

NOMURA HOLDINGS INC
Form 6-K
July 12, 2018
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FORM 6-K

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

Commission File Number: 1-15270

For the month of July 2018

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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Information furnished on this form:

EXHIBIT

Exhibit Number

1. (English Translation) Corporate Governance Report

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOMURA HOLDINGS, INC.

Date: July 12, 2018

By: /s/ Hajime Ikeda
Hajime Ikeda
Senior Managing Director

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[Translation of the Corporate Governance Report filed with the Tokyo Stock Exchange on July 10, 2018]

This document is a translation of the Japanese language original prepared solely for convenience of reference. In the event of any discrepancy between this translated document and the Japanese language original, the Japanese language original shall prevail.

CORPORATE GOVERNANCE REPORT

Nomura Holdings, Inc.
Last updated: July 10, 2018

Nomura Holdings, Inc.

Koji Nagai, Representative Executive Officer,

President and Group CEO

Contact: 81-3-5255-1000

Securities Code: 8604 (Tokyo Stock Exchange)

<http://www.nomuraholdings.com/investor/>

The status of the corporate governance of Nomura Holdings, Inc. (the Company) is as described below.

I Underlying Concept of Corporate Governance, Capital Structure, Corporate Attributes, and Other Fundamental Information

1. Underlying Concept

The Company recognizes that enhancement of corporate governance is one of the most important issues in terms of achieving the management's goal of enhancing corporate value by deepening society's trust in the firm and increasing the satisfaction, beginning with clients, of stakeholders.

The Board of Directors, recognizing the perspectives of various stakeholders beginning with shareholders and clients, has established the Nomura Holdings Corporate Governance Guidelines (the Guidelines) with the aim of defining, and to contribute to realizing, a framework of effective corporate governance as a structure for transparent/fair and timely/decisive decision-making.

The full text of the Guidelines is available on the Company's website.

http://www.nomuraholdings.com/company/cg/data/cg_guideline.pdf

[Reasons for Non-Compliance with the Principles of the Corporate Governance Code]

The Company has complied with all principles of the Corporate Governance Code.

[Disclosures in accordance with Each Principle of the Corporate Governance Code]

Disclosures in accordance with each principle of the Corporate Governance Code are as follows.

[Principle 1-4]

Please refer to Article 25 Basic Policy for Strategic Shareholdings and Article 26 Basic Policy regarding the Exercise of Voting Rights for Strategic Shareholdings of the Guidelines.

[Principle 1-7]

Please refer to Article 27 Matters regarding Related-Party Transactions and Subsidiaries of the Guidelines.

[Principle 3-1]

These items have been disclosed as follows.

(1) Management Philosophy

Please refer to the Nomura Group Corporate Philosophy, Our Founder's Principles, and the Code of Ethics of Nomura Group on the Company's website.

<http://www.nomuraholdings.com/company/basic/>

(2) Management Strategies and Management Plans

Please refer to the materials on the Company's website Presentations

<http://www.nomuraholdings.com/investor/presentation/>

(3) Underlying Concept of Corporate Governance and Basic Policies

Please refer to the Guidelines.

(4) Policies and Procedures to determine Compensation for Senior Executives and Directors

Please refer to II.1. Remuneration of Directors and Executive Officers of this Report.

The Company does not provide business-performance-based bonuses (bonuses and deferred compensations such as stock options) to Outside Directors. Further, the Company abolished retirement bonuses in 2001.

(5) Explanations for Appointing Senior Management and Nominating Individual Directors

For explanations for nominating director nominees including Directors concurrently serving as Representative Executive Officers, please refer to the Reference Materials for the General Meeting of Shareholders in the Notice of Convocation of the Annual General Meeting of Shareholders.

<http://www.nomuraholdings.com/investor/shm/>

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[Supplementary Principle 4-1-1]

At the Company, the decision making authority for all matters, except for matters which must be referred to the Board of Directors, are delegated to the Executive Officers. For the reference matters of the Board of Directors, please refer to Article 10 of the Regulations of the Board of Directors.

<http://www.nomuraholdings.com/company/cg/regulations.html>

[Principle 4-8]

Please refer to Article 3 Composition of the Board of Directors and Article 9 Role and Composition of the Nomination Committee of the Guidelines.

