities note prepared in connection with a particular Tranche of Securities and approved by a competent authority for the purposes of the Prospectus Directive, and in each case includes any supplements thereto and notices related thereto.

"Settlement Date" means the fifth Business Day following the Valuation Date, or such other date specified as such in the applicable Final Terms.

"**Specified Currency**" means the currency specified as such in the applicable Final Terms.

"**Valuation Date**" has the meaning given in the FX Linked Conditions.

4. **EXERCISE PROCEDURE**

4.1 **Settlement**

The Issuer will on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant:

- (a) to the Holder's account specified in the relevant Exercise Notice; or
- (b) where no Exercise Notice is received, to the Holder's account with Euroclear or Clearstream, Luxembourg, as applicable, in accordance with the rules of Euroclear or Clearstream, Luxembourg,

in each case, for value on the Settlement Date less any Exercise Expenses not already paid. In the case of Condition 4.1(b) above, the Issuer or (in the case of Guaranteed Warrants) the Guarantor, as applicable, shall be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg, as applicable, in respect of the amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg, as applicable, as the holder of an amount of the Warrants must look solely to Euroclear or Clearstream, Luxembourg, as applicable, for his share of each such payment so made to, or to the order of, Euroclear or Clearstream, Luxembourg, as applicable.

"**Exercise Expenses**" means all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of the Warrants.

4.2 **Exercise Notice in respect of Warrants**

Other than in the case of Automatic Exercise, Warrants may only be exercised by providing in a form acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, a notice as described below ("**Exercise Notice**"), with a copy to the Issuer in accordance with the provisions of Condition 3.1 the relevant information set out in this Condition.

The Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised;
- (b) specify the number of the Holder's securities account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants being exercised;
- (c) irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date, the Holder's securities account with the Warrants being exercised;
- (d) specify the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant being exercised;
- (e) include an undertaking to pay all Exercise Expenses and an authority to Euroclear or Clearstream, Luxembourg to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Exercise Expenses;

- (f) certify that (i) the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), (ii) the Warrant is not being exercised within the United States or on behalf of a U.S. person and (iii) no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the exercise thereof and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Final Terms; and
- (g) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

4.3 **Verification of the Holder**

Upon receipt of an Exercise Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person delivering such notice is the Holder of the relevant Warrants subject to the Exercise Notice according to the books of Euroclear or Clearstream, Luxembourg, as the case may be. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Agent the series number and number of Warrants and the account details, if applicable, for the payment of the Cash Settlement Amount of each Warrant being exercised. Upon receipt of such confirmation, the Principal Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Settlement Date debit the account of the relevant Holder with the Warrants being exercised. If the Warrants are Warrants which are American Style Warrants, upon exercise of less than all the Warrants constituted by the Permanent Global Warrant, the Registrar will, on the instructions of, and on behalf of, the Principal Agent, note such exercise on the Schedule to the Permanent Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

4.4 **Determinations**

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by Euroclear or Clearstream, Luxembourg, as the case may be, in consultation with the Issuer. Any such determination shall be conclusive and binding on the Issuer, the Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuer immediately after being delivered or sent to Euroclear or Clearstream, Luxembourg, as the case may be, in each case as provided in Condition 4.2 above, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg, as the case may be, in consultation with the Issuer, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Euroclear or Clearstream, Luxembourg, as the case may be, and the Issuer.

Euroclear or Clearstream, Luxembourg, as the case may be, shall use its best efforts as soon as reasonably practicable to notify the Holder submitting an Exercise Notice if, in consultation with the Issuer, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor (in the case of Guaranteed Warrants), the Agents, Euroclear or Clearstream, Luxembourg shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

4.5 **Delivery of an Exercise Notice**

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

4.6 **Exercise Risk**

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the Exercise Date and none of the Issuer, the Guarantor (in the case of Guaranteed Warrants) and the Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor (in the case of Guaranteed Warrants) and the Agents shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg as applicable, in relation to the performance of its duties in respect of the Warrants.

4.7 **Minimum and Maximum Number of Warrants Exercisable**

This Condition 4.7 applies only to American Style Warrants which are not Automatically Exercised.

- (a) The number of Warrants exercisable by any Holder on any Actual Exercise Date must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (b) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number specified in the applicable Final Terms (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

5. **EARLY CANCELLATION**

5.1 **Cancellation for Illegality**

In the event that the Calculation Agent determines that the performance of the obligations of the Issuer under the Warrants or (in the case of Guaranteed Warrants) the obligations of the Guarantor under the Guarantee or any arrangements made to hedge the Issuer's obligations under the Warrants, has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer may, having given not less than 10 nor more than 30 calendar days' notice to the Holders in accordance with Condition 9 (which notice shall be irrevocable), on the expiry of such notice cancel all, but not some only, of the Warrants, each Warrant being cancelled at the Early Cancellation Amount. Payment shall be made in such manner as shall be notified to Holders in accordance with Condition 9.

5.2 **Regulatory Cancellation Event**

In the event that the Calculation Agent determines that a change (including a future change) in applicable law or regulation has occurred or will occur which results, or will result, by reason of the Warrants being outstanding, in the Issuer being required to be regulated by any additional jurisdiction or regulatory authority, or being subject to any additional legal requirement or regulation considered by the Issuer to be materially onerous to it (such change, a "**Regulatory Cancellation Event**"), the Issuer having given not less than 10 nor more than 30 calendar days' notice to the Holders in accordance with Condition 9 (which notice shall be irrevocable) may, on the expiry of such notice cancel all, but not some only, of the Warrants, each Warrant being cancelled at the Early Cancellation Amount. Payment shall be made in such manner as shall be notified to Holders in accordance with Condition 9.

5.3 **Additional cancellation events**

- (a) Upon the occurrence of:
 - (i) a Derivative Termination Event; or
 - (ii) an Adverse Tax Event, the Calculation Agent will inform the Issuer and the Holders of such event and use all reasonable efforts to arrange the substitution of a company incorporated in a jurisdiction approved by the Holders by Extraordinary Resolution. If the Calculation Agent fails to arrange such substitution, or the Calculation Agent considers it impracticable to arrange such substitution, before the next payment is due under the Warrants, a Tax Redemption Event will be deemed to have occurred,

and in each of paragraph (a) and (b) above, the Issuer may, having given not less than 10 nor more than 30 calendar days' notice to the Holders in accordance with Condition 9 (which notice shall be irrevocable), on the expiry of such notice cancel all, but not some only, of the Warrants.

- (b) Upon the occurrence of a U.S. Tax Event, the Issuer may, having given not less than 10 nor more than 30 calendar days' notice to the Holders in accordance with Condition 9 (which notice shall be irrevocable), on the expiry of such notice cancel all, or some only, of the Warrants, to the extent it reasonably believes is necessary to avoid the imposition of a U.S. withholding tax under section 1471 or section 1472 of the U.S. Internal Revenue Code or reasonably believes is necessary to comply with any reporting and withholding agreement entered into with the U.S. Internal Revenue Service.
- (c) Each Warrant cancelled as a result of the occurrence of a Derivative Termination Event, an Adverse Tax Event or a U.S. Tax Event shall be cancelled at the Early Cancellation Amount. Payment shall be made in such manner as shall be notified to Holders in accordance with Condition 9.

As used herein:

"Adverse Tax Event" means that the Calculation Agent determines that:

- (a) the Issuer would suffer, or be required by law to account for tax, or where any accounting for tax was anticipated, to account for tax in excess of the amount of tax so anticipated, in respect of its income or any capital gain; or
- (b) the Issuer or the Guarantor (in respect of Guaranteed Warrants) would be required by law to withhold or account for tax at a rate in excess of any previously applicable rate of such tax in respect of any payment to be made by it in respect of the Warrants or any Transaction Agreement (other than, in any case, a Connected Jurisdiction Tax).

"Affiliate" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity.

"Associated Costs" means, in respect of a Warrant, an amount equal to such Warrant's pro rata share of the total amount of any and all costs or expenses associated or incurred by the Issuer, any Affiliate and/or Counterparty (as applicable) in connection with such early cancellation, including, without limitation, any costs associated with unwinding the funding relating to the Warrants and any costs associated with unwinding any hedge positions relating to the Warrants, all as determined by the Calculation Agent.

"Connected Jurisdiction Tax" means any liability to tax that arises by reason of (i) any Holder's connection with the jurisdiction of incorporation of the Issuer (other than by reason of the holding of any Warrant or receiving or being entitled to any payments of principal or interest in respect thereof) or (ii) a withholding or deduction imposed on a payment by or on behalf of the Issuer to an individual required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

"Counterparty" has the meaning given in Condition 8.2(a)(ii).

"Derivative Agreement" means ISDA 2002 Master Agreement dated 2 May 2012 between the Issuer and Nomura International plc as counterparty, including the schedule thereto and each confirmation executed thereunder as it relates to the Warrants.

"Derivative Termination Event" means the termination of a Derivative Agreement in whole or in part for any reason or the termination of a transaction in whole under a Derivative Agreement on an Early Termination Date (as defined in the relevant Derivative Agreement) following an Event of Default or Termination Event thereunder (each as defined in the relevant Derivative Agreement), in each case, in respect of the relevant Series.

"Early Cancellation Amount" means, in respect of a Warrant, the fair market value of such Warrant (calculated, only in the case of an early cancellation following the occurrence of an Event of Default, without regard to the creditworthiness of the Issuer or (in the case of a Guaranteed Warrant) the Guarantor at the relevant time) less any Associated Costs, as determined by the Calculation Agent in its discretion.

"Extraordinary Resolution" has the meaning given to it in the Agency Agreement.

"Security Deed" means a security deed executed by the Issuer creating security interest in favour of the Guarantor over all of the Issuer's rights under the Agency Agreement and the Derivative Agreement, in each case, to the extent that they relate to the Guaranteed Warrants and all sums deriving from them.

"Subscription Agreement" means a subscription agreement executed by the Issuer and the Dealer on 2 May 2012.

"Transaction Agreements" means the Agency Agreement, the Subscription Agreement, the Final Terms, the Deed of Covenant, the Warrants, any Derivative Agreement, the Security Deed and any other documents specified as such in the applicable Final Terms.

"U.S. Tax Event" means the Issuer reasonably expects that it is or will become subject to U.S. withholding tax under section 1471 or section 1472 of the U.S. internal Revenue Code or reasonably expects that it is or will be in violation of a reporting and withholding agreement entered into with the U.S. Internal Revenue Service on account of non-compliance by its Holders or beneficial owners thereof with respect to requests for identifying information and other certifications

6. **EVENT OF DEFAULT ON INSOLVENCY**

6.1 **Occurrence of Event of Default**

An **"Event of Default"** means the occurrence of any one or more of the following events (collectively, the **"Events of Default"**):

- (a) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Issuer or (in the case of Guaranteed Warrants) the Guarantor bankrupt or insolvent or approving as properly filed a petition seeking reorganisation of the Issuer or (in the case of Guaranteed Warrants) the Guarantor under any applicable bankruptcy, insolvency, examinership or reorganisation law of the jurisdiction of incorporation of the Issuer (the "**Issuer's Jurisdiction**") or (in the case of Guaranteed Warrants) the jurisdiction of incorporation of the Guarantor (the "**Guarantor's Jurisdiction**") respectively and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, examiner or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or (in the case of Guaranteed Warrants) the Guarantor or of all or substantially all of the property of the Issuer or (in the case of Guaranteed Warrants) the Guarantor or for the winding-up or liquidation of the affairs of the Issuer or (in the case of Guaranteed Warrants) the Guarantor shall have been entered under any applicable bankruptcy, insolvency or reorganisation law of the Issuer's Jurisdiction or (in the case of Guaranteed Warrants) the Guarantor's Jurisdiction respectively and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or
- (b) the Issuer or (in the case of Guaranteed Warrants) the Guarantor shall institute proceedings to be adjudicated a voluntary bankrupt or shall consent to the filing of a bankruptcy proceeding against it or shall file a petition or answer or consent seeking moratorium of payments (in respect of the Issuer only), reorganisation or arrangement under the applicable bankruptcy or reorganisation law of the Issuer's Jurisdiction or (in the case of Guaranteed Warrants) the Guarantor's Jurisdiction respectively, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or substantially all of its property, or shall make an assignment for the benefit of its creditors or shall make any composition with its creditors or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Issuer or (in the case of Guaranteed Warrants) the Guarantor in furtherance of any of the aforesaid purposes.

6.2 **Consequences of an Event of Default**

If any one or more of Events of Default shall have occurred and be continuing, then any Holder may, by written notice to the Issuer and (in the case of Guaranteed Warrants) the Guarantor (with a copy to the Principal Agent for information purposes only), declare each Warrant held by the holder to be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Cancellation Amount (as defined in Condition 5), unless such Event of Default shall be cured prior to receipt of such written notice by the Issuer and (in the case of Guaranteed Warrants) the Guarantor.

7. **PURCHASES**

Neither the Issuer, the Guarantor, nor any of their Affiliates are under an obligation to purchase Warrants, whether in the open market, by tender, by private treaty or otherwise.

8. **AGENTS**

8.1 **Agents**

The Agency Agreement contains provisions that the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint further or additional Agents, provided that no termination of appointment of an Agent shall become effective until a replacement Agent shall have been appointed. Notice of any termination of appointment and of any changes in the specified office of any Agent will be given to Holders in accordance with Condition 9 provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such termination or changes. In acting under the Agency Agreement, the Principal Agent acts solely as agent of the Issuer and does not assume any obligations to, or any relationship of agency or trust for or with, the Holders and any Agent's determinations and

calculations under the Agency Agreement and/or as required by the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor (in the case of Guaranteed Warrants) and the Holders.

The Agency Agreement may be amended by the parties thereto, but without the consent of the Holders, for the purpose of curing any ambiguity or of correcting or supplementing any defective provision contained therein or in any manner which such parties may mutually deem necessary or desirable and which shall, in the sole opinion of the Issuer not be materially prejudicial to the interests of the Holders.

8.2 Calculation Agent

(a) Status of the Calculation Agent

(i) Determinations

The Calculation Agent acts solely as agent of the Issuer and (in the case of Guaranteed Warrants) the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Warrants by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor (in the case of Guaranteed Warrants) and the Holders. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(ii) Exercise of discretion

In exercising its discretion under the Conditions, the Calculation Agent shall act in good faith and in a commercially reasonable manner. In doing so, the Calculation Agent may take into account such factors as it determines appropriate in each case, which may include in particular any circumstances or events which have or may have a material impact on the hedging arrangements entered into by the Issuer and/or the Counterparty in respect of the Warrants. The exercise of the Calculation Agent's discretion under the Conditions are necessary because certain circumstances or events (for example but without limitation a material modification or disruption to the Underlying Asset to which the Warrants are linked) may occur subsequent to the issuance of the Warrants which may materially affect the costs to the Issuer and/or the Counterparty of maintaining the Warrants or hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the Warrants. In addition, as a result of certain circumstances or events (for example but without limitation the unavailability or material disruption to any reference source) it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of the Underlying Asset or otherwise in connection with the Warrants, and thus making it necessary for the Calculation Agent to exercise its discretion in such a case. As used herein, "**Counterparty**" means Nomura International plc (or any successor thereto) which conducts hedging arrangements in respect of the Issuer's obligations under the Warrants from time to time. Such hedging arrangements may be carried out on a portfolio basis (i.e. where the counterparty maintains arrangements for hedging the Warrants together with other obligations of the Issuer or its Affiliates). As used herein, "**hedging arrangements**" means the arrangements, if any, the Issuer makes to have available to it the relevant cash amounts to be paid under the Warrants as these fall due. This may involve the Issuer and/or the Counterparty investing directly in the Underlying Asset to which the Warrants are linked. Alternatively, the Issuer and/or the Counterparty may make an indirect investment by entering into or acquiring a derivative contract referencing the Underlying Asset to which the Warrants are linked. The Issuer will select hedging arrangements which are efficient for it in the context of the tax, regulatory and business environment in which it operates. The Issuer and/or the Counterparty may also

adjust hedging arrangements from time to time but will not always be able to avoid adverse costs, taxes or regulatory changes which affect its hedging arrangements.

(iii) Determinations of amounts payable

The Calculation Agent will employ the methodology described in these Conditions and the applicable Final Terms to determine amounts payable in respect of the Warrants. When making any such determination in relation to any amounts so payable, the Calculation Agent may in its sole and absolute discretion consider any relevant information, which may but is not required to include, without limitation, one or more of the following:

- (A) quotations (either firm or indicative) supplied by one or more third parties or information sources;
- (B) information consisting of relevant market data in the relevant markets supplied by one or more third parties or information sources including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads correlation or other relevant market data in the relevant market; or
- (C) information of the types described in (A) or (B) above from internal sources (including any Affiliates of the Calculation Agent) or other information of a type used by the Calculation Agent in the regular course of its business or in connection with similar transactions.

The Calculation Agent's determination in the application of such methodology or of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent under the Warrants shall be final, conclusive and binding on the Issuer, the Guarantor (in the case of Guaranteed Warrants) and the Holders except in the case of manifest error.

Whenever the Calculation Agent is required to make any determination it may, among others, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under the Warrants including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion.

(iv) Modifications

Without prejudice to the provisions of Conditions 8.2(a)(ii) or 8.2(a)(iii) the Calculation Agent shall be free to modify without the consent of the Holders the methodology described in these Conditions from time to time as it deems appropriate in response to any market, regulatory, juridical, fiscal or other circumstances which may arise which, in the opinion of the Calculation Agent, necessitates a modification or change of such methodology, or for the purposes of (A) curing any ambiguity or correcting or supplementing any provision of the Conditions, (B) accounting for any change in the basis on which any relevant values, levels or information is calculated or provided which would materially change the commercial effect of any provision or provisions of the Conditions or (C) replacing any information provider or source.

(v) Disclaimer of liability

The Calculation Agent makes no express or implied representations or warranties as to (A) the advisability of investing in or obtaining exposure to

the Warrants, (B) the value of the Warrants at any particular time on any particular date, or (C) any amounts that may become payable or deliverable in respect of the Warrants. The Calculation Agent shall not act as agent or trustee for the Holders.

- (b) Without limiting any of the foregoing, in no event shall the Calculation Agent have any liability (whether in negligence or otherwise) to any Holders for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages.
- (c) Conflict of Interest

In addition to providing calculation agency services to the Issuer, the Calculation Agent or any of its Affiliates may perform further or alternative roles relating to the Issuer, the Guarantor and any Series of Warrants including, but not limited to, for example, being involved in arrangements relating to any Underlying Asset. Furthermore, the Calculation Agent or any of its Affiliates may contract with the Issuer and/or the Guarantor and/or enter into transactions which relate to the Issuer, the Guarantor, the Warrants or any Underlying Asset and as a result the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, none of the Issuer, the Guarantor or the Calculation Agent in respect of the Warrants shall owe any duty or responsibility to any Holder to avoid any conflict or to act in the interests of any Holder.

