

**NEST Corporation**

**SYNOPSIS GOVERNING BODY MEETING**

**Date:** Tuesday 29 January 2019  
**Venue:** Boardroom, Canary Wharf, 10 South Colonnade, Canary Wharf, London

**Present:**

Otto Thoresen, NEST Chair	OT
Iraj Amiri, Trustee Member (items 1 - 6.1 only)	IA
Ian Armfield, Trustee Member	IAF
Graham Berville, Trustee Member	GB
Sally Bridgeland, Trustee Member (items 1 - 16 only)	SB
Tomas Carruthers, Trustee Member	TC
Helen Dean, Trustee Member and CEO	HD
Clive Elphick, Trustee Member	CE
Chris Hitchen, Trustee Member	CH
Ron Jarman, Trustee Member	RJ
Richard Lockwood, Trustee Member and CFO	RL
Mutaz Qubbaj, Trustee Member	MQ
Caroline Rookes, Trustee Member	CR
Martin Turner, Trustee Member	MT
Jill Youds, Trustee Member	JY

**In attendance:**

Dan Davis, Chief Risk Officer (not present for item 6.1)  
Director of Finance (items 5.3, 6.2 - 6.4, and 13.1)  
Mark Fawcett, Chief Investment Officer (joined at item 5.2, not present for item 6.1)  
Neville Howe, General Counsel and Corporate Secretary  
Senior Analytics Manager (items 6.2 and 6.3 only)  
Senior Planning and Performance Manager (items 6.2 and 6.3 only)  
Deputy Corporate Secretary  
Mark Rowlands, Chief Customer Officer (items 5.3, and 6.2-6.3)  
Nick Sex, Chief Operations Officer (not present for item 6.1)

**CLOSED SESSION**

**Action  
Points**

Board Members held a closed session ahead of the formal Governing Body meeting.

**1. Apologies for Absence**

The Chair opened the meeting and noted that with all Board Members present, no apologies had been received.

**2. Declarations of interest**

Caroline Rookes reported that she had been appointed to the Board of Trustees at The Pension SuperFund.

Helen Dean highlighted that she had been appointed as Trustee of Foundation for Credit Counselling or Step Change. The role had been discussed and approved at the Nominations and Remuneration Committee upon the recommendation of the Chair.

Following enquiry from the Chair, there were no other new declarations of interest.

**3. Minutes and Synopsis**

**3.1 Minutes and Synopsis of the Governing Body meeting held on 29 November 2019**

Subject to a minor drafting update, the minutes and synopsis documents of the Governing Body meeting held on 29 November 2018 were **APPROVED** as true and accurate records of the meeting.

**4. Matters Arising and Action Points**

Progress with the completion of actions as shown in the action log was **NOTED** by the Governing Body.

## 5. Financials, Performance & Investments

### 5.1 Chief Executive's Report

The Governing Body discussed the CEO's report, which provided an overview of developments since the last meeting.

The CEO provided an overview of the report and provided updates to the Governing Body which included:

- i. NEST's operations, financials and volumes;
- ii. the initial results from the 2018 NEST staff survey;
- iii. the review of the Framework Document between NEST and the Department for Work and Pensions ('DWP'); and
- iv. the NEST Insight Unit, including sponsorship deals.

### 5.2 Chief Investment Officer's Report

*Mark Fawcett joined the meeting.*

Mark Fawcett introduced the report, which provided Board Members with an update on NEST's investment performance and operations during July-October 2018. The report was **NOTED** by the Governing Body.

MF provided an overview of the report to Board Members. US Equity markets continued to post strong gains through to the end of September 2018, but this trend had been reversed in the final quarter of 2018 amid signs of a slowdown in China and the prospects of further rate hikes by the US Federal Reserve. It was noted that the Sterling exchange rate had been volatile since the end of June 2018 due to Brexit concerns.

Board Members discussed the DWP consultation on the merits of amending legislation to allow the development of Collective Defined Contribution ('CDC') type schemes.

### 5.3 Corporate Reporting Pack

The Director of Finance introduced the quarterly Corporate Reporting Pack, which was **NOTED** by the Governing Body. The Governing Body discussed the management information provided within the pack from across the business.