[Principle 4-9]

Please refer to II.1. Matters relating to Independent Directors in this Report.

[Supplementary Principle 4-11-1]

Please refer to Article 3 Composition of the Board of Directors of the Guidelines.

[Supplementary Principle 4-11-2]

For concurrent positions held by directors, please refer to the Reference Materials for the General Meeting of Shareholders in the Notice of Convocation of the Annual General Meeting of Shareholders.

<http://www.nomuraholdings.com/investor/shm/>

[Supplementary Principle 4-11-3]

Please refer to Article 6 Self-Evaluation of the Guidelines. Further, the summary of the results of the analysis and evaluation of the effectiveness of the Board for the fiscal year ended March 31, 2017 are as follows:

< Summary of the Results of the Analysis and Evaluation Regarding the Effectiveness of the Board of Directors for the Fiscal Year Ended March 31, 2018 (FY 2018) >

In the second half of FY 2018, we conducted a self-evaluation of the effectiveness of meetings of the Board of Directors for FY 2018.

The self-evaluation of the Board of Directors, concerning matters such as how meetings of the Board of Directors are operated, the quality and quantity of information provided, and the status of discussions at meetings of the Board of Directors, was carried out by having each director evaluate each item, and by holding discussions at meetings of the Board of Directors based on the results thereof.

This year, in response to the evaluation results from last year, the timely updates to the Board of Directors regarding the status of dialogue with stakeholders such as investors and analysts continued. Also, directors including Outside Directors attended the Nomura Executive Officers Meeting, and concerning the Vision After 2020, discussions were carried out over two days. Further, meetings of the Outside Directors, which have been held since 2015, continue to be

held periodically and there were discussions concerning the Nomura Group's strategy and the operations of the Board of Directors.

On the basis of these initiatives, the Board of Directors has determined that the effectiveness of meetings of the Board of Directors is, also this year, generally at a high level.

In the midst of rapidly evolving structural shifts in society beginning with digital innovation, the importance of discussions regarding long-term strategy for the Company to realize sustainable growth, and its actual progress, is increasing. While securing the expedited decision-making process which is a characteristic of a Company with Three Board Committees, the Company will endeavor to provide extensive opportunities at meetings of the Board of Directors and outside of such meetings for each director to utilize their knowledge and skills, and will strive for the further advancement of the monitoring function of the Board of Directors.

[Supplementary Principle 4-14-2]

Please refer to Article 17 Training of Directors of the Guidelines.

[Principle 5-1]

Please refer to Article 21 Dialogue with Shareholders of the Guidelines.

Concerning other engagements regarding the Company's corporate governance, including the items below, they have been published in places including this report, the Annual Securities Report, the Nomura Report, and the Company's Homepage.

[Principle 2-3]

Please refer to Article 23 ESG Efforts of the Guidelines and Environmental conservation initiatives and CSR activities in III.3. Measures to Ensure Due Respect for the Stakeholders Standpoint of this Report.

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[Principle 2-4]

Please refer to Article 22 Nomura Group Corporate Philosophy and the Code of Ethics of Nomura Group , Status of the Appointment of Female Directors and Officers and Diversity and Inclusion in III.3. Measures to Ensure Due Respect for the Stakeholders Standpoint of this Report.

2. Capital Structure

Ratio of Shares held by Foreign Investors Over 30%
<Major Shareholders> [Updated]

Name	Number of Shares	Percentage
Japan Trustee Services Bank, Ltd. (Trust Account)	168,204	4.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	158,790	4.68
State Street Bank West Client-Treaty 505234	65,993	1.94
Japan Trustee Services Bank, Ltd. (Trust Account 5)	64,838	1.91
Japan Trustee Services Bank, Ltd. (Trust Account 1)	48,118	1.42
Japan Trustee Services Bank, Ltd. (Trust Account 2)	47,496	1.40
Japan Trustee Services Bank, Ltd. (Trust Account 7)	45,040	1.33
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	44,183	1.30
JP MORGAN CHASE BANK 385151	44,129	1.30
Japan Trustee Services Bank, Ltd. (Trust Account 9)	43,253	1.27

Controlling shareholder other than the parent company None
Parent company None

Supplementary Explanation [Updated]

Information concerning major shareholders is as of March 31, 2018. Numbers of shares are rounded down to the nearest thousands.