8.3 Determinations by the Issuer or the Guarantor

In exercising its discretion under the Conditions, the Issuer or (in the case of Guaranteed Warrants) the Guarantor shall act in good faith and in a commercially reasonable manner. The exercise of the Issuer's or (in the case of the Guaranteed Warrants) the Guarantor's discretion under the Conditions is necessary because certain circumstances or events (including, without limitation, material modification or disruption to the Underlying Asset to which the Warrants are linked) may occur subsequent to the issuance of the Warrants which may materially affect the costs to the Issuer and/or the Counterparty of maintaining the Warrants or hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the Warrants. In addition, as a result of certain circumstances or events (e.g. unavailability or material disruption to any reference source), it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of the Underlying Asset or otherwise in connection with the Warrants to be made, and thus making it necessary for the Issuer, as applicable to exercise its discretion in such a case.

Any determination made by the Issuer, as applicable pursuant to the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor (in the case of Guaranteed Warrants) and the Holders.

9. NOTICES

All notices regarding the Warrants will be deemed to be validly given on delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Holders, and, in addition, for so long as any Warrants are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Holders with effect on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Holder to the Issuer or Guarantor shall be in writing and given by lodging the same with the Principal Agent. Such notice may be given by any holder of a Warrant to the Principal Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

10. **EXPENSES AND TAXATION**

A holder of Warrants must pay all Exercise Expenses relating to the exercise of such Warrants.

Neither the Issuer nor (in the case of Guaranteed Warrants) the Guarantor will be liable for or otherwise obliged to pay any tax, duty, withholding or other payment (including any stamp or transfer tax) which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant by any person and all payments made by the Issuer or (in the case of Guaranteed Warrants) the Guarantor will be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

11. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of Holders to create and issue further Warrants having terms and conditions the same as the Warrants or the same in all respects save for the issue price and the date of issue thereof and so as to be consolidated with and form a single Series with the outstanding Warrants.

12. **MEETINGS OF HOLDERS AND MODIFICATIONS**

The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of certain terms and conditions of the Warrants or any of the provisions of the Deed of Covenant or the Guarantee (in the case of Guaranteed Warrants). Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by the Holders holding not less than 10 per cent (by number) of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons present and holding or representing a clear majority (by number) of the Warrants for the time being outstanding, or at any adjourned meeting one or more persons present whatever the number of the Warrants so held or represented by them, except that at any meeting the business of which includes the modification of certain provisions of the Conditions of the Warrants (including modifying any Exercise Date, reducing or cancelling the Cash Settlement Amount or altering the Specified Currency), the quorum shall be one or more persons present and holding or representing not less than two-thirds (by number) of the Warrants of the time being outstanding, or at any adjourned such meeting one or more persons present and holding or representing not less than one-third (by number) of the Warrants for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all Holders, whether or not they are present at the meeting. For the purposes of the provisions for convening meetings of the Holders, any Warrants which are for the time being held by or for the benefit of the Issuer, the Guarantor (in the case of Guaranteed Warrants) or any of their Affiliates will (unless and until ceasing to be so held) be deemed not to remain outstanding.

A resolution in writing signed or electronically approved using the systems and procedures in place from time to time of Euroclear and/or Clearstream, Luxembourg, as the case may be, by or on behalf of 75 per cent. or more of Holders of Securities, by reference to the number of Securities outstanding shall be binding on all Holders, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Holders of Securities or may be in the form of SWIFT or other electronic instructions as permitted by the rules and procedures of the Euroclear and/or Clearstream, Luxembourg, as the case may be, and in each case the date of such resolution shall be the date that such 75 per cent. majority is reached.

The Issuer, without the consent of the Holders, may modify the Conditions in any manner which the Issuer may deem necessary or desirable provided that such modification (i) is not materially prejudicial to the interests of the Holders or (ii) is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law. Any such modification shall be binding on the Holders and any such modification shall be notified to the Holders in accordance with Condition 9 as soon as practicable thereafter,

provided that failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

13. **SUBSTITUTION**

13.1 **Substitution of the Issuer**

(a) Conditions precedent to Substitution of the Issuer

The Issuer may, without the consent of the Holders, be replaced and substituted by the Substituted Obligor (as defined below) in respect of the Warrants provided that:

- (i) a deed poll (the "**Deed Poll**") and/or such other documents (if any) shall be executed by the Substituted Obligor and (in the case of Guaranteed Warrants) the Guarantor as may be necessary to give full effect to the substitution (together with the Deed Poll, the "**Issuer Substitution Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Obligor shall undertake in favour of each Holder to be bound by these Conditions (as amended in the manner provided in paragraph 13.1(a)(ii) below) and the provisions of the Agency Agreement and the Deed of Covenant as fully as if the Substituted Obligor had been named in the Warrants, the Agency Agreement and the Deed of Covenant as the principal obligor in respect of the Warrants in place of the Issuer (or any previous Substituted Obligor) and pursuant to which the Guarantor (in the case of Guaranteed Warrants) shall unconditionally and irrevocably guarantee in favour of each Holder the payment of all sums payable by and/or delivery obligations in respect of such Guaranteed Warrants of the Substituted Obligor as such principal debtor;
- (ii) the Issuer Substitution Documents shall contain a warranty and representation:
 - (A) by the Substituted Obligor:
 - (aa) that it has obtained all necessary corporate, governmental and regulatory approvals and consents for such substitution and for the performance by it of its obligations under the Issuer Substitution Documents and that all such approvals and consents are in full force and effect; and
 - (bb) that the obligations assumed by it under the Issuer Substitution Documents are all legal, valid and binding in accordance with their respective terms; and
 - (B) in the case of Guaranteed Warrants, by the Guarantor:
 - (aa) that the Guarantor has obtained all necessary corporate, governmental and regulatory approvals and consents for the giving of such guarantee and the performance by the Guarantor of its obligations under the Issuer Substitution Documents and that all such approvals and consents are in full force and effect; and
 - (bb) that the obligations assumed by the Guarantor under the Issuer Substitution Documents and the guarantee are all legal, valid and binding in accordance with their respective terms; and
- (iii) each (if any) stock exchange, competent listing authority and/or quotation system which has the Warrants listed thereon shall have confirmed that following the proposed substitution of the Substituted Obligor, the Warrants would continue to be listed, quoted and/or traded on such stock exchange, competent listing authority and/or quotation system; and

(iv) there is no outstanding Event of Default in respect of the Warrants.

(b) Assumption by Substituted Obligor

Upon the execution of the Issuer Substitution Documents as referred to in paragraph 13.1(a) above, the Substituted Obligor shall be deemed to be named in the Warrants as the principal obligor in place of the Issuer (or of any previous Substituted Obligor) and the Warrants shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Issuer Substitution Documents shall operate to release the Issuer as issuer (or such previous Substituted Obligor) from all of its obligations as principal obligor in respect of the Warrants.

(c) Deposit of Issuer Substitution Documents

The Issuer Substitution Documents shall be deposited with and held by the Principal Agent for so long as any Warrant remains unexercised and for so long as any claim made against the Substituted Obligor, or in the case of Guaranteed Warrants, the Guarantor by any Holder in relation to the Warrants or Guaranteed Warrants, as the case may be, or the Issuer Substitution Documents shall not have been finally adjudicated, settled or discharged. The Substituted Obligor and the Guarantor (in the case of Guaranteed Warrants) shall acknowledge in the Issuer Substitution Documents the right of every Holder to the production of the Issuer Substitution Documents for the enforcement of any of the Warrants or the Issuer Substitution Documents.

(d) Notice of Substitution

Not later than 15 days after the execution of the Issuer Substitution Documents, the Substituted Obligor shall give notice thereof to the Holders in accordance with Condition 9.

(e) Substituted Obligor

"Substituted Obligor" means any company which is 100 per cent. directly or indirectly owned by Nomura Holdings, Inc.

13.2 Substitution of the Guarantor

(a) Conditions precedent to Substitution of the Guarantor

In respect of Guaranteed Warrants the Guarantor may, without the consent of the Holders, be replaced and substituted by a Substituted Guarantor (as defined below) in respect of such Guaranteed Warrants provided that:

- (i) such substitution shall only occur pursuant to a reorganisation of or within the group of companies consisting of Nomura Holdings, Inc. and its consolidated subsidiaries;
- (ii) such documents shall be executed by the Substituted Guarantor as may be necessary to give full effect to the substitution (the **"Guarantor Substitution Documents"**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Guarantor shall undertake in favour of each Holder to be bound by these Conditions (as amended in the manner provided in paragraph 13.2(b) below) and the provisions of the Agency Agreement as fully as if the Substituted Guarantor had been named in the Guaranteed Warrants and the Agency Agreement as the guarantor in respect of such Guaranteed Warrants in place of the Guarantor (or any previous Substituted Guarantor);
- (iii) the Guarantor Substitution Documents shall contain a warranty and representation by the Substituted Guarantor:

- (A) that it has obtained all necessary corporate, governmental and regulatory approvals and consents for such substitution and for the performance by it of its obligations under, the Guarantor Substitution Documents and that all such approvals and consents are in full force and effect; and
 - (B) that the obligations assumed by it under the Guarantor Substitution Documents are all legal, valid and binding in accordance with their respective terms; and
 - (iv) each (if any) stock exchange, competent listing authority and/or quotation system which has the Guaranteed Warrants listed thereon shall have confirmed that following the proposed substitution of the Substituted Guarantor, the Guaranteed Warrants would continue to be listed, quoted and/or traded on such stock exchange, competent listing authority and/or quotation system; and
 - (v) there is no outstanding Event of Default in respect of the Guaranteed Warrants.
- (b) Assumption by Substituted Guarantor

Upon the execution of the Guarantor Substitution Documents as referred to in paragraph 13.2(a) above, the Substituted Guarantor shall be deemed to be named in the Guaranteed Warrants as the guarantor for such Guaranteed Warrants in place of the Guarantor (or of any previous Substituted Guarantor) and the Guaranteed Warrants shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Guarantor Substitution Documents shall operate to release the Guarantor as guarantor (or such previous Substituted Guarantor) from all of its obligations as guarantor in respect of the Guaranteed Warrants.

- (c) Deposit of Guarantor Substitution Documents

The Guarantor Substitution Documents shall be deposited with and held by the Principal Agent for so long as any Guaranteed Warrants remain unexercised and for so long as any claim made against the Substituted Guarantor by any Holder in relation to the Guaranteed Warrants or the Guarantor Substitution Documents shall not have been finally adjudicated, settled or discharged. The Substituted Guarantor shall acknowledge in the Guarantor Substitution Documents the right of every Holder to the production of the Guarantor Substitution Documents for the enforcement of any of the Guaranteed Warrants or the Guarantor Substitution Documents.

- (d) Notice of Substitution

Not later than 15 days after the execution of the Guarantor Substitution Documents, the Substituted Guarantor shall give notice thereof to the Holders in accordance with Condition 9.

- (e) Substituted Guarantor

"Substituted Guarantor" means any company which is a direct or indirect subsidiary of the Guarantor which has a credit rating at least equal to that of the Guarantor (or the previous Substituted Guarantor) as at the date of substitution.

14. LIMITED RECOURSE AND NON-PETITION

14.1 Limited Recourse

The Issuer will make payments on the Warrants solely out of and to the extent of payments received by it under the Derivative Agreement as it relates to the Warrants.

Each of the Holders, the Guarantor, the Registrar, the Principal Agent, the Calculation Agent, the Dealers and the Counterparty acknowledge that, notwithstanding anything herein to the contrary:

- (a) the obligations of the Issuer arising hereunder in respect of a Series of Guaranteed Warrants are limited recourse obligations, payable solely from the unsecured assets of the Issuer from time to time and, following realization of such assets and the application of the proceeds thereof in satisfaction of any liability arising hereunder, any claims against the Issuer in respect of such Series of Guaranteed Warrants (and the obligations and liability of the Issuer in connection herewith) shall be extinguished, and any inability by the Issuer to make any payments in respect of any shortfall arising therefrom shall not constitute an Event of Default with respect to the Warrants;
- (b) the obligations of the Issuer arising hereunder in respect of a Series of Warrants other than a Series of Guaranteed Warrants are limited recourse obligations, payable solely from the net proceeds of the Derivative Agreement in respect of such Series of Warrants and the unsecured assets of the Issuer from time to time and, following realization of such assets and the application of the proceeds thereof in satisfaction of any liability arising hereunder, any claims in respect of such Series of Warrants (and the obligations and liability of the Issuer in connection herewith) shall be extinguished, and any inability by the Issuer to make any payments in respect of any shortfall arising therefrom shall not constitute an Event of Default with respect to the Warrants; and
- (c) no person shall have any recourse for the payment of any amount owing against any officer, member, director, employee, security holder or incorporator of the Issuer or its successors or assigns. No action may be brought against any officer, member, director, employee, security holder or incorporator of the Issuer personally.

It is understood that the foregoing provisions shall not constitute a waiver, release or discharge of any indebtedness or obligation in relation to the Warrants until the relevant assets of the Issuer have been realized, whereupon any outstanding indebtedness or obligation shall be extinguished.

The provisions of this Condition 14.1 is without prejudice to the rights of Holders under the Guarantee in respect of the Guaranteed Warrants.

14.2 **Non-Petition**

In relation to the Warrants, each Holder agrees that it, or any person acting on behalf of such Holder, will not institute or join any person in instituting against the Issuer, its officers or directors, any bankruptcy, examinership, administration, suspension of payments, moratorium of any indebtedness, winding-up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law.

15. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Warrants by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any reason which exists or is available apart from that Act.

16. **SEVERABILITY**

Should any of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

17. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

17.1 **Governing law**

The Agency Agreement, the Guarantee, the Deed of Covenant, the Warrants and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant and the Warrants, are and shall be governed by, and construed in accordance with, English law.

17.2 **Submission to jurisdiction**

The Issuer irrevocably agrees, for the benefit of the Holders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Warrants (including a dispute relating to any non-contractual obligations arising out of or in connection with the Warrants) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Holders may take any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Warrants (including any Proceeding relating to any non-contractual obligations arising out of or in connection with the Warrants) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

17.3 **Other documents and the Guarantor**

The Issuer and, where applicable, the Guarantor (in the case of Guaranteed Warrants) have in the Agency Agreement, the Guarantee (when executed) and the Deed of Covenant submitted to the exclusive jurisdiction of the English courts. The Issuer has appointed **Matheson Ormsby Prentice at its registered office at 16th Floor, Heron Tower, 110 Bishopsgate, London EC2N 4AY, England** and the Guarantor has appointed Nomura International plc at its registered office at 1 Angel Lane, London EC4R 3AB, in each case, as its agent for service of process in England in respect of any Proceedings, and undertakes that, in the event of **Matheson Ormsby Prentice** (in the case of the Issuer) and Nomura International plc (in the case of the Guarantor) ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS OF THE WARRANTS

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to the Warrants shall comprise the terms and conditions of the Warrants (the "**General Conditions**") and the additional terms and conditions of the Warrants (the "**FX Linked Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (i) the General Conditions and (ii) the FX Linked Conditions, the FX Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the FX Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

1. **Disruption Events**

"**Disruption Event**" means the occurrence or existence, as determined by the Calculation Agent, of any of the following: Change in Law, Determination Failure, Dual Exchange Rate, General Inconvertibility, General Non-Transferability, a Hedging Disruption Event, Illiquidity, a Material Change in Circumstance, Nationalisation, Price Materiality or a Price Source Disruption, in each case if specified as applicable in the applicable Final Terms.

For the purposes of the definition of Disruption Event:

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has become illegal to hold, acquire or dispose of relevant hedge positions relating to the Warrants or (ii) it will incur a materially increased cost in performing its obligations in relation to the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, the Guarantor and/or any of their Affiliates).

"**Determination Cut-off Time**" means the time specified as such in the applicable Final Terms on the relevant Valuation Date.

"**Determination Failure**" means that the Calculation Agent is unable, acting in good faith and a commercially reasonable manner, to determine the Settlement Rate Option (as described in the definition of Settlement Rate) on or prior to the Determination Cut-off Time.

"**Disruption Fallback**" means, in respect of a Settlement Rate, Calculation Agent Determination of Settlement Rate, EM Fallback Valuation Postponement, EM Valuation Postponement, Fallback Reference Price, Settlement Postponement, Termination and/or such other sources or methods specified as such or otherwise determined as an alternative basis for determining such Settlement Rate as may be provided in the applicable Final Terms. The applicable Disruption Fallback in respect of a Settlement Rate shall be as specified in the applicable Final Terms, and if two or more Disruption Fallbacks are specified, unless otherwise provided in the Final Terms, such Disruption Fallbacks shall apply in the order specified in the applicable Final Terms, such that if the Calculation Agent determines that the Settlement Rate cannot be determined by applying one Disruption Fallback, then the next Disruption Fallback specified shall apply.

"**Dual Exchange Rate**" means, with respect to any Settlement Rate Option applicable to a Series of Securities, the occurrence of an event that splits any currency exchange rate specified in such Settlement Rate Option into dual or multiple currency exchange rates.

"**General Inconvertibility**" means the occurrence of any event that generally makes it impossible to convert (a) a Relevant Currency into a Subject Currency through customary legal channels or (b) a Relevant Currency into a Subject Currency at a rate that is at least as favourable as the rate for domestic institutions located in a Relevant Currency Jurisdiction.

"General Non-Transferability" means the occurrence of any event that generally makes it impossible to deliver (i) the Subject Currency from accounts inside the Relevant Currency Jurisdiction to accounts outside the Relevant Currency Jurisdiction or (ii) the Relevant Currency between accounts inside the Relevant Currency Jurisdiction, to accounts outside the Relevant Currency Jurisdiction or to a party that is a non-resident of the Relevant Currency Jurisdiction.

"Hedging Disruption Event" means an event that renders the Counterparty unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the foreign exchange risk incurred by the Issuer as a result of the issuance of the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Illiquidity" means it becomes impossible to obtain a firm quote of any Settlement Rate for the Minimum Amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the Minimum Amount) on any relevant Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant FX Price Source).

"Material Change in Circumstance" means the occurrence of any event (other than those events specified as Disruption Events in this paragraph) in a Relevant Currency Jurisdiction beyond the control of any Counterparty which makes it impossible (A) for the Issuer to fulfil its obligations under the relevant series of Securities and (B) generally to fulfil obligations relating to the Issuer's obligations under such Securities (including any related obligations of any Counterparty).