### 6.2 3 Year Business Plan

Richard Lockwood provided an overview of the 3-year business plan, which covered the period from 2019-2022. The plan was **NOTED** by the Governing Body.

It was reported that business planning was a two-stage process, with the business plan and related initial funding request agreed by the Governing Body in January and submitted to the DWP for discussion. The final plan and funding request would be submitted to the Governing Body for approval in March, ahead of the formal request being made to the DWP. Board Members discussed the detail of the 3-year business plan.

It was reported that the Corporate Scorecard had not yet been finalised and agreed, and discussions were ongoing within the Executive Team on appropriate targets and measurements for some of the initiatives.

Following further discussion, the Governing Body **RESOLVED** to **APPROVE** the proposed 3-Year Business Plan for submission to the DWP.

### 6.3 Initial Funding Requirement Forecast ('IFRF')

RL introduced the latest loan forecast which would be used within the IFRF submission to the DWP on 31 January 2019. The report was **NOTED** by the Governing Body.

Following discussion, the Governing Body **AGREED** that no further sensitivity analysis beyond that provided within the loan fact sheet was required; and **RESOLVED** to **APPROVE** the latest loan forecast which would be used within the IFRF submitted to the DWP by 31 January 2019.

### 6.4 NEST Loan Agreement with the DWP

RL introduced the report, which sought approval from the Governing Body for NEST Corporation to enter into an amended and restated loan agreement with the DWP. The report was **NOTED** by Board Members.

It was reported that the current loan agreement was signed in November 2010 and the final drawdown under that agreement would be June 2020, with six repayments scheduled between October 2020 and April 2023. As NEST was forecast to continue to require loan funding post June 2020 and would not therefore make the scheduled repayments, it had been necessary to negotiate, amend and restate the current loan agreement.

Following further discussion, the NCGB **RESOLVED** to **AGREE**:

- i. That NEST Corporation should enter into a new loan agreement with the Department for Work and Pensions ('DWP') extending beyond the current loan agreement terminating in 2020;
- ii. The delegation to the CEO of NEST Corporation to finalise the terms of the new loan agreement with the DWP; and
- iii. The delegation to the CEO of NEST Corporation the authority to sign and enter NEST Corporation into the loan agreement with the DWP.

## 13. Regulatory Landscape & Corporate Governance

### 13.1 Master Trust Authorisation Application to TPR

Neville Howe introduced the report, which provided an update on the independent assurance received from Deloitte on the quality and completeness of NEST's application and evidence to The Pensions Regulator ('TPR') for Master Trust Authorisation ('MTA'). Based on this assurance, the paper also sought approval from the Governing Body of the NEST Business Plan and Continuity Strategy, as well as approval to submit the application to TPR. The report was **NOTED** by Board Members.

Dan Davis reported that the ongoing supervisory regime was not yet clarified, and an update would be submitted to the Governing Body or Audit Committee in due course.

Following further discussion, the Governing Body **RESOLVED** to **APPROVE**:

- i. the NEST Business Plan as part of the submission and application to TPR for MTA;
- ii. the NEST Continuity Strategy as part of the submission and application to TPR for MTA;
- iii. NEST Corporation's complete application, including all supporting documentation for authorisation, based on the evidence and assurance contained within this paper;
- iv. the delegation to Helen Dean, Chief Executive Officer the authority to submit the application to TPR, on behalf of the NEST Trustee as set out within section 8 of this report; and
- v. the delegation to Richard Lockwood; Chief Financial Officer, the authority to accept and sign the declaration within the regulatory business plan on behalf of the NEST Trustee, as set out within section 8 of this report.

### 13.2 Committee Memberships

The Deputy Corporate Secretary introduced the report, which proposed changes to the NEST

## Confidential

Committee memberships following four new Board Members being appointed in 2018. The report was **NOTED** by the Governing Body.