The Company is aware that Harris Associates L.P. filed reports of substantial shareholding with the Director General of the Kanto Finance Bureau on May 21, 2018. According to the reports, as of October 14, 2016, Harris Associates L.P. owned 168,565,900 shares, representing 4.41% of the issued shares of the Company's common stock. However the Company has not confirmed the status of these shareholdings as the March 31, 2018 so the information of these shareholdings is not included on the above list.

3. Corporate Attributes

Listed exchanges and market section	Tokyo 1 st section, Nagoya 1 st section
Fiscal year end	March
Industry	Securities and Commodity Futures
Number of employees (consolidated)	Over 1,000
Sales (consolidated)	Over 1 trillion yen
Consolidated subsidiaries	Over 300

4. Guidelines Regarding Measures to Protect Minority Shareholders in the Event of Transactions with the Controlling Shareholder

5. Other Special Conditions with Potentially Significant Effects on Corporate Governance

Regarding the Company's listed subsidiaries, the Company's policy is to respect the independence of each entity's management, and other than appropriate governance in proportion to its voting rights, the Company's involvement is limited.

II Organizations regarding Managerial Decision Making, Execution, Management and Status of Other Corporate Governance System

1. Organizational structure and management

Organizational structure <Directors>	Company with Three Board Committees
Number of seats on the Board of Directors pursuant to the Company's Articles of Incorporation	20
Term of office of Directors pursuant to the Company's Articles of Incorporation	1 year
Chairman of the meetings of the Board of Directors	Chairman of the Board of Directors (<i>kaicho</i>) (except when concurrently serving as a president)
Number of Directors in office <Outside Directors>	10
Number of Outside Directors in office	6
Number of Outside Directors qualifying as Independent Directors	6

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Name	Attribution	Relationship with the company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Hiroshi Kimura	External											
Kazuhiko Ishimura	External											
Noriaki Shimazaki	External											
Mari Sono	CPA											
Michael Lim Choo San	CPA											
Laura Simone Unger	Other											

* Choices concerning the relationship with the company.

* For each item, j in the event that currently/recently corresponds for the Outside Director and r in the event that in the past corresponds for the Outside Director.

* For each item, 🌑 in the event that currently/recently corresponds for the close relative of an Outside Director and p in the event that in the past corresponds for the close relative of an Outside Director.

a - Executive of the Listed Company or its subsidiary

b - Executive or Non-Executive Director of the parent company of the Listed Company

c - Executive of a fellow subsidiary of the Listed Company

d - A legal or natural person whose major business partner is the Listed Company or an Executive of such a legal person

e - Major business partner of the Listed Company or an Executive of such major business partner

f - A consultant, accountant or legal expert receiving a large amount of compensation or other assets from the Listed Company, excluding director/officer compensation

g - Major shareholder of the Listed Company (if such major shareholder is a legal entity, an Executive of such legal entity)

- h - Executive of a business partner of the Company (which does not fall under (d), (e) or (f) above) (applicable to the Director only)

- i - Executive of a company where there is a relationship of an Outside Director being mutually appointed (applicable to the Director only)

- j - Executive of an institution receiving a donation from the Listed Company (applicable to the Director only)

- k - Other

Relationship with the Company (2) [Updated]

Committees

Name	*1 *2 *3 *4	Supplementary description	Reason for appointment (if designated as an Independent Director, also including grounds for such designation)
Hiroshi Kimura		Mr. Kimura concurrently serves as Honorary Company Fellow of Japan Tobacco Inc., Outside Director of AGC Inc. and Outside Director of IHI Corporation, etc.	<p data-bbox="858 510 1417 543"><Reason for appointment as Outside Director></p> <p data-bbox="858 579 1536 890">Mr. Kimura has held a number of significant positions including President, CEO and Representative Director of the Board of Japan Tobacco Inc. He has extensive experience with respect to corporate management and his achievements and insights have been evaluated highly. The Company believes that he will play a full role as an Outside Director in determining important managerial matters and overseeing the business execution of the Company.</p> <p data-bbox="858 999 1337 1100"><Reason for designation as Independent Director></p> <p data-bbox="858 1140 1536 1377">Mr. Kimura satisfies the Independence Criteria for Outside Directors established by the Company. He is not considered to be in any situation where the degree of independence required by the Exchanges would be called in doubt, and hence he is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.</p>