"Nationalisation" means any expropriation, confiscation, requisition, nationalisation or other action taken by a Governmental Authority which deprives any Counterparty of all or substantially all of its assets in any relevant jurisdiction.

"Price Materiality" means any Primary Rate differs from the related Secondary Rate by at least the Price Materiality Percentage.

"Price Source Disruption" means it becomes impossible to obtain any Settlement Rate on any Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant FX Price Source).

"Trade Date" has the meaning given in the applicable Final Terms.

2. General Definitions

"FX Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres.

"FX Disrupted Day" means any FX Business Day on which a Disruption Event occurs.

"FX Price Source" means, in respect of a Reference Exchange Rate, the price source(s) specified in the applicable Final Terms for such Settlement Rate or if the relevant rate is not published or announced by such price source at the relevant time, any successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent.

"Governmental Authority" means (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank), in each case in any relevant jurisdiction.

"Minimum Amount" means the product of the Notional Amount specified in the applicable Final Terms and the number of Warrants remaining outstanding (as defined in the Agency Agreement) at the relevant time.

"**Notional Amount**" means, in respect of each Warrant, the amount specified as such in the applicable Final Terms.

"**Price Materiality Percentage**" means the percentage specified as such in the applicable Final Terms.

"**Primary Rate**" means each rate specified as such and determined using the Settlement Rate Option specified for such purpose in the applicable Final Terms.

"**Relevant Currency**" means the currency specified as such in the applicable Final Terms.

"**Relevant Currency Jurisdiction**" means, unless otherwise specified in the applicable Final Terms, each jurisdiction in which a Relevant Currency is the lawful currency selected by the Calculation Agent.

"**Reference Exchange Rate**" means unless otherwise specified in the applicable Final Terms, the spot exchange rate for the Relevant Currency quoted against the Subject Currency expressed as the number of units of the Relevant Currency quoted per one unit of the Subject Currency.

"**Screen Page**" means the page or service specified in the applicable Final Terms or any successor to such page or service.

"**Screen Page Spot Rate Identification Information**" means the information specified in the applicable Final Terms.

"**Secondary Rate**" means each rate specified as such determined using the Settlement Rate Option specified for such purpose in the applicable Final Terms.

"**Settlement Rate**" means unless otherwise specified in the applicable Final Terms, the Reference Exchange Rate on the Valuation Date at the Valuation Time as determined in good faith and in a commercially reasonable manner by the Calculation Agent by reference to the Settlement Rate Option (and such determination may be made, without limitation, with such adjustments as are, at the sole discretion of the Calculation Agent, necessary to the published quoting conventions) unless a Disruption Event exists or occurs, in which case, the Settlement Rate will be determined by the Calculation Agent in accordance with FX Linked Condition 3.

"**Settlement Rate Option**" means, unless otherwise specified in the applicable Final Terms, the rate published for the Relevant Currency/Subject Currency fixing rate on the Screen Page (referring to the Screen Page Spot Rate Identification Information, if specified in the applicable Final Terms) at or about the Valuation Time on any relevant day.

"**Specified Financial Centre(s)**" means the financial centre(s) specified as such in the applicable Final Terms.

"**Subject Currency**" means the currency specified as such in the applicable Final Terms.

"**Valuation Date**" means:

- (i) if the applicable Final Terms specifies that the EM Currency Provisions shall not apply to a Settlement Rate, each date specified as such in the applicable Final Terms, or if such date is not an FX Business Day, the immediately preceding FX Business Day (such day, the "**Scheduled Valuation Date**" corresponding to such Valuation Date) unless, in the opinion of the Calculation Agent, such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then the provisions of FX Linked Condition 3 shall apply.
- (ii) if the applicable Final Terms specifies that the EM Currency Provisions shall apply to a Settlement Rate, each date specified as such in the applicable Final Terms (the "**Scheduled Valuation Date**" in respect of such Settlement Rate, if such day is an FX Business Day for such Settlement Rate, or if such day is not an FX Business Day only by reason of being an Unscheduled Holiday for such Settlement Rate), or the

immediately preceding FX Business Day for such Settlement Rate, as determined by the Calculation Agent (the "**Scheduled Valuation Date**" in respect of such Settlement Rate, if such day is not an FX Business Day and is not an Unscheduled Holiday for such Settlement Rate), provided that such day shall be subject to adjustment in accordance with FX Linked Condition 4 below or FX Linked Condition 3 if, in the opinion of the Calculation Agent, such day is an FX Disrupted Day.

"**Valuation Time**" means the time specified as such in the applicable Final Terms.

3. **Consequences of a Disruption Event**

In the event that the Calculation Agent determines that a Disruption Event has occurred or exists on or in relation to any relevant Valuation Date, which Disruption Event is material in the context of making any determinations under the Securities, then one or more of the following fallback provisions may be applicable to the Securities, each as further specified in the applicable Final Terms (and, if more than one such fallback provision is relevant, the Calculation Agent may select any of such fallback provisions as it determines appropriate):

"**Calculation Agent Determination of Settlement Rate**" means that the Calculation Agent will determine the Settlement Rate (or an alternative method for determining the Settlement Rate), taking into consideration all available information that in good faith it deems relevant.

"**Fallback Reference Price**" means that the Calculation Agent will determine the Settlement Rate on or in relation to the relevant Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced) pursuant to the first of the alternate Settlement Rate Options, if any, specified as a Fallback Reference Price for such purpose in the applicable Final Terms that is not subject to or affected by a Disruption Event.

"**Settlement Postponement**" means that the relevant Valuation Date will be deemed to be the first succeeding FX Business Day on which no Disruption Event exists, unless a Disruption Event continues to exist (measured from the original date that, but for the occurrence of a Disruption Event, would have been the Valuation Date) for a number of consecutive FX Business Days equal in number to the Maximum Days of Disruption. In that case, the Calculation Agent shall determine the relevant Settlement Rate in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant Settlement Rate in accordance with its good faith estimate of the relevant Settlement Rate as of the Valuation Time on such final day which it determines would have prevailed but for the relevant Disruption Event.

"**Termination**" means that the Issuer may give notice to Holders in accordance with General Condition 9, and cancel all (but not some only) of the Warrants, each Warrant being cancelled at the Early Cancellation Amount. Payment in respect of such Termination shall be made as specified in such notice to Holders.

For the purposes of this FX Linked Condition 3:

"**Maximum Days of Disruption**" means (a) the number of calendar day specified as such in the applicable Final Terms (or if not so specified, ten calendar days) or (b) such shorter period as the Calculation Agent may determine ending on the second FX Business Day prior to any day on which the Issuer is scheduled to make any payment or perform any delivery obligation in respect of the Securities determined in whole or in part by reference to the relevant Settlement Rate.

4. **EM Currency Provisions: Unscheduled Holiday**

- (a) If the applicable Final Terms provides that the EM Currency Provisions shall apply to a Settlement Rate, as applicable, and any Valuation Date, and that Unscheduled Holiday shall be applicable, then, if the Calculation Agent determines that the relevant Scheduled Valuation Date (the "**Scheduled Reference Date**") is an Unscheduled Holiday for such Settlement Rate, then the Valuation Date shall be postponed to the first FX Business Day falling after the Scheduled Reference Date (the "**Adjusted**

Scheduled Reference Date"), provided that if such first FX Business Day has not occurred on or before the last day of the Maximum Days of Deferral, then the next day after the Last Deferred Day that would have been an FX Business Day but for an Unscheduled Holiday shall be deemed to be the Adjusted Scheduled Reference Date.

(b) The following terms and expressions shall have the following meanings:

"Last Deferred Day" means, in respect of any postponement by a number of days equal to the Maximum Days of Deferral, the last day to which such day is postponed.

"Maximum Days of Deferral" means such number of calendar days (or other type of days) as specified in the applicable Final Terms.

In this FX Linked Condition 4, the reference to "Settlement Rate" shall include, where the applicable Final Terms provides that the prior applicable Disruption Fallback is "Fallback Reference Price", the Settlement Rate determined using the applicable Fallback Reference Price.

"Unscheduled Holiday" means, in respect of a Settlement Rate, as applicable, a day that is not an FX Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9.00 a.m., local time in the Specified Financial Centre in respect of such Settlement Rate, two FX Business Days prior to such day.

5. **EM Currency Provisions: EM Valuation Postponement**

If the applicable Final Terms provides that the EM Currency Provisions shall apply to a Settlement Rate (which term shall include, where the applicable Final Terms provides that the prior applicable Disruption Fallback is "Fallback Reference Price", the Settlement Rate determined using the applicable Fallback Reference Price) and any Valuation Date, and that EM Valuation Postponement shall be applicable, then, if the Calculation Agent determines that the relevant Scheduled Reference Date (if the Scheduled Reference Date is not an Unscheduled Holiday for the Settlement Rate) or the Adjusted Scheduled Reference Date (if the Scheduled Reference Date is an Unscheduled Holiday for the Settlement Rate) is an FX Disrupted Day, then such Valuation Date shall be the first FX Business Day which is not an FX Disrupted Day unless an FX Market Disruption Event continues to exist (measured from such Scheduled Reference Date or Adjusted Scheduled Reference Date, as applicable) for a consecutive number of calendar days equal to the Maximum Days of EM Valuation Postponement. In that case, the Settlement Rate will be determined on the next FX Business Day after the Maximum Days of EM Valuation Postponement in accordance with the next applicable Disruption Fallback as specified in the applicable Final Terms.

Where:

"Maximum Days of EM Valuation Postponement" means such number of calendar days (or other type of days) as specified in the applicable Final Terms.

6. **EM Currency Provisions: EM Fallback Valuation Postponement**

If the applicable Final Terms provides that the EM Currency Provisions shall apply and that EM Fallback Valuation Postponement shall be applicable and where the Final Terms provides that the prior applicable Disruption Fallback is "Fallback Reference Price", if the Calculation Agent determines that the Settlement Rate (as determined by reference to the applicable Fallback Reference Price) is not available on (a) the first FX Business Day following the end of the Maximum Days of EM Valuation Postponement (where an FX Market Disruption Event has occurred or exists in respect of the Currency Price throughout the Maximum Days of EM Valuation Postponement) or (b) on the Adjusted Scheduled Reference Date (where the Adjusted Scheduled Reference Date falls after the Last Deferred Day) then the Valuation Date shall be the first succeeding FX Business Day which is not an FX Disrupted Day in respect of the Settlement Rate unless an FX Market Disruption Event continues to exist throughout the Fallback Maximum Period of Postponement. In that case, the Settlement Rate will be

determined on the Last Fallback Postponement Date in accordance with the next applicable Disruption Fallback.

Where:

"Fallback Maximum Period of Postponement" means the period commencing on, and including:

- (a) if an FX Market Disruption Event has occurred or exists in respect of the Settlement Rate throughout the Maximum Days of EM Valuation Postponement, the first FX Business Day following the end of the Maximum Days of EM Valuation Postponement; or
- (b) if the Adjusted Scheduled Reference Date falls after the Last Deferred Day, the Adjusted Scheduled Reference Date,

and ending on, and including, the third FX Business Day (or such other day as specified in the applicable Final Terms) following such date as specified in paragraphs (a) and (b) above, as applicable (such date, the **"Last Fallback Postponement Date"**).

7. **EM Currency Provisions: Cumulative Events**

If the applicable Final Terms provides that the EM Currency Provisions shall apply to a Settlement Rate and any Valuation Date, and that Cumulative Events shall be applicable, then the total number of consecutive calendar days during which (a) such Valuation Date is deferred due to an Unscheduled Holiday, (b) an EM Valuation Postponement shall occur in respect of such Valuation Date, or (c) an EM Fallback Valuation Postponement shall occur in respect of such Valuation Date (or any combination of (a), (b) and (c)), shall not exceed the Maximum Days of Cumulative Postponement in the aggregate. Accordingly, (i) if such Valuation Date is postponed by the number of calendar days equal to the Maximum Days of Cumulative Postponement owing to an EM Valuation Postponement or EM Fallback Valuation Postponement (or both), and an Unscheduled Holiday shall have occurred or be continuing on the day following the relevant Last Postponed Day that otherwise would have been an FX Business Day, then such day shall be deemed to be such Valuation Date and (ii) if such Valuation Date is postponed by the number of calendar days equal to the Maximum Days of Cumulative Postponement owing to Unscheduled Holidays, and on the first day after the Last Postponed Day, an applicable FX Market Disruption Event shall have occurred or be continuing, then the Settlement Rate in respect of such Valuation Date or other relevant date shall be determined in accordance with the next applicable Disruption Fallback.

Where:

"Last Postponed Day" means, in respect of any postponement by a number of days equal to the Maximum Days of Cumulative Postponement, the last day to which such day is postponed; and

"Maximum Days of Cumulative Postponement" means such number of calendar days (or other type of days) as specified in the applicable Final Terms.

8. **Cash Settlement Amount**

8.1 Unless otherwise specified in the applicable Final Terms, the Cash Settlement Amount shall be an amount (which will be not less than, but may be equal to, zero) to which a Holder is entitled in the Specified Currency in relation to each Warrant determined in accordance with the applicable paragraph below:

- (a) if **"Vanilla Warrant"** and:
 - (i) **"Single Option"** are each specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent in accordance with the

following formulae, and further multiplied by the Notional Amount per Warrant:

$$Leverage \times \text{Max}\left(0, \frac{X - Y}{Z}\right)$$

- (ii) "**Multi-Options**" are each specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent to be equal to the aggregate of all Option Return, and further multiplied by the Notional Amount per Warrant.
- (b) if "**Digital Warrant**" and:
- (i) "**Digital Call**" are each specified as applicable in the applicable Final Terms, if the Calculation Agent determines that:
 - (A) the Settlement Rate is greater than the Exercise Price, then the Cash Settlement Amount will be equal to the FX Payment Amount multiplied by Notional Amount per Warrant;
 - (B) the Settlement Rate is less than or equal to the Exercise Price, then the Cash Settlement Amount will be zero.
 - (ii) "**Digital Put**" are each specified as applicable in the applicable Final Terms, if the Calculation Agent determines that:
 - (A) the Settlement Rate is less than the Exercise Price, then the Cash Settlement Amount will be equal to the FX Payment Amount multiplied by Notional Amount per Warrant;
 - (B) the Settlement Rate is greater than or equal to the Exercise Price, then the Cash Settlement Amount will be zero.
- (c) if "**Range Warrant**" is specified as applicable in the applicable Final Terms:
- (i) if the Calculation Agent determines that:
 - (A) a Barrier Event has occurred, then the Cash Settlement Amount will be equal to the FX Payment Amount multiplied by Notional Amount per Warrant; or
 - (B) a Barrier Event has not occurred, the Cash Settlement Amount will be zero.
- (d) if "**Range Accrual Warrant**" and:
- (i) "**Resurrecting**" are each specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent to be equal to (i) the FX Payment Amount, multiplied by (ii) $\frac{n1}{N}$, and further multiplied by (iii) the Notional Amount per Warrant.
 - (ii) "**Extinguishing**" are each specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent to be equal to (i) the FX

Payment Amount, multiplied by (ii) $\frac{n2}{N}$, and further multiplied by (iii) the Notional Amount per Warrant.

(e) if "**Multi-Currency Warrant**" and:

(i) "**Basket Payout 1**" are each specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent in accordance with the following formulae, and further multiplied by the Notional Amount per Warrant:

$$Leverage \times Max(0, Basket Value)$$

(ii) "**Basket Digital Call**" are each specified as applicable in the applicable Final Terms, if the Calculation Agent determines that:

(A) the Basket Value is greater than zero, then the Cash Settlement Amount will be equal to the FX Payment Amount multiplied by Notional Amount per Warrant; or

(B) the Basket Value is less than or equal to zero, then the Cash Settlement Amount will be zero.

(iii) "**Basket Digital Put**" are each specified as applicable in the applicable Final Terms, if the Calculation Agent determines that:

(A) the Basket Value is less than zero, then the Cash Settlement Amount will be equal to the FX Payment Amount multiplied by Notional Amount per Warrant; or

(B) the Basket Value is greater than or equal to zero, then the Cash Settlement Amount will be zero.

(iv) "**Worst of Option Payout**" are each specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent in accordance with the following formulae, and further multiplied by the Notional Amount per Warrant:

$$Leverage \times Max(0, Basket Value_{Min})$$

(v) "**Best of Option Payout**" are each specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent in accordance with the following formulae, and further multiplied by the Notional Amount per Warrant:

$$Leverage \times Max(0, Basket Value_{Max})$$

(f) if "**Trigger In Option Warrant**" is specified as applicable in the applicable Final Terms and (i) the Calculation Agent determines that a Trigger Event has occurred, the Cash Settlement Amount shall be equal to the Trigger Settlement Amount; or (ii) the Calculation Agent determines that no Trigger Event has occurred, the Cash Settlement Amount shall be zero.

- (g) if "**Trigger Out Option Warrant**" is specified as applicable in the applicable Final Terms and (i) the Calculation Agent determines that a Trigger Event has occurred, the Cash Settlement Amount shall be zero; or (ii) the Calculation Agent determines that no Trigger Event has occurred, the Cash Settlement Amount shall be equal to the Trigger Settlement Amount.

8.2 Definitions

For the purposes of this FX Linked Condition 8, the following terms and expressions shall have the following meanings:

"Barrier Event" means (and shall be deemed to have occurred) if, unless otherwise specified in the applicable Final Terms, the Calculation Agent determines that:

- (a) the Spot Rate at any time during the Spot Observation Period is greater than or equal to the High Barrier; or
- (b) the Spot Rate at any time during the Spot Observation Period is less than or equal to the Low Barrier; or
- (c) the Spot Rate at any time during the Spot Observation Period is (i) greater than or equal to the High Barrier; or (ii) less than or equal to the Low Barrier; or
- (d) the Spot Rate is at all times during the Spot Observation Period less than the High Barrier; or
- (e) the Spot Rate is at all times during the Spot Observation Period greater than the Low Barrier; or
- (f) the Spot Rate is at all times during the Spot Observation Period (i) less than the High Barrier; and (ii) greater than the Low Barrier; or

in each case, as specified in the applicable Final Terms.

"Basket" means as basket comprising each Reference Exchange Rate specified in the applicable Final Terms.

"Basket Value" means the aggregate of the Weighted Performance of each Reference Exchange Rate in the Basket.

"Basket Value_{Max}" means, in respect of any Valuation Date, the Performance of the Best Performing Rate on such Valuation Date, as determined by the Calculation Agent.

"Basket Value_{Min}" means, in respect of any Valuation Date, the Performance of the Worst Performing Rate on such Valuation Date, as determined by the Calculation Agent.