Following discussion, the Governing Body **RESOLVED** to:

- i. **APPROVE** the proposal that Clive Elphick is appointed as Chair of the NEST Audit Committee with effect from 29 January 2018;
- ii. **APPROVE** the proposal that Martin Turner is appointed as Chair of the NEST Risk Committee with effect from 21 February 2019;
- iii. **APPROVE** the proposal that Iraj Amiri's term as a member of the NEST Determinations Committee comes to an end with effect from 14 February 2019;
- iv. **APPROVE** the proposal that Tomas Carruthers is appointed as a member of the NEST Determinations Committee with effect from 14 February 2019; and
- v. **APPROVE** the proposal that Clive Elphick is appointed as a member of the NEST Investment Committee with effect from 16 May 2019.

### 15. Committee & Panel Reports/Minutes

#### 15.1 Audit Committee

In the absence of Iraj Amiri, the Chair noted that the update on the Audit Committee meeting on 13 December would be provided at the next formal meeting of the Governing Body on 28 March 2019.

#### 15.2 Determinations Committee

Jill Youds, chair of the Determinations Committee provided the Governing Body with a summary of discussions at the Determinations Committee meetings on 22 November 2018 and 13 December 2018. The minutes of the meetings were **NOTED** by the Governing Body.

### 16. Meeting effectiveness

The Governing Body discussed the effectiveness of the meeting.

*Sally Bridgeland left the meeting.*

### 17. 2019 Board Calendar

The calendar of items for the Governing Body in 2019 was **NOTED**. Neville Howe provided the Governing Body with an overview of the governance calendar for 2019 and the key items which Board Members would be required to approve or provide oversight of during the year.

### 18. Any Other Business

Following enquiry from the Chair, there was no other business which any Board Member or anyone present wished to raise or discuss.

### 19. Date of Next Meeting

It was reported that the next NCGB meeting was scheduled for 27 February 2019.

With no further business to discuss, the meeting was closed.

## NEST Corporation

### SYNOPSIS GOVERNING BODY MEETING

Date: **Thursday 28 March 2019**

Venue: **Boardroom, Canary Wharf, 10 South Colonnade, Canary Wharf, London**

#### Present:

Otto Thoresen, NEST Chair (items 1-7, and 16.1 only)  
Iraj Amiri, Board Member (Chair from items 8-20, excluding item 16.1)  
Ian Armfield, Board Member  
Graham Berville, Board Member  
Sally Bridgeland, Board Member  
Tomas Carruthers, Board Member (items 1-6 only)  
Helen Dean, Board Member and CEO  
Clive Elphick, Board Member  
Chris Hitchen, Board Member  
Ron Jarman, Board Member  
Richard Lockwood, Board Member and CFO  
Mutaz Qubbaj, Board Member  
Caroline Rookes, Board Member  
Jill Youds, Board Member

#### In attendance:

Dan Davis, Chief Risk Officer (items 6 - 20 only)  
Mark Fawcett, Chief Investment Officer (items 6 - 20 only)  
Risk Manager (item 9 only)  
Neville Howe, General Counsel and Corporate Secretary  
Senior Planning and Performance Manager (item 8.1 only)  
Deputy Corporate Secretary  
Mark Rowlands, Chief Customer Officer (item 6 only)  
Insurance Risk Manager (item 9.2 only)

#### CLOSED SESSION

#### Actions

Board Members held a closed session ahead of the formal Governing Body meeting.

#### 1. Apologies for Absence

The Chair opened the meeting and noted that apologies had been received from Martin Turner.

#### 2. Declarations of interest

CE reported that he had been appointed as a member of the Advisory Board of the Birmingham Institute of Forest Research. This had been discussed with the Chair to ensure there were no conflicts of interest which were not manageable, and the time commitment would not impair on CE's role at NEST. The additional appointment had consequently been approved and the Department for Work and Pensions ('DWP') had been informed.

There were no other new declarations of interest.

#### 3. Minutes and Synopsis

##### 3.1 Minutes of the Governing Body meeting held on 13 December 2018, and Minutes and Synopsis of the Governing Body meeting held on 29 January 2019

The Governing Body **RESOLVED** to **APPROVE** the minutes of the meeting held on 13 December 2018 and the minutes and synopsis documents of the meeting held on 29 January 2019.