- 1 Nomination Committee
- 2 Compensation Committee
- 3 Audit Committee
- 4 Independent Director

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Kazuhiko Ishimura	<p>Mr. Ishimura concurrently serves as Director & Chairman of AGC Inc., Outside Director of TDK Corporation and Outside Director of IHI Corporation, etc.</p>	<p><Reason for appointment as Outside Director></p> <p>Mr. Ishimura has held a number of significant positions including Representative Director and President and CEO of AGC Inc. and Chairman of the Board of AGC Inc. He has extensive experience with respect to corporate management and his achievements and insights have been evaluated highly. The Company believes that he will play a full role as an Outside Director in determining important managerial matters and overseeing the business execution of the Company.</p>
		<p><Reason for designation as Independent Director></p> <p>Mr. Ishimura satisfies the Independence Criteria for Outside Directors established by the Company. He is not considered to be in any situation where the degree of independence required by the Exchanges would be called in doubt, and hence he is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.</p>
Noriaki Shimazaki	<p>Mr. Shimazaki concurrently serves as Director of Nomura Securities Co., Ltd., Outside Director of UKC Holdings Corporation and Outside Director of Loginet Japan Co., Ltd., etc.</p>	<p><Reason for appointment as Outside Director></p> <p>Mr. Shimazaki has held a number of significant positions including Representative Director and Executive Vice President of Sumitomo Corporation. He has extensive experience with respect to corporate management and his achievements and insights have been evaluated highly. The Company believes that he will play a full role as an Outside Director in determining important managerial matters and overseeing the business</p>

execution of the Company.

<Reason for designation as Independent Director>

Mr. Shimazaki satisfies the Independence Criteria for Outside Directors established by the Company. He is not considered to be in any situation where the degree of independence required by the Exchanges would be called in doubt, and hence he is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.

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Mari Sono

Although Ms. Sono was, in the past, a Senior Partner of Ernst & Young ShinNihon LLC (E&Y), the current corporate auditor of the Company, she has had no involvement whatsoever in E&Y s management and financial policy since she retired from E&Y in August 2012. Moreover, during her tenure at E&Y, she was never involved in an accounting audit of the Company and also never belonged to the Financial Division that is responsible for accounting audits of financial institutions.

<Reason for appointment as Outside Director>

Ms. Sono has held a number of significant positions including External Comprehensive Auditor, Tokyo, and Member of Business Accounting Council, Ministry of Finance. She is well versed in corporate accounting. She has also served as Commissioner of the Securities and Exchange Surveillance Commission after retiring from the Audit Firm. Her achievements and insights have been evaluated highly. The Company believes that she will play a full role as an Outside Director in determining important managerial matters and overseeing the business execution of the Company.

<Reason for designation as Independent Director>

Ms. Sono satisfies the Independence Criteria for Outside Directors established by the Company. She is not considered to be in any situation where the degree of independence required by the Exchanges is called in doubt, and hence she is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.

Michael Lim Choo San

Mr. Lim concurrently serves as Non-Executive Chairman of Nomura Singapore Ltd. and Non-Executive Chairman of Fullerton Healthcare Corporation Limited, etc.

<Reason for appointment as Outside Director>

Mr. Lim has held a number of significant positions including Executive Chairman of PricewaterhouseCoopers, Singapore. He is well versed in international accounting systems. He has also served in a number of public service related roles in Singapore. His achievements and insights have been evaluated highly. The Company believes

that he will play a full role as an Outside Director in determining important managerial matters and overseeing the business execution of the Company.

<Reason for designation as Independent Director>

Mr. Lim satisfies the Independence Criteria for Outside Directors established by the Company. He is not considered to be in any situation where the degree of independence required by the Exchanges would be called in doubt, and hence he is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.