"Best Performing Rate" means, in respect of any Valuation Date, the Reference Exchange Rate with the higher (in case of a Basket comprising of two Reference Exchange Rates) or highest Performance (in case of a Basket comprising of three or more Reference Exchange Rates) on such Valuation Date, as determined by the Calculation Agent. In the event that the Reference Exchange Rates have the same Performance on such Valuation Date, then the Calculation Agent shall determine in its sole and absolute discretion which Reference Exchange Rate shall be the Best Performing Rate, and such Reference Exchange Rates as so selected shall be deemed the Best Performing Rate for such Valuation Date.

"Exercise Price" means the value specified in the applicable Final Terms.

"Exercise Price_i" means the Exercise Price in respect of the relevant Option_i as specified in the applicable Final Terms.

"FX Payment Amount" has the meaning given in the applicable Final Terms.

"G10 Currencies" are the United States dollar, Euro, British Pound Sterling, Australian dollar, Swiss Franc, Danish Krone, Japanese Yen, New Zealand dollar, Norwegian Krone and Swedish Krona.

"High Barrier" has the meaning given in the applicable Final Terms.

"Leverage" means an amount which may be greater than or less than zero, as specified in the applicable Final Terms.

"Leverage_i" means the Leverage in respect of the relevant Option_i as specified in the applicable Final Terms.

"Low Barrier" has the meaning given in the applicable Final Terms.

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a comma inside those brackets.

"Modified Observation Period" means, if specified to be applicable in the applicable Final Terms, in respect of an Observation Rate, the period commencing on the relevant Modified Observation Period Start Date and ending on, but excluding, the relevant Observation Rate Cut-Off Date.

"Modified Observation Period Start Date" means, if "Modified Observation Period" is specified to be applicable in the applicable Final Terms, in respect of an Observation Rate, the date specified as such in the applicable Final Terms, which shall be the last day of the relevant Modified Observation Period, and shall be included or excluded from the Modified Observation Period, as provided in the applicable Final Terms

"n1" means the aggregate number of Observation Days in respect of the Observation Rate within the Observation Period on which Observation Rate is (a) equal to or less than the High Barrier, and (b) equal to or greater than the Low Barrier, as determined by the Calculation Agent.

"n2" means the aggregate number of Observation Days in respect of the Observation Rate within the Modified Observation Period on which Observation Rate is (a) equal to or less than the High Barrier, and (b) equal to or greater than the Low Barrier, as determined by the Calculation Agent.

"N" means the aggregate number of Observation Days in respect of the Observation Rate within the Observation Period, as determined by the Calculation Agent.

"Observation Days" has the meaning given in the applicable Final Terms.

"Observation Period Start Date" means, if "Observation Period" is specified to be applicable in the applicable Final Terms, in respect of an Observation Rate, the date specified as such in the applicable Final Terms, which shall be the first day of the relevant Observation Period, and shall be included or excluded from the Observation Period, as provided in the applicable Final Terms.

"Observation Period End Date" means, if "Observation Period" is specified to be applicable in the applicable Final Terms, in respect of an Observation Rate, the date specified as such in the applicable Final Terms, which shall be the last day of the relevant Observation Period, and shall be included or excluded from the Observation Period, as provided in the applicable Final Terms.

"Observation Period" means, if specified to be applicable in the applicable Final Terms, in respect of an Observation Rate, the period commencing on the relevant Observation Period Start Date and ending on the relevant Observation Period End Date.

"Observation Rate Cut-Off Date" means, unless otherwise specified in the applicable Final Terms, in respect of an Observation Period, the first Observation Day on which the Observation Rate is either (a) greater than the High Barrier, or (b) less than the Low Barrier, as determined by the Calculation Agent.

"Observation Rate" means, unless otherwise specified in the applicable Final Terms, the Reference Exchange Rate on the Observation Day at the Valuation Time as determined in good faith and in a commercially reasonable manner by the Calculation Agent by reference to the Settlement Rate Option (and such determination may be made, without limitation, with such adjustments as are, at the sole discretion of the Calculation Agent, necessary to the published quoting conventions) unless a Disruption Event exists or occurs, in which case, the Settlement Rate will be determined by the Calculation Agent in accordance with FX Linked Condition 3.

"Option_i" means a potential payout with a specified "Exercise Price_i", "Leverage_i" and "Settlement Rate_i", all as set out in the applicable Final Terms. Each Option_i, and its defining properties, are separately identifiable through the unique number *i* assigned to it in the applicable Final Terms.

"Option Return_i" means, in respect of each Option_i, an amount determined by the Calculation Agent in accordance with the following formula:

$$Leverage_i \times \text{Max} \left(0, \frac{X_i - Y_i}{Z_i} \right)$$

"Performance" means unless otherwise specified in the applicable Final Terms, in respect of each Reference Exchange Rate in the Basket:

- (a) if **"Performance 1"** is specified as applicable in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Settlement Rate} - \text{Exercise Price}}{\text{Exercise Price}}$$

- (b) if **"Performance 2"** is specified as applicable in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Settlement Rate} - \text{Exercise Price}}{\text{Settlement Rate}}$$

- (c) if **"Performance 3"** is specified as applicable in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Exercise Price} - \text{Settlement Rate}}{\text{Exercise Price}}$$

- (d) if **"Performance 4"** is specified as applicable in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Exercise Price} - \text{Settlement Rate}}{\text{Settlement Rate}}$$

"Settlement Rate" has the meaning given to it in FX Linked Condition 2.

"Settlement Rate_i" means the Settlement Rate in respect of the relevant Option_i as specified in the applicable Final Terms.

"Spot Observation Period" means, if specified to be applicable in the applicable Final Terms:

- (a) where the Relevant Currency and the Subject Currency are both G10 Currencies, the period commencing on the relevant Spot Observation Period Start Date and Time and ending on the relevant Spot Observation Period End Date and Time (excluding Saturdays and Sundays) and includes each period commencing on, and including, 5:00 a.m., Sydney time, on a Monday of any week, and ending on, and including, 5:00 p.m., New York City time, on the immediately following Friday of that week, provided that if (a) the Spot Observation Period Start Date and Time falls after 5:00 a.m., Sydney time, on a Monday of any week, the period commencing on such later date and time, and (b) the Spot Observation Period End Date and Time falls before 5:00 p.m., New York City time, on a Friday of any week, the period ending on such earlier date and time; or
- (b) either the Relevant Currency or the Subject Currency are not G10 Currencies, as specified in the applicable Final Terms.

"Spot Observation Period End Date and Time" means the date and time specified as such in the applicable Final Terms, and shall be included or excluded from the Spot Observation Period, as provided in the applicable Final Terms.

"Spot Observation Period Start Date and Time" means the date and time specified as such in the applicable Final Terms, and shall be included or excluded from the Spot Observation Period, as provided in the applicable Final Terms.

"Spot Rate" has the meaning given in the applicable Final Terms, and the Spot Rate will be determined by the Calculation Agent by reference to the New York Federal Reserve's Foreign Exchange Committee's Best Practices for the Barrier Option Market published on <http://www.newyorkfed.org/fxc/fxann000217.html#barrier> as of 17 February 2000 and as may be amended from time to time.

"Trigger Barrier" has the meaning given in the applicable Final Terms.

"Trigger Condition" means the Trigger Rate is:

- (a) greater than the Trigger Barrier; and/or
- (b) equal to or greater than the Trigger Barrier; and/or
- (c) less than the Trigger Barrier; and/or
- (d) equal to or less than the Trigger Barrier,

as provided in the applicable Final Terms.

"Trigger Event" means, if "Trigger Event" is specified to be applicable in the applicable Final Terms, in respect of a Trigger Rate, (and shall be deemed to have occurred) if the Calculation Agent determines that the Trigger Condition is met: (i) if "Spot Observation Period" is specified as applicable in the applicable Final Terms, at any time during the Spot Observation Period; or (ii) if "Trigger Observation Date" is specified as applicable in the applicable Final Terms, on the Trigger Observation Date.

"Trigger Observation Date" has the meaning given in the applicable Final Terms.

"Trigger Rate" means the Settlement Rate, the Spot Rate, or such other Reference Exchange Rate as specified in the applicable Final Terms.

"Trigger Settlement Amount" means, in respect of each Warrant in respect of which a Trigger Event has occurred and:

- (a) "**Single Option**" are is specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent in accordance with the following formulae, and further multiplied by the Notional Amount per Warrant:

$$Leverage \times \text{Max}\left(0, \frac{X - Y}{Z}\right)$$

- (b) "**Multi-Options**" are each specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent to be equal to the aggregate of all Option Return_i, and further multiplied by the Notional Amount per Warrant.

"**Weight**" means, in respect of each Reference Exchange Rate in the Basket, the weight specified in the applicable Final Terms which is applicable to such Reference Exchange Rate.

"**Weighted Performance**" means, in respect of each Reference Exchange Rate in the Basket, an amount determined by the Calculation Agent to be equal to (i) the Weight of such Reference Exchange Rate multiplied by (ii) the Performance of such Reference Exchange Rate.

"**Worst Performing Rate**" means, in respect of any Valuation Date, the Reference Exchange Rate with the lower (in case of a Basket comprising of two Reference Exchange Rates) or lowest Performance (in case of a Basket comprising of three or more Reference Exchange Rates) on such Valuation Date, as determined by the Calculation Agent. In the event that the Reference Exchange Rates have the same Performance on such Valuation Date, then the Calculation Agent shall determine in its sole and absolute discretion which Reference Exchange Rate shall be the Worst Performing Rate, and such Reference Exchange Rates as so selected shall be deemed the Worst Performing Rate for such Valuation Date.

"**X**" means Exercise Price or Settlement Rate as specified in the applicable Final Terms.

"**X_i**" means Exercise Price_i or Settlement Rate_i as specified in the applicable Final Terms.

"**Y**" means Exercise Price or Settlement Rate as specified in the applicable Final Terms.

"**Y_i**" means Exercise Price_i or Settlement Rate_i as specified in the applicable Final Terms.

"**Z**" means Exercise Price or Settlement Rate as specified in the applicable Final Terms.

"**Z_i**" means Exercise Price_i or Settlement Rate_i as specified in the applicable Final Terms.

FORM OF FINAL TERMS

[Date]

HOTEI CAPITAL PLC

Issue of [*insert title/description of Warrants*] (the "Warrants" or the "Securities")

under the Programme for the issuance of Warrants

[Guaranteed by

Nomura Holdings, Inc.]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Warrants in any Member State of the European Economic Area which has implemented the Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**") (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Warrants. Accordingly any person making or intending to make an offer of the Warrants may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 21 of Part A below, provided such person is one of the persons mentioned in Paragraph 21 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Warrants in any other circumstances¹].

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Warrants in any Member State of the European Economic Area which has implemented the Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**") (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Warrants. Accordingly any person making or intending to make an offer in that Relevant Member State of the Warrants may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Warrants in any other circumstances].²

[The Warrants and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under any state securities laws and the Warrants may not be offered, sold, transferred, pledged, delivered, exercised or redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person (as defined herein) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any State of the United States and any other jurisdiction. The Issuer has not registered and does not intend to register as an investment company pursuant to the United States Investment Company Act of 1940, as amended (the "**1940 Act**") and the rules thereunder in reliance on an exclusion from the definition of "investment company" pursuant to Section 3(c)(7) of the 1940 Act. Trading in the Securities has not

¹ Consider including this legend where a non-exempt offer of Warrants is anticipated.

² Consider including this legend where only an exempt offer of Warrants is anticipated.

been approved or disapproved by the U.S. Commodity Futures Trading Commission (the CFTC) under the U.S. Commodity Exchange Act, as amended (the "CEA").]³

[The Warrants and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under any state securities laws and the Securities may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, or by, any U.S. person (as defined herein). Furthermore, trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission (the "CFTC") pursuant to the U.S. Commodity Exchange Act, as amended (the "CEA"), and no U.S. person may at any time trade or maintain a position in the Securities. For a description of the restrictions on offers and sales of Securities, see Part C attached hereto and "Notice to Purchasers and Holders of Securities and Transfer Restrictions" in the Base Prospectus.]⁴

[The exercise of the Warrants will be conditional upon the holder (and any person on whose behalf the holder is acting) being a non-U.S. Person.]⁵

For the purposes hereof, "U.S. person" means (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity treated as a corporation or partnership for United States federal income tax purposes, created or organised in or under the laws of the United States, any State thereof or the District of Columbia, or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust (or any trust which elected to be treated as a United States person prior to 20 August 1996); (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. persons; or (vii) any other "U.S. person" as such term may be defined in Regulation S under the Securities Act.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions and the FX Linked Conditions (as may be amended and/or supplemented up to, and including, [*insert Issue Date*]) set forth in the Base Prospectus dated 3 May 2012 [and the supplement(s) to the Base Prospectus dated 3 May 2012] (the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as supplemented]. Full information on the Issuer[, the Guarantor] and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing during normal business hours at the registered office of the Issuer and at the specified offices of the Principal Agent for the time being in Germany, and copies may be obtained from Hotei Capital plc, at 11/12 Warrington Place, Dublin 2, Ireland.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.*]

Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions and the FX Linked Conditions (as may be amended and/or supplemented up to, and including, [*insert*

³ Include this paragraph for any Warrants that have not been determined to be permanently prohibited from being offered, sold, resold, transferred, pledged or delivered in the United States.

⁴ Alternative language to be included in the case of Warrants that are determined to be permanently prohibited from being offered, sold, resold, transferred, pledged or delivered to U.S. persons.

⁵ Include for Warrants issued pursuant to Regulation S.

Issue Date) set forth in the Base Prospectus dated 3 May 2012 [and the supplement(s) to the Base Prospectus dated 3 May 2012 [and incorporated by reference into the Base Prospectus dated 3 May 2012]. This document constitutes the Final Terms of the Warrants described herein [for the purposes of Article 5.4 of the Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 3 May 2012 [and the supplement(s) to the Base Prospectus dated 3 May 2012], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, [save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer[, the Guarantor] and the offer of the Warrants is only available on the basis of the combination of these Final Terms, the Base Prospectus dated 3 May 2012 [, and the supplement(s) to the Base Prospectus dated 3 May 2012 and the Base Prospectus dated [original date]]. Copies of [such/the] Base Prospectus[es] are available for viewing during normal business hours at the registered office of the Issuer and at the specified offices of the Principal Agent for the time being in London, and copies may be obtained from Hotei Capital plc, at 11/12 Warrington Place, Dublin 2, Ireland.

References herein to numbered Conditions are to the terms and conditions of the Warrants and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms, save as where otherwise expressly provided.

[Include whichever of the following apply or specify as "Not Applicable" (N/A) or delete relevant provision]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive or the use of a Series Prospectus.]

[The purchase of Warrants involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Warrants. Before making an investment decision, prospective purchasers of Warrants should ensure that they understand the nature of the Warrants and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Base Prospectus (including "Risk Factors" on pages 12 to 37 thereof) and these Final Terms.]

[No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer[, the Guarantor] or any Dealer.]

[By investing in the Warrants each investor represents that:

- (i) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Warrants and as to whether the investment in the Warrants is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer[, the Guarantor] or any Dealer as investment advice or as a recommendation to invest in the Warrants, it being understood that information and explanations related to the terms and conditions of the Warrants shall not be considered to be investment advice or a recommendation to invest in the Warrants. No communication (written or oral) received from the Issuer[, the Guarantor] or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Warrants.*
- (ii) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Securities. It is also capable of assuming, and assumes, the risks of the investment in the Securities.*
- (iii) Status of Parties. None of the Issuer[, the Guarantor] and any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the Securities.]*

1. [(i)] Guaranteed Warrants: [Yes – the Securities are Guaranteed Warrants]/ [No – the Securities are not Guaranteed Warrants] (*Securities intended to be listed on the Irish Stock Exchange or any other regulated market for the purposes of Directive 2004/39/EC must be Guaranteed Warrants*)
- [(ii)] Guarantor: Nomura Holdings, Inc. (*Include in the case of Guaranteed Warrants only*)
2. Type of Warrants [American Style Warrants/European Style Warrants]
3. (a) Series Number: [●]
- (b) Tranche Number: [●]
- (*If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible*)
4. Aggregate Number of Warrants being issued:
- (a) Series: [●]
- (b) Tranche: [●]
5. Trade Date: [●]
6. Issue Date: [●]
7. Issue Price:
8. [*For Certificates and European Style Warrants insert:*
- Exercise Date [●]
- [*For American Style Warrants insert:*
- Exercise Period: [●]
9. Specified Currency: [●]
10. Notional Amount per Warrant (*for calculation purposes only*): [●]
11. Cash Settlement Amount: [As specified in Condition 3.4 and FX Linked Condition 8 [(a)]/(b)]/[(c)]/[(d)]/[(e)]/[(f)]/[(g)]]/[Other (*Insert details of how Cash Settlement Amount is to be calculated*)]
- (i) Vanilla Warrant [Applicable]/[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Single Option: [Applicable]/[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

[X is [Exercise Price]/[Settlement Rate].

Y is [Exercise Price]/[Settlement Rate].

Z is [Exercise Price]/[Settlement Rate].] *(If not applicable, delete)*

- Leverage: [●]
- Exercise Price: [●]
- Settlement Rate: [As specified in FX Linked Condition 2]/[Other (specify)]

(b) Multi-Options: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[X_i is [Exercise Price_i]/[Settlement Rate_i].

Y_i is [Exercise Price_i]/[Settlement Rate_i].