#### 4. Matters Arising and Action Points

Progress with the completion of actions as shown in the action log was **NOTED** by the Governing Body.

## 6. Customers

### 6.1 Value for Members Report

*Mark Rowlands, Dan Davis and Mark Fawcett joined the meeting.*

The Chief Customer Officer introduced the annual update to the value for members ('VFM') assessment report, which had been considered at the NEST Audit Committee at meetings on both 13 December 2018 and 11 March 2019. The report was **NOTED** by the Governing Body.

Following further discussion, the Governing Body **RESOLVED** to **APPROVE** the annual update to the VFM assessment.

### 6.2 Costs and Charges Document

The Chief Customer Officer introduced the annual costs and charges document, which was **NOTED** by the Governing Body. It was reported that previous annual iterations of this report were based on the PLSA voluntary code of conduct. However, following an update to the Occupational Pensions Schemes (administration and Disclosure) (Amendment) Regulation 2018, which would come into effect on 31 March 2019, future iterations would be produced to comply with these regulations.

Governing Body members discussed the report. In relation to the proposal that NEST did not continue to comply with the voluntary code of conduct costs and charges document, the Governing Body **RESOLVED** to **APPROVE** the change in approach, given the update in the regulations and the fact that NEST would continue to be required to produce a costs and charges report.

Following discussion, the Governing Body **NOTED** the new requirements and the proposed publication of the information on the NEST website.

## 7. Financials, Performance & Investments

### 7.1 Chief Executive's Report

The Governing Body discussed the CEO's report, which provided an overview of developments since the last meeting.

The Chief Financial Officer provided an overview of the report and provided updates to the Governing Body on key items, including:

- i. NEST's operations, financials and volumes;
- ii. NEST's application to The Pensions Regulator ('TPR') for Master Trust Authorisation;
- iii. Ongoing Master Trust Supervision, and the annual scheme returns process; and
- iv. changes to the team at DWP, including a change to the Director of Private Pensions and Stewardship.

### 7.2 Chief Investment Officer's Report

Mark Fawcett introduced the Chief Investment Officer's Report, which provided an overview of the activity of the investment team and investment performance in Q4 2018. The report was **NOTED** by the Governing Body.

## 8. Principal Matters for Discussion and Decision

### 8.1 Business Planning:

- i. **3 Year Business Plan**
- ii. **2019-2020 Budget**
- iii. **Final Funding Requirement Forecast ('FFRF')**

## Confidential

Richard Lockwood introduced the business planning reports, which were **NOTED** by the Governing Body.

Governing Body members discussed the reports, noting that previous iterations of the business plan and FFRF had been reviewed and approved by the Governing Body at the meeting in January 2019.

Following further discussion, the Governing Body **RESOLVED** to **APPROVE**:

- i. The three-year business plan covering 2019-22;
- ii. The 2019-2020 one-year budget, including the delegation to the CEO to approve any directorate carry overs from 2018-19; and
- iii. The Final Funding Requirement Forecast and the proposed changes to the forecast since approval of the IFRF document.

## 9. Risk Management and Internal Controls

### 9.1 Risk Appetite and Tolerances

The Risk Manager introduced the report, which sought Governing Body approval for the risk appetite and tolerance levels for each Principal Risk. As there would be ongoing refinement during the year as the Risk Committee discussed in detail each of the Principal Risks, the Governing Body were also requested to delegate approval of any changes to appetite and tolerance levels throughout the year to the Risk Committee. The report was **NOTED** by Board Members.

Following further discussion, the Governing Body **RESOLVED** to:

- i. **APPROVE** risk appetite and tolerance levels for each Principal Risk; and
- ii. **DELEGATE** approval of changes to appetite and tolerance levels throughout the year to the NEST Risk Committee, with any changes being reported back to the Governing Body.

### 9.2 Pensions Trustee Liability Insurance

The Insurance Risk Manager introduced the procurement of pensions trustee liability insurance and group insurance report, which was **NOTED** by the Governing Body.

Following further discussion on the terms of the policy, the Governing Body **RESOLVED** to **APPROVE** the procurement of the Pension Trustee Liability Insurance policy on terms as set out within the report.