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Laura Simone Unger

Ms. Unger concurrently serves as Independent Director of CIT Group Inc., Independent Director of Navient Corporation and Independent Director of Nomura Securities International, Inc., etc.

<Reason for appointment as Outside Director>

Ms. Unger has held a number of significant positions including Commissioner and Acting Chairman of the U.S. Securities and Exchange Commission. She is well versed in financial laws and regulations. Her achievements and insights have been evaluated highly. The Company believes that she will play a full role as an Outside Director in determining important managerial matters and overseeing the business execution of the Company.

<Reason for designation as Independent Director>

Ms. Unger satisfies the Independence Criteria for Outside Directors established by the Company. She is not considered to be in any situation where the degree of independence required by the Exchanges would be called in doubt, and hence she is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.

<Committees>*Composition of each committee and attributes of the committee chairman [Updated]*

	Number of members	Number of full-time members	Number of Inside Directors	Number of Outside Directors	Attributes of the committee chairman
Nomination Committee	3	0	1	2	Inside Director
Compensation Committee	3	0	1	2	Inside Director
Audit Committee	3	1	1	2	Outside Director

<Executive Officers>

Number of Executive Officers 8

Concurrent positions [Updated]

Name	Authority to represent company	Concurrently serving as a Director		Concurrent status as employee
		Member of Nomination Committee	Member of Compensation Committee	
Koji Nagai	Yes	Yes	No	No
Shoichi Nagamatsu	Yes	Yes	No	No
Tetsu Ozaki	No	No	No	No
Toshio Morita	No	No	No	No
Kentaro Okuda	No	No	No	No
Kunio Watanabe	No	No	No	No
Takumi Kitamura	No	No	No	No
Yuji Nakata	No	No	No	No

<Audit Structure>

Whether the Audit Committee is assisted by Directors/employees Yes

Matters relating to the independence of Directors and employees from Executive Officers

The Company has established the Office of Non-Executive Directors and Audit Committee as an organization to support Audit Committee and Directors' execution of duties. The Audit Committee or an Audit Committee member elected by the Audit Committee performs personal evaluations of the staff employees working in the Office of Non-Executive Directors and Audit Committee, and the consent of the Audit Committee or an Audit Committee member elected by the Audit Committee is required for recruitments, transfers, and discipline of employees serving in the Office of Non-Executive Directors and Audit Committee. Further, in order to increase the effectiveness of audit work, a non-executive full-time Director will be appointed as a full-time Member of the Audit Committee or an Audit Mission Director.

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Cooperation between the Audit Committee members, Independent Auditor, and the Internal Audit Division [Updated]

Further, in order to ensure effective and adequate internal controls, the Group Internal Audit Department which is independent from the business execution functions and other similar audit sections placed in major affiliated subsidiaries conduct internal audits of the Company and its subsidiaries. The implementation status of the internal audit is reported to the Internal Controls Committee, which is chaired by Group CEO and includes a member of the Audit Committee, and the matters discussed at the Internal Controls Committee are also reported to the Board of Directors. In addition, the Audit Committee is coordinating with the Internal Audit Division by receiving reports from the Senior Managing Director in charge of internal audits or Audit Committee Members, regarding matters such as the maintenance, operational status and implementation status of the internal audit structure.

In addition, to strengthen the independence of the internal audit sections from the business execution functions, implementation plans and formulation of the budget of the Internal Audit Division, as well as the election and dismissal of the Head of the Internal Audit Division require the consent of the Audit Committee, or a member of the Audit Committee designated by the Audit Committee. The Audit Committee shall coordinate with the Internal Audit Division through activities such as issuing recommendations to Executive Officers concerning the modification of the implementation plan, additional audit procedures or improvement plan preparations.