Z_i is [Exercise Price_i]/[Settlement Rate_i].] *(If not applicable, delete)*

- Option_i:

i Leverage_i Exercise Price_i Settlement Rate_i

[1] [●] [●] [●]

[2] [●] [●] [●]

(ii) Digital Warrant: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Digital Call: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- Settlement Rate: [As specified in FX Linked Condition 2]/[Other (specify)]

- Exercise Price: [●]

- FX Payment Amount: [●]

(b) Digital Put: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- Settlement Rate: [As specified in FX Linked Condition 2]/[Other (specify)]

- Exercise Price: [●]

- FX Payment Amount: [●]

- (iii) Range Warrant: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Barrier Event: [●]
- High Barrier: [●]/[Not Applicable]
- Low Barrier: [●]/[Not Applicable]
- (b) Spot Observation Period: [As specified in FX Linked Condition 8.2]/[Other (specify)] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Spot Observation Period Start Date and Time: [●], [Included/Excluded]
- Spot Observation Period End Date and Time: [●], [Included/Excluded]
- (c) Spot Rate: [●]/[Not Applicable]
- (d) FX Payment Amount: [●]/[Not Applicable]
- (iv) Range Accrual Warrant: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) FX Payment Amount [●]
- (b) Observation Days: [●]
- (c) Observation Rate: [As specified in FX Linked Condition 8.2]/[Other (specify)]
- (d) High Barrier: [●]/[Not Applicable]
- (e) Low Barrier: [●]/[Not Applicable]
- (f) Resurrecting: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Observation Period: [Applicable]/[Not Applicable]
- Observation Period Start Date: [●], [Included/Excluded]
- Observation Period End Date: [●], [Included/Excluded]
- (g) Extinguishing: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Modified Observation Period: [Applicable]/[Not Applicable]
- Modified Observation Period Start Date: [●], [Included/Excluded]

- Modified Observation Period End Date: [●], [Included/Excluded]
- (v) Multi-Currency Warrant: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Basket of Reference Exchange Rates Weight
 - [(1)] [●] [●]
 - [(2)] [●] [●]
 - (b) Performance: [Performance 1]/ [Performance 2]/ [Performance 3]/ [Performance 4]/[Other (*specify*)] is applicable
 - (c) Leverage: [●]/[Not Applicable]
 - (d) FX Payment Amount: [●]
 - (e) Basket Payout 1: [Applicable]/[Not Applicable]
 - (f) Basket Digital Put: [Applicable]/[Not Applicable]
 - (g) Basket Digital Call: [Applicable]/[Not Applicable]
 - (h) Worst of Option Payout: [Applicable]/[Not Applicable]
 - (i) Best of Option Payout: [Applicable]/[Not Applicable]
- (vi) Trigger In Option Warrant: [Applicable]/[Not Applicable]
- (a) Trigger Rate: [Settlement Rate]/[Spot Rate] / [Other (*specify*)]
 - (b) Trigger Barrier: [●]
 - (c) Trigger Event: [Applicable]/[Not Applicable]
 - (d) Spot Observation Period: [As specified in FX Linked Condition 8.2]/[Other (*specify*)] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
 - Spot Observation Period Start Date and Time: [●], [Included/Excluded]
 - Spot Observation Period End Date and Time: [●], [Included/Excluded]
 - (e) Trigger Observation Date: [Applicable]/[Not Applicable]
 - (f) Trigger Condition: [Trigger Rate is [equal to or] / [greater than]/[less than] the Trigger Barrier]
 - (g) Trigger Settlement Amount: [Single Option]/[Multi-Options] is applicable.
[insert following if Single Option is applicable]
 X is [Exercise Price]/[Settlement Rate].
 Y is [Exercise Price]/[Settlement Rate].

Z is [Exercise Price]/[Settlement Rate].] (If not applicable, delete)

[insert following if Multi-Options is applicable

X_i is [Exercise Price_i]/[Settlement Rate_i].

Y_i is [Exercise Price_i]/[Settlement Rate_i].

Z_i is [Exercise Price_i]/[Settlement Rate_i].] (If not applicable, delete)

[insert following if Single Option is applicable

- Leverage: [●]
- Exercise Price: [●]
- Settlement Rate: [As specified in FX Linked Condition 2]/[Other (specify)]

[insert following if Multi-Options is applicable

- Option_i:

<i>i</i>	Leverage _i	Exercise Price _i	Settlement Rate _i
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[1]	[●]	[●]	[●]
-----	-----	-----	-----

[2]	[●]	[●]	[●]
-----	-----	-----	-----

(vii) Trigger Out Option Warrant: [Applicable]/[Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Trigger Rate: [Settlement Rate]/[Spot Rate] / [Other (specify)]

(b) Trigger Barrier: [●]

(c) Trigger Event: [Applicable]/[Not Applicable]

(d) Spot Observation Period: [As specified in FX Linked Condition 8.2]/[Other (specify)] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- Spot Observation Period Start Date and Time: [●], [Included/Excluded]

- Spot Observation Period End Date and Time: [●], [Included/Excluded]

(e) Trigger Observation Date: [Applicable]/[Not Applicable]

(f) Trigger Condition: [Trigger Rate is [equal to or] / [greater than] / [less than] the Trigger Barrier]

(d) Trigger Settlement Amount: [Single Option]/[Multi-Options] is applicable:

[insert following if Single Option is applicable

X is [Exercise Price]/[Settlement Rate].

Y is [Exercise Price]/[Settlement Rate].

Z is [Exercise Price]/[Settlement Rate].] (If not applicable, delete)

[insert following if Multi-Options is applicable

X_i is [Exercise Price_i]/[Settlement Rate_i].

Y_i is [Exercise Price_i]/[Settlement Rate_i].

Z_i is [Exercise Price_i]/[Settlement Rate_i].] (If not applicable, delete)

[insert following if Single Option is applicable

– Leverage: [●]

– Exercise Price: [●]

– Settlement Rate: [As specified in FX Linked Condition 2]/[Other (specify)]]

[insert following if Multi-Options is applicable

– Option_i:

<i>i</i>	Leverage _i	Exercise Price _i	Settlement Rate _i
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[1]	[●]	[●]	[●]
-----	-----	-----	-----

[2]	[●]	[●]	[●]]
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(ix) Other terms or special conditions relating to the Cash Settlement Amount: [●]

12. Settlement Date: [As specified in Condition 3.4]/[Other (specify)]

13. Minimum Exercise Number: [The minimum number of Warrants that may be exercised on any day by any Holder is [●] [and Warrants may only be exercised in integral multiples of [●] Warrants in excess thereof]].[Not Applicable] (N.B. not applicable for European Style Warrants).

14. Maximum Exercise Number: [The maximum number of Warrants that must be exercised on any day by any Holder or group of Holders (whether or not acting in concert) is [●]][Not Applicable] (N.B. not applicable for European Style Warrants)

15. FX Linked Conditions: The FX Linked Conditions shall [apply]/[not apply]

(i) Relevant Currency: [●]

(ii) Subject Currency: [●]

- (iii) FX Price Source(s): [●]
- (iv) Specified Financial Centre(s) (FX Linked Condition 2): [●]
- (v) Reference Exchange Rate: [As specified in FX Linked Condition 2]/[units of Relevant Currency]
per
[unit of Subject Currency]
- (vi) Settlement Rate Option: [●]
- (a) Screen Page: [●]
- (b) Screen Page Spot Rate Identification Information: [insert all information required to identify the spot price on the Screen Page, as applicable]
- (vii) Valuation Date(s): [●]
- (viii) Valuation Time: [] [include relevant city – e.g. London time]
- (ix) Disruption Event(s): The following Disruption Events apply to the Warrants:
[Change in Law]
[Determination Failure]
Determination Cut-off Time: []
[include relevant city – e.g. London time]]
[Dual Exchange Rate]
[General Inconvertibility]
[General Non-Transferability]
[Hedging Disruption Event]
[Illiquidity]
[Material Change in Circumstance]
[Nationalisation]
[Price Materiality]
Price Materiality Percentage: [] %
Primary Rate: []
Secondary Rate: []
[Price Source Disruption]
- (x) Relevant Jurisdiction: Currency []/[Not Applicable]

- (xi) Disruption Fallback: The following fallback provisions apply to the Securities:
- (a) Calculation Agent Determination of Settlement Rate: [Applicable – to be applied [first/second/third/fourth]]/[Not Applicable]
- (b) Fallback Reference Price: [Applicable – to be applied [first/second/third/fourth]]/[Not Applicable] [The Fallback Reference Price is [●]]
- (c) Settlement Postponement: [Applicable – to be applied [first/second/third/fourth]]/[Not Applicable]
- Maximum Days of Disruption: [As specified in FX Linked Condition 3]/[Other (*specify*)]
- (d) Termination: [Applicable – to be applied [first/second/third/fourth]]/[Not Applicable]
- (e) EM Valuation Postponement: [Applicable – to be applied [first/second/third/fourth]]/[Not Applicable]
- (f) EM Fallback Valuation Postponement: [Applicable – to be applied [first/second/third/fourth]]/[Not Applicable]
- (g) Other Disruption Fallbacks: [Applicable – to be applied [first/second/third/fourth]]/[Not Applicable]
- (xi) EM Currency Provisions: [Applicable] [Not Applicable]
- (a) Unscheduled Holiday: [Applicable, Maximum Days of Deferral: [●]]
- [Not Applicable]
- (b) EM Valuation Postponement: [Applicable, Maximum Days of EM Valuation Postponement: [●]]
- [Not Applicable]
- (c) EM Fallback Valuation Postponement: [Applicable, Fallback Maximum Period of Postponement: [As specified in the FX Linked Conditions] [*specify other*]]
- [Not Applicable]
- (d) Cumulative Events: [Applicable, Maximum Days of Cumulative Postponement: [As specified in the FX Linked Conditions] [*specify other*]] [Not Applicable]
- (xii) Other terms or special conditions: [Not Applicable]/[]
16. Additional Business Centre(s) (General Condition 3.4): []
17. Any Final Terms: []

(When adding any other final terms consideration should be given as to whether such amendments

would be acceptable as Final Terms or whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive or the use of a Series Prospectus.)

DISTRIBUTION

18. Method of distribution: [Syndicated/Non-Syndicated]
- (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable]/[give names, and addresses and underwriting commitments]
- (Including names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)
- (ii) Date of Subscription Agreement: []
19. If non-syndicated, name and address of relevant Dealer: [Not Applicable]/[give name and address]
20. [Total commission and concession: []]
21. Non-exempt Offer: [Not Applicable] [An offer of the Warrants may be made by the Manager[s] [and [specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the "**Financial Intermediaries**") other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] ("**Public Offer Jurisdiction[s]**") during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"] ("**Offer Period**"). See further Paragraph [6] (Terms and Conditions of the Offer) of Part B below.
22. Additional selling restrictions: [Not Applicable]/[give name and address]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdiction[s]] [and] [listing and] [admission to trading on the regulated market of Irish Stock Exchange/other(specify)] of the Warrants described herein pursuant to the Programme for the issuance of Warrants of Hotei Capital plc.

RESPONSIBILITY

[[Subject as provided below,] [T/t]he Issuer[and the Guarantor] accept[s] responsibility for the information contained in these Final Terms.] [The information relating to [insert relevant underlying asset] contained herein has been accurately extracted from [insert information source(s)]. The Issuer[and the Guarantor] accept[s] responsibility for the accuracy of such extraction but accept no further or other responsibility in respect of such information.

Signed on behalf of the Issuer:

[Signed on behalf of the Guarantor:

By:
Duly authorised

By:
Duly authorised]

PART B – OTHER INFORMATION

[Please note that if an issue of Warrants is not to be admitted to trading on a regulated market in the EEA or offered to the public in the EEA, i.e. where the Warrants are being privately placed, then only sections 1 (Listing and Admission to Trading) and 5 (Operational Information) of Part B need to be completed and sections 2 (Interests of Natural and Legal Persons Involved in the Issue) to 5 (Performance Of [Rate[S] Of Exchange/Currencies], Explanation Of Effect On Value Of Investment And Associated Risks [And Other Information Concerning [The [Rate[S] Of Exchange/ Formula/ Currencies]]) (inclusive) and section 6 (Terms and Conditions of the Offer) should be deleted.]

[Consider whether any update to the "Taxation" section of the Base Prospectus is required or desirable in respect of any relevant jurisdiction. If so, consider carefully whether such update may constitute a "significant new factor" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive or the use of a Series Prospectus.]

1. LISTING AND ADMISSION TO TRADING

Listing and Admission to trading (Securities intended to be listed on the Irish Stock Exchange or any other regulated market for the purposes of Directive 2004/39/EC must be Guaranteed Warrants):

[Application [has been]/[will be] made for the Guaranteed Warrants to be listed on the Official List and admitted to trading on the Regulated Market of the Irish Stock Exchange Stock Exchange/other (*specify*) with effect from, at the earliest, the Issue Date. No assurances can be given that such application for listing and admission to trading will be granted (or, if granted, will be granted by the Issue Date).]

The Issuer has no duty to maintain the listing (if any) of the Guaranteed Warrants on the relevant stock exchange(s) over their entire lifetime. Guaranteed Warrants may be suspended from trading and/or de-listed at any time in accordance with applicable rules and regulations of the relevant stock exchange(s).

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)***

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Warrants has an interest material to the offer - *amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive or the use of a Series Prospectus.)]

3. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) [Reasons for the offer: []]

(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons

here)]

(ii) Estimated net proceeds: []

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding).

[(iii) Estimated total expenses⁶: []

(Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses". (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and where in this case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required)

[(iii) Estimated total expenses related to the admission to trading⁷: []/(Include breakdown of expenses)]

4. **PERFORMANCE OF [RATE[S] OF EXCHANGE/CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [RATE[S] OF EXCHANGE/FORMULA/ CURRENCIES]]**

[Need to include details of [the/each] currency, where past and future performance and volatility of the relevant [rate(s)/currencies] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

5. **OPERATIONAL INFORMATION**

(i) ISIN Code: [•]

(ii) Common Code: [•]

(iii) Names and addresses of initial Principal Agent:
Citibank Europe plc
1 North Wall Quay
Dublin 1
Ireland

Registrar:
Citigroup Global Markets Deutschland AG
Reuterweg 16
60323 Frankfurt
Germany

6. **TERMS AND CONDITIONS OF THE OFFER (*Public Offer Only*)**

Offer Price: [Issue Price][Not Applicable][specify]

⁶ Include only if the Securities are derivative securities to which Annex XII of the Prospectus Regulation applies or debt securities to which Annex V of the Prospectus Regulation applies.

⁷ Include only if the Warrants are debt securities to which Annex XIII of the Prospectus Regulation applies.

[Conditions to which the offer is subject:]	[Not Applicable/ <i>give details</i>]
[Description of the application process:]	[Not Applicable/ <i>give details</i>]
[Details of the minimum and/or maximum amount of application:]	[Not Applicable/ <i>give details</i>]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not Applicable/ <i>give details</i>]
[Details of the method and time limits for paying up and delivering the Securities:]	[Not Applicable/ <i>give details</i>]
[Manner in and date on which results of the offer are to be made public:]	[Not Applicable/ <i>give details</i>]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not Applicable/ <i>give details</i>]
[Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries:]	[Not Applicable/ <i>give details</i>]
[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]	[Not Applicable/ <i>give details</i>]
[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not Applicable/ <i>give details</i>]

[The following language applies if the Final Terms relate to Securities that have been determined not to be eligible for offer, sale, resale, transfer, pledge or delivery in the United States or to or for the account or benefit of U.S. persons.]

PART C – IMPORTANT NOTICE TO PURCHASERS AND TRANSFEREES

The Securities have not been and will not be registered under the Securities Act, and trading in the Securities has not been approved by the CFTC under the CEA. No Securities, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

Offers, sales, resales or deliveries of the Securities, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. In addition, in the absence of relief from the CFTC, offers, sales, resales, transfers, pledges or deliveries of the Securities, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading.

As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and U.S. person means (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust (or any trust which elected to be treated as a United States person prior to 20th August 1996); (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. persons; or (vii) any other "U.S. person" as such term may be defined in Regulation S under the Securities Act or in regulations adopted under the CEA.

Notice to Purchasers and Holders of Securities and Transfer Restrictions

Each purchaser of the Securities will, by its purchase of the Securities, be deemed to acknowledge, represent and agree as follows:

- (i) that trading in the Securities has not been and will not be approved by the CFTC under the CEA;
- (ii) that it will not at any time offer, sell, resell or deliver, directly or indirectly, any Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;
- (iii) that it is not purchasing any Securities for the account or benefit of any U.S. person;
- (iv) that it will not make offers, sales, resales or deliveries of any Securities (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;
- (v) that it will send each person who purchases Securities from it a written confirmation (which shall include the definitions of United States and U.S. person set forth herein) stating that the Securities have not been registered under the Securities Act, that trading in the Securities has not been approved by the CFTC under the CEA and stating that such purchaser agrees that it will not at any time offer, sell, resell or deliver any of such Securities, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person; and

- (vi) (that no U.S. person or person in the United States may at any time trade or maintain a position in the Securities.

Each purchaser and subsequent transferee of any Securities will be deemed by such purchase or acquisition of any Securities to have represented and warranted, on each day from the date on which the purchaser or transferee acquires the Securities through and including the date on which the purchaser or transferee disposes of such Securities, that either (i) it is not using the assets of and shall not at any time hold such Securities for or on behalf of a Benefit Plan Investor (as defined in Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) or a governmental, church or non-U.S. plan or (ii) its acquisition, holding and disposition of such Securities or of any interest therein, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended or, in the case of a governmental, church or non-U.S. plan, a violation of any substantially similar federal, state, local or non-U.S. laws Each subsequent transferee of a Security will be deemed to have made the same representations, warranties and agreements above.

USE OF PROCEEDS

The net proceeds of each issue of Warrants will be used by the Issuer in making payments to the Counterparty under the Derivative Agreement.

The expenses for each issue of Securities will be identified in the applicable Final Terms.

FORM OF GUARANTEE

THIS DEED OF GUARANTEE is given on 2 May 2012 by Nomura Holdings, Inc. (the "**Guarantor**").

WHEREAS:

- (A) Hotei Capital plc (the "**Issuer**") may from time to time issue Series of warrants relating to a specified currency exchange rate or a basket of currency exchange rates (the "**Warrants**") under the Programme pursuant to (a) an Agency Agreement dated 2 May 2012 (the "**Agency Agreement**") with, among others, the Guarantor, Citigroup Global Markets Deutschland AG as Registrar, Citibank Europe plc as Principal Agent and a Calculation Agency Agreement entered with Nomura International plc as Calculation Agent (the "**Calculation Agency Agreement**"), with the benefit of (b) a Deed of Covenant dated 2 May 2012 executed by the Issuer and (c) this deed of guarantee (the "**Guarantee**"), under the terms and conditions set out in the Agency Agreement as completed or amended by (d) certain Final Terms or a certain Series Prospectus (each as defined in the Agency Agreement) and such Securities may be subscribed by the Dealers in accordance with (e) subscription agreement dated 2 May 2012 between the Issuer, the Guarantor and Nomura International plc (the "**Subscription Agreement**") (the Agency Agreement, the Calculation Agency Agreement, the Guarantee and the Subscription Agreement, together, as amended and/or supplemented and/or restated from time to time, the "**Programme Documents**").
- (B) The applicable final terms (the "**Final Terms**") relating to each series of Warrants will specify whether or not those Warrants are Guaranteed Warrants and any Warrants specified as such shall, for the purposes of this Guarantee and subject as provided in Clause 4 below, be referred to as "**Guaranteed Warrants**" and each a "**Guaranteed Warrant**".
- (C) All terms and expressions which have defined meanings in the Agency Agreement and the Base Prospectus shall have the same meanings in this Guarantee except where the context requires otherwise or unless otherwise stated.
- (D) Any Guaranteed Warrants issued on or after the date of this Guarantee will be guaranteed pursuant to this Guarantee other than any Guaranteed Warrants issued which are expressed to be consolidated and form a single Series with any Guaranteed Warrants issued prior to the date hereof.
- (E) The Warrants of each Series shall form a separate series of Warrants and the provisions of this Guarantee shall apply separately and independently to the Warrants of each Series which are specified in the applicable Final Terms to be "Guaranteed Warrants".

NOW THIS DEED WITNESSETH as follows:

1. The Guarantor as primary obligor hereby irrevocably and unconditionally guarantees to the Holder (as such term is used in the Conditions) from time to time of each Guaranteed Warrant issued by the Issuer under the Programme on or after the date hereof in accordance with the Programme Documents (each a "**Relevant Holder**") by way of continuing guarantee:
 - (a) the due and punctual payment of all amounts payable by the Issuer as and when the same shall become due to be paid under the Conditions; and
 - (b) the due and punctual performance and observance by the Issuer of each of the other provisions of the Conditions (the "**Relevant Obligations**") to be performed or observed by it thereunder.
2. The Guarantor as primary obligor unconditionally and irrevocably agrees that if and each time that the Issuer shall fail to make any payments or perform or observe any Relevant Obligations as and when the same become due to be paid, performed or observed, the Guarantor will on demand (without requiring the Relevant Holder first to take steps against the Issuer or any other person) (i) pay to the Relevant Holder the relevant amounts payable in the currency in which they are payable by the Issuer or (ii) perform or observe or procure the performance or

observation of the Relevant Obligations (in each case as to which the certificate of the Relevant Holder shall in the absence of manifest error be conclusive).

3. In respect of any Guaranteed Warrant, without affecting the obligations of the Issuer thereunder, the Guarantor will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety in respect of such Guaranteed Warrant. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal obligor (including (a) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (b) any amendment to such Guaranteed Warrant or to any security or other guarantee or indemnity in respect of such Guaranteed Warrant, (c) the making or absence of any demand on the Issuer or any other person for payment or performance of any of the Relevant Obligations under such Guaranteed Warrant, (d) the enforcement or absence of enforcement of such Guaranteed Warrant or of any security or other guarantee or indemnity in respect of such Guaranteed Warrant, (e) the release of any such security, guarantee or indemnity, (f) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (g) the illegality, invalidity or unenforceability of or any defect in any provision of such Guaranteed Warrant or any of the Issuer's obligations thereunder).
4. The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains, or is capable of remaining, payable or deliverable under any Warrant. Furthermore, these obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of a Relevant Holder, whether from the Guarantor or otherwise, in respect of such Warrant.
5. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to the relevant Guaranteed Warrants or the indebtedness evidenced thereby and all demands whatsoever and hereby covenants that this Guarantee shall be a continuing guarantee, which shall not be discharged except by complete performance of the obligations contained in the Conditions in respect of the relevant Guaranteed Warrants.
6. If any payment or other consideration received by a Relevant Holder under any Guaranteed Warrant is, on the subsequent bankruptcy, insolvency or corporate reorganisation of the Issuer or other such similar event, avoided or set aside under any laws relating to liquidation or insolvency, such payment or consideration will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment or consideration had at all times remained owing by the Issuer and the Guarantor shall indemnify the Relevant Holders in respect thereof PROVIDED THAT the obligations of the Guarantor under this clause shall, as regards each payment made to any Relevant Holder which is so avoided or set aside, be contingent upon such payment being reimbursed to the Issuer or other persons entitled through the Issuer.
7. The obligations of the Guarantor under this Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall (save for obligations in respect of national and local taxes and certain other statutory exceptions) at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.
8. The Guarantor shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment (including any stamp or transfer tax) which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant by any person and all payments made under this Guarantee by the Guarantor in respect of any Guaranteed Warrant shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.
9. The Guarantor hereby warrants, represents and covenants with each Relevant Holder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to

execute, deliver and perform this Guarantee, and that this Guarantee constitutes its legal, valid and binding obligation in accordance with its terms.

10. This Guarantee shall enure for the benefit of the Relevant Holders and shall be deposited with and held by the Principal Agent. The Guarantor hereby acknowledges the right of every Relevant Holder to the production of, and the right of every Relevant Holder to obtain a copy of, this Guarantee, and further acknowledges and covenants that the obligations binding upon the Guarantor contained herein are owed to, and shall be for the account of, each and every Relevant Holder, and that each such Relevant Holder shall be entitled severally to enforce the said obligations against the Guarantor, notwithstanding the provisions set out in General Condition 14.1 (*Limited Recourse*).
11. Until all amounts which may be payable under the Guaranteed Warrants subject to the aforesaid demand for payment in clause 2 above have been irrevocably paid in full and all Relevant Obligations of the Issuer thereunder have been performed in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Relevant Holder or claim in competition with the Relevant Holders against the Issuer.
12. The Guarantor may not assign or transfer its rights or obligations under this Guarantee without the approval of an Extraordinary Resolution of the Relevant Holders of the relevant Guaranteed Warrants and any purported assignment or delegation without such approval will be void; provided, however, that approval will not be required for the assumption by a Substituted Guarantor (as defined below) of the rights and obligations of the Guarantor under this Guarantee in the circumstances described in clause 13 below.
13. In the event that another company (the "**Substituted Guarantor**") is substituted for the Guarantor as guarantor in relation to Guaranteed Warrants in accordance with the Conditions, the Guarantor will procure that the Substituted Guarantor shall assume all of its rights and obligations hereunder.
14. All communications to the Guarantor shall be by fax or letter delivered by hand or by telephone, marked for the attention of, or (in the case of communication by telephone) to, the person or department from time to time notified by the Guarantor in accordance with the Conditions. The initial telephone number, fax number and person or department so specified by the Guarantor are set out below:

Nomura Holdings, Inc.

c/o Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Telephone: +81 3 5255 1000

Telefax: +81 3 3274 4496

Attention: Managing Director of Treasury Department

15. This Guarantee and any non-contractual obligations arising out of or in connection with this Guarantee are and will be governed by, and construed in accordance with, English law.

The Guarantor irrevocably agrees, for the benefit of the Relevant Holders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee (including a dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee) and accordingly submits to the exclusive jurisdiction of the English courts.

The Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Relevant Holders may take any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with this Guarantee (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Guarantee) against the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

The Guarantor hereby appoints Nomura International plc at its registered office for the time being in England (being at the date of execution hereof 1 Angel Lane, London EC4R 3AB) as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of it ceasing so to act it will appoint another person as its agent for that purpose. Nothing herein will affect the right to serve proceedings in any other manner permitted by law.

IN WITNESS whereof this Guarantee has been entered into as a deed by the Guarantor on the date first above written.

Executed as a deed by)
NOMURA HOLDINGS, INC.)
and signed and delivered as a deed)
on its behalf by:)

In the presence of:

Witness's signature:

Name:

Address:

DESCRIPTION OF THE GUARANTOR

Introduction

Nomura Holdings, Inc. ("**NHI**"), with Corporation Number 0100-01-034881, is a holding company of the largest securities group in Japan and one of the largest in the world.

NHI, formerly known as The Nomura Securities Co., Ltd., was incorporated in Japan on 25 December 1925 under the Commercial Code of Japan when the securities division of The Osaka Nomura Bank, Ltd. became a separate entity specialising in the trading and distribution of debt securities in Japan. The registered head office of NHI is located at 9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8645, Japan, and the telephone number is +81-3-5255-1000. NHI's constitutional documents (i.e., Articles of Incorporation) in effect as at the date of this Base Prospectus are dated 27 November 1925, as most recently amended on 28 June 2011. Further, NHI's commercial registration is up to date as at the date of this Base Prospectus.

NHI's business purpose is, by means of holding shares, to control and manage the business activities of domestic companies which engage in the following businesses and the business activities of foreign companies which engage in the business equivalent to the following businesses: (i) financial instruments business prescribed in the Financial Instruments and Exchange Law; (ii) banking business prescribed in the Banking Law and trust business prescribed in the Trust Business Law; (iii) any other financial services and any business incidental or related to such financial services; and (iv) other than as prescribed in the items above, any other business ancillary or related to survey and research in connection with the economy, financial or capital markets, or infrastructure or undertaking the outsourcing thereto. NHI may conduct any other business incidental to its business activities described in this paragraph.

History

NHI was the first Japanese securities company to develop its business internationally with the opening in 1927 of a representative office in New York, which actively traded non-yen-denominated debt securities. In Japan, NHI broadened the scope of its business when it began trading in equity securities in 1938 and when it organised the first investment trust in Japan in 1941.

On 1 October 2001, NHI adopted a holding company structure and became a holding company for the Nomura Group of companies. In connection with this reorganisation, NHI changed its name from "The Nomura Securities Co., Ltd." to "Nomura Holdings, Inc." NHI continues to be listed on the Tokyo Stock Exchange, Inc. and other stock exchanges on which it was previously listed. A wholly-owned subsidiary of NHI assumed its securities business and is named "Nomura Securities Co., Ltd."

In December 2001, NHI listed its shares in the form of American Depositary Shares (evidenced by American Depositary Receipts) on the New York Stock Exchange.

NHI has also enhanced its asset management business through the acquisition of a majority interest in Nomura Asset Management Co., Ltd. in March 2000. Nomura Asset Management became a wholly-owned subsidiary of NHI in December 2001.

On 26 June 2003, NHI adopted a committee-based corporate governance system under which it established a Nomination Committee, an Audit Committee and a Compensation Committee.

In February 2007, NHI acquired Instinet Incorporated, a global agency broker and major provider of electronic trading services for institutional investors, to provide an electronic platform in global equities.

In a series of steps beginning in September 2008, NHI acquired certain operations, including personnel, of former Lehman Brothers in Asia, Europe and the Middle East.

In July 2009, NHI entered into a share purchase agreement with Nikko Citi Holdings Inc. and Citigroup International LLC with respect to NHI's acquisition of all the shares of Nikko Citi Trust and Banking Corporation through The Nomura Trust and Banking Co., Ltd. This acquisition was completed on October 1, 2009. In July 2009, NHI commenced operations in Saudi Arabia as the first Asian securities firm to provide investment banking services in the Kingdom. In July 2009, Nomura

Securities International, Inc., a U.S. broker-dealer within Nomura Group, was designated to join the ranks of Primary Dealers by the Federal Reserve Bank of New York. In September 2009, Nomura Fixed Income Securities Private Limited, an Indian broker-dealer within Nomura Group, was designated to join the ranks of Primary Dealers by the Reserve Bank of India.

On 13 May 2011, NHI entered into an agreement with one of its related companies, Nomura Land and Building Co., Ltd. ("**NLB**") to implement a stock for stock exchange (the "**Stock Exchange Agreement**"). Based on the Stock Exchange Agreement, NLB became a wholly owned subsidiary of NHI from 1 July 2011 (effective date). Also, prior to the effective date, Nomura acquired additional NLB shares as of 24 May 2011 as a result of which, NLB became a consolidated subsidiary of NHI.

Current Business Strategy, Market Trends and Activities of the Guarantor

NHI is one of the leading financial services groups in Japan and has worldwide operations. As at 31 March 2011, the Nomura Group operated offices in more than 30 countries and regions including Japan, the United States, the United Kingdom, Singapore and Hong Kong Special Administrative Region ("**Hong Kong SAR**") through its subsidiaries.

NHI's clients include individuals, corporations, financial institutions, governments and governmental agencies.

NHI's business consists of the following three divisions:

- (1) Retail –investment consultation services;
- (2) Asset Management – development and management of investment trusts, and investment advisory services; and
- (3) Wholesale –serving corporations and institutional investors with a broad range of products and services:
 - i. Global Markets - fixed income and equity trading businesses;
 - ii. Investment Banking –underwriting, financial advisory and solutions services and private equity.

Save as disclosed in this Base Prospectus, including the information incorporated by reference into this Base Prospectus, there has been no material adverse change in the prospects of the Guarantor, since 31 December 2011.

Capitalisation and Indebtedness of NHI

The following table sets forth the consolidated capitalisation and indebtedness of NHI which is prepared based on the audited consolidated financial statements of NHI as at 31 March 2010 and 2011 prepared in accordance with U.S. GAAP:

	31 March 2010 (Millions of Yen)	31 March 2011 (Millions of Yen)
Bank and other borrowings:		
Short term(1):		
Bank borrowings	631,879	563,748
Other	185,171	223,839
Sub total	817,050	787,587
Long term:		
Long-term borrowings from banks and other financial institutions (2)	2,235,948	2,559,325
Sub total	2,235,948	2,559,325
Total bank and other borrowings	3,052,998	3,346,912
Bonds and notes issued (3):	4,204,716	5,613,427
Trading balances of secured borrowings	758,397	230,165
Commercial paper	484,614	379,500
Other secured borrowings	1,322,480	1,162,450
NHI Shareholders' equity:		
Common stock		
Authorized – 6,000,000,000 shares in 2010 and 2011		
Issued 3,719,133,241 shares in 2010 and 2011		
Outstanding 3,669,044,614 Shares in 2010 and 3,600,886,932 shares in 2011	594,493	594,493
Additional paid-in capital	635,828	646,315
Retained earnings	1,074,213	1,069,334
Accumulated other comprehensive loss	(109,132)	(129,696)
Less – common stock held in treasury, at cost – 50,088,627 shares in 2010 and 118,246,309 shares in 2011	(68,473)	(97,692)
Total NHI shareholders' equity	2,126,929	2,082,754
Total capitalisation and indebtedness	11,950,134	12,815,208

- (1) Includes secured borrowings of ¥25,411 million as of 31 March 2010 and ¥44,159 million as of 31 March 2011.
- (2) Includes secured borrowings of ¥30,879 million as of 31 March 2010 and ¥6,093 million as of 31 March 2011.
- (3) Includes secured borrowings of ¥66,078 million as of 31 March 2010 and ¥1,000,856 million as of 31 March 2011.

Financial Summary of NHI

The financial summary set forth below as at and for the years ended 31 March 2009, 2010 and 2011 has been derived from the audited consolidated financial statements of NHI as at those dates and for those periods.

This information should be read in conjunction with, and is qualified by reference to, the consolidated financial statements of NHI and notes thereon prepared in accordance with U.S. GAAP for the years ended 31 March 2009, 2010 and 2011, respectively, and the accounting policies adopted in respect thereof:

	31 March		
	2009	2010	2011
	(Millions of Yen)		
Total assets	24,837,848	32,230,428	36,692,990
Total equity	1,551,546	2,133,014	2,091,636
Total liabilities	23,286,302	30,097,414	34,601,354

Consolidated statements of operations of NHI for the years ended 31 March 2009, 2010 and 2011:

	31 March		
	2009	2010	2011
	(Millions of Yen)		
Total revenue	664,511	1,356,751	1,385,492
Interest expense	351,884	205,929	254,794
Net revenue	312,627	1,150,822	1,130,698
Non-interest expenses	1,092,892	1,045,575	1,037,443
Income (loss) before income taxes	(780,265)	105,247	93,255
Income tax expense (benefit)	(70,854)	37,161	61,330
Net income (loss)	(709,411)	68,086	31,925
Net income (loss) attributable to NHI shareholders	(708,192)	67,798	28,661
Return on equity(1)	(40.2%)	3.7%	1.4%

- (1) Calculated as Net income (loss) attributable to NHI shareholders divided by average Total NHI shareholders' equity.

The annual financial statements of NHI for the financial years ended 31 March 2009, 2010 and 2011 have been audited by Ernst & Young ShinNihon LLC, of Hibiya Kokusai Building, 2-3 Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-0011, and contain an opinion from Ernst & Young ShinNihon LLC. None of the information in this Base Prospectus has been separately audited

Ernst & Young ShinNihon LLC is an independent registered accounting firm and a member of the Japanese Institute of Certified Public Accountants.

NHI complies with the Japanese corporate governance regime and applicable capital adequacy requirements.

Management of NHI

The Directors of NHI as at 31 December 2011 are as follows (together with details of their principal directorships and other corporate offices held outside of NHI):

Director Chairman of the Board	Nobuyuki Koga	Director and Chairman of the Board of Nomura Securities Co., Ltd.
Director, Group CEO	Kenichi Watanabe	Director and President & CEO of Nomura Securities Co., Ltd.
Director, Group COO	Takumi Shibata	Director and Deputy President & COO of Nomura Securities Co., Ltd.
Outside Director	Haruo Tsuji	Outside Director of Nomura Securities Co., Ltd.
		Corporate Advisor of Sharp Corporation
		Outside Director of Kobayashi Pharmaceutical Co., Ltd.
		Outside Director of SEIREN CO., LTD.
Outside Director	Tsuguoki Fujinuma	Outside Director of Nomura Securities Co., Ltd.
		Advisor of The Japanese Institute of Certified Public Accountants
		Outside Director of Tokyo Stock Exchange Group, Inc.
		Governor of Tokyo Stock Exchange Regulation
		Specially-appointed Professor of Chuo Graduate School of Strategic Management
		Outside Statutory Auditor of Sumitomo Corporation
		Outside Statutory Auditor of Takeda Pharmaceutical Company Limited
		Outside Director of Sumitomo Life Insurance Company
		Outside Statutory Auditor of Seven & i Holdings Co., Ltd.
		Outside Director Masahiro Sakane Outside Director of Nomura Securities Co., Ltd.

		Director and Chairman of Komatsu Ltd.
		Outside Director of Tokyo Electron Limited
		Outside Director of ASAHI GLASS Co. Ltd.
Outside Director	Lord Colin Marshall	Chairman of Pirelli UK Limited
		Chairman of Nomura International plc
		Non-Executive Director of Nomura Europe Holdings plc
Outside Director	Dame Clara Furse	Non-Executive Director of Legal & General Group plc
		Non-Executive Director of Nomura International plc
		Non-Executive Director of Nomura Europe Holdings plc
		Non-Executive Director of Amadeus IT Holding SA
Outside Director	Takao Kusakari	Outside Director of Nomura Securities Co., Ltd.
		Outside Statutory Auditor of Nippon Steel Corporation
		Corporate Advisor of NYK Line
Outside Director	Toshinori Kanemoto	Outside Director of Nomura Securities Co., Ltd.
		Of-Counsel of City-Yuwa Partners
		Outside Statutory Auditor of Kameda Seika Co., Ltd.
Outside Director	Michael Lim Choo San	Member of The Singapore Public Service Commission
		Chairman of the Land Transport Authority of Singapore
		Non-Executive Chairman of Nomura Singapore Ltd.
		Member of the Legal Service Commission, Singapore
		Non-Executive Director of Nomura Asia Holding N.V.

Director	Masanori Itatani	Director of Nomura Securities Co. Ltd.
Director	Masanori Nishimatsu	None
Director	David Benson	None

The business address of each Director is 9-1, Nihonbashi 1-chome Chuo-Ku, Tokyo, Japan.