The Company has appointed Ernst & Young ShinNihon LLC as its Accounting Auditor. The Audit Committee has the authority to approve the accounting auditor's annual audit plan, hear reports and explanations regarding the accounting audit from the accounting auditor at least once each quarter, exchange information from time to time with the accounting auditor, audit the method and result of the accounting auditor's audits in view of the appropriateness thereof and examine the relevant financial statements, etc. In addition, audit fees to be paid to the accounting auditor are approved by the Audit Committee upon an explanation from the CFO. Furthermore, regarding services rendered by the accounting auditor and its affiliates to the Company and its subsidiaries and the fees to be paid, the Company has a procedure for deliberation and prior approval by the Audit Committee upon the request of the CFO, pursuant to the U.S. Sarbanes-Oxley Act of 2002 and the relevant rules of the U.S. Securities and Exchange Commission.

<Independent Directors>

Number of Independent Directors 6

Matters relating to Independent Directors

The Company has designated all qualifying directors as Independent Directors.

The Company has established Independence Criteria for Outside Directors as follows:

Independence Criteria for Outside Directors of Nomura Holdings, Inc.

1. The person, currently, or within the last three years, shall not correspond to a person listed below.

(1) Person Related to the Company

A person satisfying any of the following requirements shall be considered a Person Related to the Company:

Executive (*1) of another company where any Executive of the Company serves as a director or officer of that company;

Major shareholder of the Company (directly or indirectly holding more than 10% of the voting rights) or Executive of such major shareholder; or

Partner of the Company's accounting auditor or employee of such firm who works on the Company's audit.

- (2) Executive of a Major Lender (*2) of the Company.
 - (3) Executive of a Major Business Partner (*3) of the Company (including Partners, etc.).
 - (4) A person receiving compensation from the Nomura Group of more than 10 million yen per year, excluding director/officer compensation.
 - (5) A person executing the business of an institution receiving more than a Certain Amount of Donation (*4) from the Company.
2. The person's spouse, relatives within the second degree of kinship or anyone who lives with the person shall not correspond to a person listed below (excluding persons in unimportant positions):

- (1) Executive of the Nomura Group; or
 - (2) A person identified in any of subsections (1) ~ (5) in Section 1 above.
- (Notes)

- *1: Executive shall mean Executive Directors (*gyoumu shikkou torishimariyaku*), Executive Officers (*shikkouyaku*) and important employees (*jyuuyou na shiyounin*), including Senior Managing Directors (*shikkouyakuin*), etc.
- *2: Major Lender shall mean a lender from whom the Company borrows an amount equal to or greater than 2% of the consolidated total assets of the Company.
- *3: Major Business Partner shall mean a business partner whose transactions with the Company exceed 2% of such business partner's consolidated gross revenues in the last completed fiscal year.
- *4: Certain Amount of Donation shall mean a donation that exceeds 10 million yen per year that is greater than 2% of the donee institution's gross revenues or ordinary income.

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<Incentives and Remuneration>

Implementation of Initiatives to offer Incentives to Directors and Executive Officers Introduction of a performance-linked remuneration system, introduction of stock option plans and others

Supplementary Explanation [Updated]

Pursuant to the Compensation Policy of Nomura Group and Compensation Policy for Directors and Executive Officers (the details explained in "Remuneration of Directors and Executive Officers") set by the Compensation Committee, the compensation of Directors and Executive Officers is composed of base salary, annual bonus and long-term incentive plans, and delivered through fixed and variable components. Depending on the level of payment, a portion of variable compensation may be deferred.

The Company's deferred compensation plans are as follows:

<Stock Acquisition Right (SAR) Plan A awards>

Exercisable into 100 of the Company's common stock.

Exercise price not less than the fair value of the Company's common stock on grant date.

Cliff vesting period of two years.

Expire approximately seven years after grant date.

Not subject to clawback.

Granted in November each year in respect of various performance periods.

<Restricted Stock Unit (RSU) awards>

Settled in the Company's common stock.

Graded vesting period generally over three years.

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Extended vesting period of up to seven years for certain senior management and employees in order to meet local regulatory requirements based on the role they perform in the Company.

New type of award introduced in 2018 as the primary type of deferred compensation award in the Company.
Granted in May 2018 in respect of the prior fiscal year.

<Notional Stock Unit (NSU) awards>

Linked to the price of Company's common stock and cash-settled.

Graded vesting period generally over three years. Extended vesting period of up to seven years for certain senior management and employees based on the role they perform in the Company in order to meet local regulatory requirements.