Among the above listed Directors, Haruo Tsuji, Tsuguoki Fujinuma, Masahiro Sakane, Lord Colin Marshall, Dame Clara Furse, Takao Kusakari, Toshinori Kanemoto and Michael Lim Choo San satisfy the requirements for an "outside director" under the Companies Act of Japan (the "**Companies Act**"). The Companies Act defines an outside director of a company as a non-executive director (i) who has never assumed the position of executive director, executive officer, manager or employee of the company or its subsidiaries and (ii) who does not currently assume the position of executive director, executive officer, manager or employee of the company or its subsidiaries.

The following persons are the board committee chairmen, committee members and the Executive Officers of NHI as at 31 December 2011.

Board Committee Chairmen and Members

1. Nomination Committee

Chairman	Nobuyuki Koga
	Masahiro Sakane
	Toshinori Kanemoto

2. Audit Committee

Chairman	Haruo Tsuji
	Tsuguoki Fujinuma
	Masanori Itatani

3. Compensation Committee

Chairman	Nobuyuki Koga
	Masahiro Sakane
	Toshinori Kanemoto

Executive Officers of NHI

The Executive Officers of NHI as at 31 December 2011 are as follows:

Representative Executive Managing Director, Group CEO	Kenichi Watanabe
Representative Executive Managing Director, Group COO	Takumi Shibata

Executive Managing Director	Hitoshi Tada
Executive Managing Director	Toshihiro Iwasaki
Executive Managing Director, CFO	Junko Nakagawa

The business address of each Executive Officer is 9-1, Nihonbashi 1-chome Chuo-Ku, Tokyo, Japan.

Information Concerning NHI's Directors

Under the Companies Act, joint stock companies in Japan have the option of choosing committee-based corporate governance system ("**Committee System**") that consists of board of directors and committees or a traditional corporate governance system that consists of a board of directors and board of statutory auditors. A company which chooses the Committee System must establish three committees: a nomination committee, an audit committee and a compensation committee. The members of each committee are chosen from the company's directors and a majority of each committee must be outside directors. The company must then appoint executive officers and representative executive officers by a resolution of the board of directors. Under the Committee System, the executive officers manage the business affairs of a company. While the board of directors is entitled to establish the basic management policy for the company and has decision-making authority over certain prescribed matters, all other decisions related to business affairs may be made by the executive officers.

NHI adopted the Committee System by amending its Articles of Incorporation by way of a special resolution adopted at NHI's annual meeting of shareholders held on 26 June 2003. NHI's Board of Directors established three committees, a nomination committee, an audit committee and a compensation committee, as described below. Through the adoption of the Committee System, NHI aims to strengthen management oversight, increase transparency in their management and have more flexible group operations. NHI's Board of Directors has the authority to determine NHI's basic management policy and supervise the execution by the Directors and Executive Officers of their duties. NHI's Board of Directors has, by resolution, delegated to NHI's Executive Officers most of its authority to make decisions with regard to NHI's business.

NHI's Articles of Incorporation provide that the number of Directors shall not be more than 20. Directors are elected at a meeting of shareholders. The term of office of Directors is one year, although they may serve any number of consecutive terms. From among its members, NHI's Board of Directors elects the chairman of meetings. NHI's Board of Directors met 10 times during the year ended 31 March 2011. As a group, NHI's Directors in office during the period attended approximately 96 per cent. of the total number of meetings of NHI's Board of Directors during the year.

Compensation Committee

NHI's compensation committee is authorised to determine the policy with respect to the determination of the particulars of the compensation for each Director and Executive Officer, and the particulars of the compensation for each Director and Executive Officer. NHI's compensation committee met three times during the year ended 31 March 2011. As a group, the member Directors attended approximately 100% of the total number of meetings of NHI's compensation committee during that year. The committee's current members are Nobuyuki Koga, Masahiro Sakane and Toshinori Kanemoto. Nobuyuki Koga is the chairman of this committee.

Nomination Committee

NHI's nomination committee is authorised to determine the particulars of proposals concerning the election and dismissal of Directors to be submitted to a general meeting of shareholders by NHI's Board of Directors. NHI's nomination committee met four times during the year ended 31 March 2011. As a group, the member Directors attended approximately 100% of the total number of meetings of NHI's nomination committee during the year. The committee's current members are Nobuyuki Koga, Masahiro Sakane and Toshinori Kanemoto. Nobuyuki Koga is the chairman of this committee.

Audit Committee

NHI has an audit committee that, according to NHI's Articles of Incorporation, is authorised to (i) audit the execution by the Directors and the Executive Officers of their duties and formulation of audit reports and (ii) determine the particulars of proposals concerning the election and dismissal of the independent auditors and the non-retention of such independent auditors to be submitted to a meeting of shareholders by NHI's Board of Directors. With respect to financial reporting, NHI's audit committee has the statutory duty to examine NHI's financial statements and business reports to be prepared by Executive Officers designated by NHI's Board of Directors and is authorised to report its opinion to the annual meeting of shareholders. In addition, pursuant to NHI's regulations of the audit committee or resolutions of the Board of Directors concerning matters to be necessary for the performance of functions of the audit committee, NHI's audit committee has the authority to (i) pre-approve audit or non-audit services provided by the independent auditors for SEC reporting purposes and their fees, (ii) fees for independent auditors, (iii) establish the procedures for (a) the receipt, retention, and treatment of complaints received by NHI regarding accounting, internal controls, or auditing matters and (b) the confidential, anonymous submission by NHI's employees regarding questionable accounting or auditing matters, and (iv) approve the annual audit plan of the independent auditors.

NHI's audit committee met 23 times during the year ended 31 March 2011. As a group, the audit committee members attended approximately 97% of the total number of meetings of NHI's audit committee during the year. The committee is currently composed of Haruo Tsuji, Tsuguoki Fujinuma and Masanori Itatani. Haruo Tsuji is the chairman of this committee.

Limitation of Liabilities of Outside Directors

NHI has entered into agreements with its Outside Directors, Haruo Tsuji, Masahiro Sakane, Tsuguoki Fujinuma, Lord Colin Marshall, Dame Clara Furse, Takao Kusakari, Toshinori Kanemoto and Michael Lim Choo San that limit their liabilities to NHI for damages suffered by NHI due to their acts taken in good faith and without gross negligence, up to the higher of (a) ¥20 million or (b) the amount prescribed by laws and ordinances.

Information Concerning NHI's Executive Officers

NHI's Articles of Incorporation provide for the number of the Executive Officers to be not more than 45. Executive Officers are elected at a meeting of NHI's Board of Directors. The term of office of Executive Officers is one year, although they may serve any number of consecutive terms.

NHI's Executive Officers have the authority to determine the matters delegated by the resolutions of NHI's Board of Directors and to execute NHI's business activities. Certain important matters so delegated (including issuance of new shares) are determined by the Executive Management Board. At present the members of this board are NHI's five Executive Officers, including two representative Executive Officers and one additional senior member of management.

Share Ownership

The following table shows the number of shares owned by NHI's Directors and Executive Officers as at 30 June 2011. As of that date, none of them owned 1% or more of NHI's issued and outstanding shares. None of the shares referred to below have different voting rights.

Directors

Name	Number of Shares
Kenichi Watanabe	62,299
Takumi Shibata	140,614
Masanori Itatani	111,173
Masanori Nishimatsu	68,800
Haruo Tsuji	14,000

Tsuguoki Fujinuma	11,558
Masahiro Sakane	6,400
Lord Colin Marshall	0
Dame Clara Furse	0
Nobuyuki Koga	121,362
David Benson	0
Takao Kusakari	0
Toshinori Kanemoto	0
Michael Lim Choo San	0
Total	536,206

Executive Officers

Name	Number of Shares
Kenichi Watanabe	62,299
Takumi Shibata	140,614
Hitoshi Tada	85,224
Toshihiro Iwasaki	16,045
Junko Nakagawa	0
Total	101,269

There are no actual or potential conflicts of interest between any duties, owed to NHI by the members of the Board of Directors, the Compensation Committee, the Executive Management Board, the Nomination Committee and the Audit Committee and their private interests and/or other duties.

Principal Shareholders and Share Capital

The table below provides information about shareholders of record which own beneficially, or exercise control or direction over, 5% or more of the outstanding shares of NHI's common stock as at 31 March 2011:

	Number of shares owned (thousands)	Percentage of total issued shares (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	188,035	5.22

To its knowledge, NHI is not directly or indirectly owned or controlled by another corporation, by any government or by any other natural or legal person severally or jointly. NHI knows of no arrangements the operation of which may at a later time result in a change of control of the Nomura Group.

Under NHI's Articles of Incorporation, the authorised share capital is 6,000,000,000 shares, of which 3,822,562,601 shares were issued as of 31 December 2011. All issued shares are fully-paid and non-assessable.

Dividends paid by NHI for the past 5 years:

2007	-	JPY 44.00 per share
2008	-	JPY 34.00 per share
2009	-	JPY 25.50 per share
2010	-	JPY 8.00 per share
2011	-	JPY 8.00 per share

Litigation

The Nomura Group is involved in a number of actions and proceedings, which are either ordinary routine actions and proceedings and proceedings incidental to its business or not material to the Nomura Group. Based upon the information currently available to the Nomura Group and on the advice received from its legal counsel, the Guarantor believes that the ultimate resolution of such actions and proceedings will not, in the aggregate, have any material adverse effect on the Nomura Group's financial condition or results of operations nor so far as the Guarantor is aware are any such proceedings pending or threatened. However, an adverse outcome in certain of these matters could have a material adverse effect on the Nomura Group's consolidated results of operations or cash flows in a particular quarter or annual period.

Save for the matters set out in the Guarantor's Quarterly Securities Report Pursuant to the Financial Instruments and Exchange Act for the Nine Months Ended December 31, 2011 on Form 6-K at pages 85 and 86, Form 20-F for the year ended 31 March 2010 at pages F-83 to F-84 and Form 20-F for the year ended 31 March 2011 at pages 83 to 85, the Nomura Group is not and has not been involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Guarantor is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of the Nomura Group.

DESCRIPTION OF THE ISSUER

Hotei Capital plc (the "Issuer")

History, Development and Organisational Structure

The Issuer was incorporated under the name Nomura Angel Lane Capital plc as a special purpose vehicle in Ireland (with registered number 508389) on 16 January 2012 as a public company limited by shares under the Companies Acts 1963 to 2009 of Ireland. The Issuer changed its name to Hotei Capital plc on 23 April 2012. The authorised share capital of the Issuer is EUR 38,100 divided into 38,100 ordinary shares of EUR 1 each, all of which have been issued at par, are fully paid and are held, directly or indirectly, by Medb Charitable Trust Limited, Badb Charitable Trust Limited and Eurydice Charitable Trust Limited (the "**Share Trustees**") under the terms of trusts established under Irish law by declarations of trust each dated 30 April 2012 and made by the Share Trustees for the benefit of such charities as the Share Trustees may determine from time to time. The Share Trustees have no beneficial interest in and derive no benefit other than their fees for acting as trustee from holding such shares. The registered office of the Issuer is 11/12 Warrington Place, Dublin 2, Ireland (Telephone number +353 1 775 2600).

The Issuer has no subsidiaries or subsidiary undertakings.

Investments

The Issuer has not commenced operations as at the date of this Base Prospectus and no investments have been made as at the date of this Base Prospectus.

Business Overview

Principal Activities and Principal Markets

The principal objects of the Issuer are, among others, to enter into financial transactions and dealing in or holding assets. The Warrants are obligations of the Issuer alone and are not obligations of the Corporate Administrator (as defined below), the Guarantor or the Counterparty.

The only activities in which the Issuer has engaged are those incidental to its incorporation and registration as a public limited company under the Companies Acts, 1963 to 2009 of Ireland, the authorisation of the issue of Warrants, the matters referred to or contemplated in this Base Prospectus and in any prospectus or other offering document relating to any Series issued by the Issuer under the Programme prior to the date of this Base Prospectus and the authorisation, execution, delivery and performance of the other documents referred to in this Base Prospectus to which it is a party and matters which are incidental or ancillary to the foregoing. The Issuer has obtained all necessary consents, approvals and authorisations in Ireland in connection with the establishment of the Programme and the issue and performance of Warrants under the Programme issued by it. The establishment and update of the Programme for the issue of Warrants under the Programme was authorised by a resolution of the Board of Directors passed on 2 May 2012.

Directors and Secretary

The following persons are the members of the Board of Directors of the Issuer as at the date of this Base Prospectus and the business address of each director is 11/12 Warrington Place, Dublin 2, Ireland.

Name	Title
Brian Buckley	Company Director
Niall Gallagher	Company Director

The company secretary of the Issuer is Ogier Fiduciary Services (Ireland) Limited, whose principal address is 11/12 Warrington Place, Dublin 2, Ireland.

There are no material potential conflicts of interest between the duties to the Issuer of each member of the Board of Directors of the Issuer and his/her private interests or other duties.

There are no principal activities performed by the members of the administrative management or supervisory bodies and partners outside the Issuer which are significant to the Issuer as issuer.

Operating Expenses

The Arranger will fund the Issuer's general operating expenses (including expenses relating to its corporate existence and good standing) pursuant to the Subscription Agreement relating to each Series.

Financial Information and Auditors

The Issuer has not commenced operations as at the date of this Base Prospectus and no financial statements have been made up as at the date of this Base Prospectus.

The auditors of the Issuer are Deloitte & Touche of Earlsfort Terrace, Dublin 2, Ireland who are chartered accountants, members of the Institute of Chartered Accountants of Ireland and are qualified to practise as auditors in Ireland.

The auditors of the Issuer have no material interest in the Issuer .

Legal and arbitration proceedings

The Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or have had during the 12 months preceding the date of this Base Prospectus significant effects on the Issuer's financial position or profitability.

Memorandum and Articles of Association

Pursuant to clause 2 of its Memorandum of Association, the objects for which the Issuer was established include carrying on the business of entering into financial transactions including but without limitation securitising, purchasing, acquiring, holding, collecting, discounting, financing, negotiating, managing, warehousing, selling, disposing of and otherwise trading or dealing directly or indirectly in real or personal property of whatsoever nature (including, without limitation, securities, instruments or obligations of any nature whatsoever, howsoever described and derivatives, financial assets of whatsoever nature howsoever described and trade accounts, receivables and book debts of whatsoever nature howsoever described and foreign currencies) and any proceeds arising therefrom or in relation thereto and any participation or interest (whether legal or equitable) therein and any certificates of participation or interest (whether legal or equitable) therein and any agreements in connection therewith.

DESCRIPTION OF NOMURA INTERNATIONAL PLC

1. The Arranger

Nomura International plc ("**NIplc**") was established on 12th March 1981 and is registered as a public limited company (registration number 1550505) in England and Wales. NIplc has its registered office at 1 Angel Lane, London EC4R 3AB.

NIplc is a wholly owned subsidiary of Nomura Europe Holdings plc ("**NEHS**"), which in turn is a wholly owned subsidiary of Nomura Holdings, Inc. Nomura Holdings, Inc is a holding company which manages financial operations for its subsidiaries (together the "**Nomura Group**"). NIplc is regulated by the Financial Services Authority (the "**FSA**") under number 124422.

2. Business and Operations

NIplc is authorised by its Memorandum of Association to carry on the business of banking and all related and ancillary activities. NIplc's activities include:

- (a) trading and sales in fixed income and equity products, including related derivatives;
- (b) investment banking services;
- (c) asset and principal finance business; and
- (d) corporate finance and private equity.

NIplc has reported a loss on ordinary activities before tax of \$371,075,000 in the financial year ending 31 March 2011 (2010: profit of \$226,058,000). NIplc's key financial and other performance indicators during the year were as follows:

	Year ended 31 March 2011	Year ended 31 March 2010	Movement
	£'000	£'000	%
Trading profit	3,160,512	2,735,721	16
(Loss)/profit on ordinary activities before taxation	(371,075)	226,058	(264)
(Loss)/profit on ordinary activities after taxation	(352,769)	160,910	(319)
Shareholders' funds	3,275,741	2,373,116	38
Average number of employees	3,273	3,250	1

The decrease in profitability is largely attributable to the challenging business environment triggered by certain euro zone countries' fiscal problems.

NIplc continued to focus on client flow businesses and supplying liquidity to the market, whilst closely monitoring risk. As a result of the growth of its client franchise, total assets grew by 24%, to \$402.9 billion, during the year.

To support continued business growth, NIplc has strengthened its capital base during the year. In May 2010, NIplc issued \$350,000,000 of ordinary shares and \$600,000,000 of subordinated debt to NEHS. In October 2010, NIplc issued \$300,000,000 of ordinary shares to NEHS. In

November 2010, NIplc issued ¥130,000,000,000 of perpetual subordinated debt to NEHS. In December 2010, NIplc issued \$500,000,000 of ordinary shares to NEHS.

As a key member of the Wholesale Division of the Nomura Group, NIplc will continue to focus on delivering high value-added products and solutions to its clients by leveraging its global trading infrastructure and making full use of its strengthened business franchise. In Fixed Income, NIplc will strengthen its global marketing structure and product development capabilities. In Equities, NIplc will continue to act as a world-class liquidity provider. Through even close co-operation between Fixed Income and Equities, NIplc will aim for synergies in structuring, research, distribution and risk management.

The auditors of NIplc are Ernst & Young LLP. The financial statements for the year ended 31 March 2011 have been conducted by the auditors in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

As at March 2012 the financial rating of the ultimate parent company Nomura Holdings Inc. was long term rating BBB+ and short term rating A-2 (Standard & Poor's) and long term rating Baa3 (Moody's Investors Service, Inc.). The annual reports of Nomura Holdings Inc. as of 31 March 2011 are available at the website www.nomuraholdings.com.

Nomura Group is a leading financial services group and the pre-eminent Asian-based investment bank with worldwide reach. Nomura Group provides a broad range of innovative solutions tailored to the specific requirements of individual, institutional, corporate and government clients through an international network in over 30 countries. Based in Tokyo and with regional headquarters in Hong Kong, London, and New York, Nomura Group employs over 27,000 staff worldwide. Nomura Group's unique understanding of Asia enables the company to make a difference for clients through three business divisions: retail, asset management, and wholesale (global markets and investment banking).

3. **Risk Management**

NIplc's activities involve the assumption and transfer of certain risks, including market risk, credit risk (including counterparty credit risk), liquidity risk, cash flow interest rate risk and operational risk.

These risks are managed through sub-committees of the Board of NEHS. These include a Board Risk Committee, having oversight of and providing advice to the Board on the NEHS Group's risk profile, risk appetite, future risk strategy and maintenance of an appropriate risk control framework. Additionally there are committees dedicated to overseeing risks in relation to non-Europe Middle East and Africa (EMEA) business booked into certain European entities, including NIplc.

TAXATION

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposition of Warrants. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of Warrants. The summary relates only to the position of persons who are the absolute beneficial owners of Warrants and may not apply to certain other classes of persons such as dealers in Warrants.

The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Base Prospectus, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in Warrants should consult their own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of Warrants including, in particular, the effect of any state or local tax laws.

Withholding Tax

Irish withholding tax can apply to certain types of payments which have an Irish source, such as interest payments and annual payments. On the basis that payments by the Issuer in respect of the Warrants are once-off payments made on the Settlement Date which do not constitute interest payments, no Irish withholding tax should apply to payments made by the Issuer in respect of the Warrants.

Income Tax

In general, persons who are resident in Ireland are liable to Irish taxation on their worldwide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish taxation on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

The Warrants may be regarded as property situate in Ireland on the grounds that they are issued by an Irish tax resident company. Therefore, to the extent that any income is deemed for Irish tax purposes to be paid by the Issuer in respect of the Warrants, this income may be treated as having an Irish source. If this was the case, relief from Irish income tax may be available in respect of such income under the provisions of a double tax treaty between Ireland and the country of residence of the holder of the Warrants. A list of territories with which Ireland has entered into a double tax treaty is available on www.revenue.ie.

Capital Gains Tax

An investor will not be subject to Irish taxation of capital gains on the disposal of the Warrants provided that the investor is neither resident nor ordinarily resident in Ireland for Irish tax purposes and the investor does not use the Warrants in or for the purposes of any trade carried on by the investor in Ireland through a branch or agency and the Warrants are not held or acquired for such Irish branch or agency.

Capital Acquisitions Tax

If Warrants are comprised in a gift or inheritance taken from an Irish domiciled, resident or ordinarily resident disponent or if the donee or successor is resident or ordinarily resident in Ireland, or if any of Warrants are regarded as property situate in Ireland, the donee or successor may be liable to Irish capital acquisitions tax. As a result, a donee or successor may be liable to Irish capital acquisitions tax, even though neither the disponent nor the donee or successor may be domiciled, resident or ordinarily resident in Ireland at the relevant time.

Stamp duty

No Irish stamp duty should be payable on either the issue or transfer of the Warrants, provided that the money raised by the issue of the Warrants is used in the course of the Issuer's business.

SUBSCRIPTION AND SALE

The Dealer has entered into a Subscription Agreement, dated on or about 2 May 2012 (as the same may be amended or supplemented, from time to time, in accordance with the terms thereof, the "**Subscription Agreement**"), with the Issuer and the Guarantor, which sets forth a basis upon which they may from time to time agree to purchase the Securities. In the Subscription Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Securities under the Programme. In addition, the Issuer may, from time to time, issue Securities to parties other than a Dealer, on terms as it may agree from time to time.

In order to facilitate the offering of any Tranche of the Securities, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Securities during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Securities for their own account by selling more Securities than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Securities in the open market. In addition, such persons may stabilise or maintain the price of the Securities by bidding for or purchasing Securities in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Securities are reclaimed if Securities previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Securities at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Securities to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under U.K. laws and regulations stabilising activities may only be carried on by the Stabilising Manager named in the applicable Final Terms (or persons acting on its behalf) and only for a limited period following the Issue Date of the relevant Tranche of Securities.

No action has been or will be taken by the Issuer and the Guarantor that would permit a public offering of any Securities or possession or distribution of any offering material in relation to any Securities in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer and the Guarantor.

Selling Restrictions

UNITED STATES

None of the Securities of any series or the related Guarantee (in the case of Guaranteed Warrants) have been or will be registered under the Securities Act or any state securities laws.

No Securities of any series, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

In connection with any Securities which are offered or sold in offshore transactions to non-U.S. persons outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Securities**"), each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Regulation S Securities within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to any other Dealer to which it sells any Regulation S Securities a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

An offer or sale of such Regulation S Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such

offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Securities shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Securities, which additional selling restrictions shall be set out in the applicable Final Terms. Each Dealer has agreed that it will offer, sell or deliver such Securities only in compliance with such additional U.S. selling restrictions.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of Securities to the public in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

IRELAND

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite any Securities or do anything in Ireland in respect of any Securities otherwise than in conformity with:
- (i) the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended);
 - (ii) the Irish Companies Acts 1963 to 2009;
 - (iii) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland; and
 - (iv) the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 34 of 2005 Act, and will assist the Issuer in complying with its obligations thereunder.
- (b) it has complied and will comply with all applicable provisions of Directive 2004/39/EC and implementing measures in its relevant jurisdiction and is operating within the terms of its authorisation thereunder and it has complied and will comply with any applicable codes of conduct or practice; and
- (c) in connection with offers or sales of Securities, it has only issued or passed on, and will only issue or pass on, any document received by it in connection with the issue of the Securities to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

GENERAL

These selling restrictions may be modified by the agreement of the Issuer and the Dealers, among others, following a change in the relevant law, regulation or directive. Any such modification will be set out in the relevant Final Terms, as applicable issued in respect of the issue of Warrants to which it relates or in a supplement to this Base Prospectus.

Other than the approval of this Base Prospectus by the Central Bank as the competent authority in Ireland for the purposes of the Prospectus Directive, no representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Warrants, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Book-Entry Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Book-Entry Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Book-Entry Clearing System. Neither the Issuer nor any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Securities held through the facilities of any Book-Entry Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-Entry Systems

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

The address of Euroclear is Euroclear Bank SA/NV is 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855, Luxembourg.

Transfers of Securities Represented by Permanent Global Warrants

Transfers of any interests in Securities represented by a Permanent Global Warrant within Euroclear and/or Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system.

Euroclear and Clearstream, Luxembourg have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Permanent Global Warrants, among participants and accountholders of Euroclear and Clearstream, Luxembourg. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor, the Principal Agent or any Dealer will be responsible for any performance by Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Warrants represented by Permanent Global Warrants, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

NOTICE TO PURCHASERS AND HOLDERS OF SECURITIES AND TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Securities are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Securities.

Transfer Restrictions

Regulation S Investors

Each non-U.S. person purchasing Securities outside the United States in offshore transactions pursuant to Regulation S (a "**Regulation S Investor**") will be deemed to have represented, warranted and agreed as follows (terms used herein that are defined in Regulation S are used as defined therein):

- (a) It is not a U.S. person (as defined in Regulation S) and is acquiring the Securities in an offshore transaction outside the United States pursuant to Rule 903 or 904 of Regulation S.
- (b) It understands that (A) neither the Securities nor the Guarantee has been or will be registered under the Securities Act and neither the Issuer nor the Guarantor has been or will be registered as an "investment company" under the 1940 Act, (B) trading in the Securities has not been approved by the CFTC under the CEA, (C) neither the Securities nor any beneficial interest therein may be re-offered, resold, pledged or otherwise transferred except in accordance with the provisions set out below or any other restriction set out in the applicable Final Terms and (D) it will notify any transferee of such transfer restrictions and that each subsequent holder will be required to notify any subsequent transferee of such Securities of such transfer restrictions. It acknowledges that the Issuer reserves the right prior to any sale or other transfer to require the delivery of such certifications, legal opinions and other information as the Issuer may reasonably require to confirm that the proposed sale or other transfer complies with the transfer restrictions.

Notwithstanding any other provision contained in this Notice, if the Final Terms in respect of an offering of Securities indicates that such Securities are not eligible to be offered, sold, resold, transferred, pledged, delivered or redeemed, directly or indirectly, in the United States or to or for the account or benefit of U.S. persons, each Regulation S Investor acknowledges and agrees to the selling and transfer restrictions under the federal securities and commodities laws of the United States as indicated and set out in such Final Terms.

- (c) It has made its own independent decisions to invest in the Securities and as to whether the investment in the Securities is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or the Dealer as investment advice or as a recommendation to invest in the Securities, it being understood that information and explanations related to the terms and conditions of the Securities shall not be considered to be investment advice or a recommendation to invest in the Securities. No communication (written or oral) received from the Issuer or the Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Securities.
- (d) It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms and conditions and the risks of the investment in the Securities. It is also capable of assuming, and assumes, the risks of the investment in the Securities.
- (e) Neither the Issuer nor the Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Securities.
- (f) It acknowledges that each of the Permanent Global Warrants will bear legends substantially to the effect set out below and that the Issuer has covenanted not to remove either such legend so long as it shall be necessary for the Issuer to rely on the exception to the 1940 Act set out in Section 3(c)(7) thereof.

Each purchaser and subsequent transferee of any Securities will be deemed by such purchase or acquisition of any Securities to have represented and warranted, on each day from the date on which

the purchaser or transferee acquires the Securities through and including the date on which the purchaser or transferee disposes of such Securities, that either (i) it is not, is not using the assets of and shall not at any time hold such Securities for or on behalf of a Benefit Plan Investor (as defined in Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) or a governmental, church or non-U.S. plan or (ii) its acquisition, holding and disposition of such Securities or of any interest therein, will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended or, in the case of a governmental, church or non-U.S. plan, a violation of any substantially similar federal, state, local or non-U.S. laws Each subsequent transferee of a Security will be deemed to have made the same representations, warranties and agreements above.

The Global Warrant will bear a legend in substantially the following form:

THE WARRANTS REPRESENTED BY THIS PERMANENT GLOBAL WARRANT HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER SECURITIES LAWS. ACCORDINGLY, THIS WARRANT OR ANY INTERESTS THEREIN, MAY NOT BE OFFERED, SOLD, RESOLD, TRADED, PLEDGED, EXERCISED, REDEEMED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION (THE "**UNITED STATES**") OR DIRECTLY OR INDIRECTLY OFFERED, SOLD, RESOLD, TRADED, PLEDGED, EXERCISED, REDEEMED, TRANSFERRED OR DELIVERED TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSON WHO IS (I) AN INDIVIDUAL WHO IS A CITIZEN OR RESIDENT OF THE UNITED STATES; (II) A CORPORATION, PARTNERSHIP OR OTHER ENTITY TREATED AS A CORPORATION OR PARTNERSHIP FOR UNITED STATES FEDERAL INCOME TAX PURPOSES, CREATED OR ORGANISED IN OR UNDER THE LAWS OF THE UNITED STATES, ANY STATE THEREOF OR THE DISTRICT OF COLUMBIA, OR WHICH HAS ITS PRINCIPAL PLACE OF BUSINESS IN THE UNITED STATES; (III) ANY ESTATE WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAXATION REGARDLESS OF THE SOURCE OF ITS INCOME; (IV) ANY TRUST IF A COURT WITHIN THE UNITED STATES IS ABLE TO EXERCISE PRIMARY SUPERVISION OVER THE ADMINISTRATION OF THE TRUST AND IF ONE OR MORE UNITED STATES TRUSTEES HAVE THE AUTHORITY TO CONTROL ALL SUBSTANTIAL DECISIONS OF THE TRUST (OR ANY TRUST WHICH ELECTED TO BE TREATED AS A UNITED STATES PERSON PRIOR TO 20 AUGUST 1996); (V) A PENSION PLAN FOR THE EMPLOYEES, OFFICERS OR PRINCIPALS OF A CORPORATION, PARTNERSHIP OR OTHER ENTITY DESCRIBED IN (II) ABOVE; OR (VI) ANY OTHER "**U.S. PERSON**" AS SUCH TERM MAY BE DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("**U.S. PERSON**").

EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY SECURITIES EVIDENCED HEREBY WILL BE DEEMED BY SUCH PURCHASE OR ACQUISITION OF ANY SUCH SECURITIES TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER OR TRANSFEREE ACQUIRES THE SECURITIES THROUGH AND INCLUDING THE DATE ON WHICH THE PURCHASER OR TRANSFEREE DISPOSES OF SUCH SECURITIES, THAT EITHER (I) IT IS NOT, IS NOT USING THE ASSETS OF AND SHALL NOT AT ANY TIME HOLD SUCH SECURITY FOR OR ON BEHALF OF A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN OR (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH SECURITIES OR OF ANY INTEREST THEREIN, WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR NON-U.S. LAWS.

GENERAL INFORMATION

1. **Authorisations:** The establishment and operation of the Programme was duly authorised by the resolutions of the Directors of the Issuer on 2 May 2012.
2. **Approval, Listing and Admission to Trading:** It is expected that each Tranche of Warrants which is to be listed on the Official List and admitted to trading on the regulated market of the Irish Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Permanent Global Warrant initially representing the Warrants of such Tranche. The listing of the Programme in respect of Warrants is expected to be granted on or about the date of this Base Prospectus. The Programme provides that Warrants may be listed on such further or other stock exchange(s) or admitted to trading on such further or other markets as the Issuer may decide.
3. **Issue Price and Amount:** The issue price and the amount of each Tranche will be determined, before filing of the Final Terms or Series Prospectus, as applicable relating to each Tranche, based on then prevailing market conditions.
4. **Dealers transacting with the Issuer and the Guarantor:** Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer, the Guarantor and their affiliates in the ordinary course of business.
5. **Use of Proceeds and Expenses:** The net proceeds of each issue of Warrants will be used by the Issuer in making payments to the Counterparty under the Derivative Agreement. The expenses for each issue of Securities will be identified in the applicable Final Terms.
6. **No post-issuance reporting:** The Issuer does not intend to provide any post-issuance information in relation to any issue of the Securities.
7. **Clearing:** It is expected by the Issuer that all Permanent Global Warrants will be accepted for clearing through Euroclear and Clearstream, Luxembourg, or other clearing system specified in the relevant Final Terms. The Common Code for each Series of Securities, together with the relevant ISIN number, will be contained in the Final Terms relating thereto.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels.

The address of Clearstream, Luxembourg is 42 avenue JF Kennedy, L-1855 Luxembourg.

8. **Documents available for inspection:** For as long as the Programme remains in effect and any Series is outstanding, the following documents will be available for inspection in physical form, during usual business hours on any weekday (Saturdays and Sundays and public holidays excepted) for inspection at the registered office of the Issuer, and the offices of the Principal Paying Agent (provided that the financial statements of the Issuer referred to in (f), below, will only be available in due course after the end of the first financial year of the Issuer):
 - (a) the constitutional documents of the Issuer;
 - (b) the Agency Agreement, the Deed of Covenant, the Guarantee and the form of the Permanent Global Warrant;
 - (c) a copy of this Base Prospectus;
 - (d) in relation to any Series in which is listed on the Official List of the Irish Stock Exchange:
 - (i) the related Final Terms which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive only by a holder of such Series and such holder

must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of such Series and identity); and

- (ii) each subscription agreement (if any) and/or any related agreements for the Series;
- (e) all reports, letters, other documents, historical financial information, valuations and statements prepared by any expert at the request of the Issuer any part of which is included or referred to in the Base Prospectus;
- (f) copies of the latest annual report and the most recently published audited financial statements of the Issuer; and
- (g) the audited, consolidated annual financial statements of the Guarantor prepared in accordance with U.S. GAAP for the two most recent financial years (currently the two financial years ended 31 March 2010 and 31 March 2011);
- (h) the Interim Operating and Financial Review of the Guarantor for the six months ended 30 September 2011 on Form 6-K, containing the auditors review and the unaudited interim consolidated financial statements of the Guarantor for such period; and
- (i) the Quarterly Securities Report Pursuant to the Financial Instruments and Exchange Act for the Nine Months Ended 31 December 2011 of the Guarantor on Form 6-K, containing the auditors review and unaudited consolidated financial statements of the Guarantor for such period.

The Series Prospectus or the Final Terms, as applicable, for Guaranteed Warrants that are listed on the Official List of the Irish Stock Exchange and admitted to trading on its regulated market will be published on the website of the Central Bank (www.centralbank.ie).

9. **Supplementary Information:** The Issuer will agree to comply with any undertakings given by it from time to time to the Irish Stock Exchange in connection with any Series issued by the Issuer and listed on the Official List and admitted to trading on its regulated market. Without prejudice to the generality of the foregoing, the Issuer will, so long as any Series issued by it remains outstanding and listed on the Official List and admitted to trading on the regulated market, in the event of any material adverse change in the financial condition of the Issuer which is not reflected in this Base Prospectus, prepare a supplement to this Base Prospectus or publish a new base prospectus as may be required by the guidelines of the Irish Stock Exchange for use in connection with any subsequent issue of Warrants to be listed on the Official List and admitted to trading on the regulated market. If the terms of the Programme are modified or amended in a manner which would make this Base Prospectus, as so modified or amended, inaccurate or misleading, a new base prospectus will be prepared.

10. **Financial Statements and Auditors**

The Issuer has not commenced operations as at the date of this Base Prospectus and no financial statements have been made up as at the date of this Base Prospectus.

The auditors of the Issuer are Deloitte Touche of Earlsfort Terrace, Dublin 2, Ireland, who are chartered accountants, members of the Institute of Chartered Accountants of Ireland and are qualified to practise as auditors in Ireland.

11. **Significant Change**

Save as disclosed in the first full paragraph on page 93 of this Base Prospectus (relating to the Stock Exchange Agreement dated 13 May 2011 between NHI and NLB) and in the paragraph entitled "Subsequent Events" on page F-78 of the Guarantor's Form 20-F for the year ended 31 March 2011, there has been no significant change in the financial or trading position of the Guarantor since 31 December 2011.

12. **Material Adverse Change**

There has been no material adverse change in the prospects of the Guarantor since 31 December 2011.

13. **Litigation**

The Nomura Group is involved in a number of actions and proceedings, which are either ordinary routine actions and proceedings and proceedings incidental to its business or not material to the Nomura Group. Based upon the information currently available to the Nomura Group and on the advice received from its legal counsel, the Guarantor believes that the ultimate resolution of such actions and proceedings will not, in the aggregate, have any material adverse effect on the Nomura Group's financial condition or results of operations nor so far as the Guarantor is aware are any such proceedings pending or threatened. However, an adverse outcome in certain of these matters could have a material adverse effect on the Nomura Group's consolidated results of operations or cash flows in a particular quarter or annual period.

Save for the matters set out in the Guarantor's Quarterly Securities Report Pursuant to the Financial Instruments and Exchange Act for the Nine Months Ended December 31, 2011 on Form 6-K at pages 85 and 86, Form 20-F for the year ended 31 March 2010 at pages F-83 to F-84 and Form 20-F for the year ended 31 March 2011 at pages 83 to 85, the Nomura Group is not and has not been involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Guarantor is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of the Nomura Group.

14. **Estimated Expenses:** The total expenses related to the approval of this Base Prospectus are expected to be EUR 4,500.
15. **Language of Base Prospectus:** The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.
16. **Websites:** None of the website addresses contained in this Base Prospectus form part of the Base Prospectus.

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