## 14. Regulatory Landscape & Corporate Governance

### 14.1 Annual Review of Board Member Conflicts of Interest and Fit and Proper process

The Deputy Corporate Secretary noted that at the meeting on 14 February 2019, the Nominations and Remuneration Committee had completed the annual review of the content of the NEST Board Member Conflicts of Interest Log and Register of Interest returns. It was reported that the review had concluded that there were no entries where any perceived or actual conflicts could not be managed and there were no specific areas of concern which required escalation to the Governing Body.

### 14.2 Scheme of Reserved Matters and Delegations

The Deputy Corporate Secretary introduced the report, which provided an overview of the proposed changes to the Scheme of Reserved Matters and Delegations V9. The report was **NOTED** by the Governing Body.

Following discussion, the Governing Body **RESOLVED** to **APPROVE** the Scheme of Reserved Matters and Delegations V9.

**15. Statutory & Regulatory Reporting**

**15.1 Annual Report and Accounts and AAF 02/07 Report**

Richard Lockwood provided the Governing Body with an update on the production of the Corporation and Scheme Annual Report and Accounts.

Dan Davis provided Board Members with an overview of the production of the 2018/19 AAF 02/07 report.

**16. Committee & Panel Reports/Minutes**

**16.1 Audit Committee**

The minutes of the Audit Committee meeting held on 13 December 2018 were **NOTED** by the Governing Body.

Clive Elphick provided Board Members with an oral update on the Audit Committee meeting held on 11 March 2019.

**16.2 Risk Committee**

Graham Berville provided the Governing Body with a summary of discussions at the Risk Committee meeting on 20 February 2019.

**16.3 Investment Committee**

Sally Bridgeland provided the Governing Body with a summary of discussions at the Investment Committee meetings held on 27 November 2018 and 12 February 2019.

**16.4 Nominations and Remuneration Committee**

Caroline Rookes provided the Governing Body with a summary of discussions at the Nominations and Remuneration Committee meeting held on 25 October and 22 November 2018. The minutes of the meetings were **NOTED** by Board Members.

CR provided an oral update on the discussion and approvals at the Nominations and Remuneration Committee meeting held on 14 February 2019, which had included approval of the Board Succession Plan, and review of the 2018/19 Board and Committee effectiveness reports, which would be submitted to the May 2019 Governing Body meeting.

**16.5 Determinations Committee**

Jill Youds provided the Governing Body with a summary of discussions at the Determinations Committee meetings on 17 January, 29 January, 13 February and 13 March 2019. The minutes of the meetings were **NOTED** by Board Members.

**17. Meeting effectiveness**

The Governing Body discussed the effectiveness of the meeting.

**18. 2019 Board Calendar**

The calendar of items for the Governing Body in 2019 was **NOTED**.

**19. Any Other Business**

In response to Iraj Amiri, there were no other matters which any Board Member or anyone present wished to raise or discuss.



**20. Date of Next Meeting**

It was reported that the next NCGB meeting was scheduled for 28 May 2019.

With no further business to discuss, the meeting was closed.

# NEST Corporation

## SYNOPSIS GOVERNING BODY MEETING

Date: **Tuesday 28 May 2019**

Venue: **Boardroom, Canary Wharf, 10 South Colonnade, Canary Wharf, London**

### Present:

Otto Thoresen, NEST Chair  
Iraj Amiri, Board Member  
Ian Armfield, Board Member  
Graham Berville, Board Member  
Sally Bridgeland, Board Member (via teleconference)  
Tomas Carruthers, Board Member  
Helen Dean, Board Member and CEO (items 5, 13, 6.1, 7.1, 8, 10, 11, 12, 15-19 only)  
Clive Elphick, Board Member  
Chris Hitchen, Board Member  
Ron Jarman, Board Member  
Richard Lockwood, Board Member and CFO  
Mutaz Qubbaj, Board Member  
Caroline Rookes, Board Member  
Martin Turner, Board Member  
Jill Youds, Board Member

### In attendance:

Director of Strategy (item 9.1 only)  
Dan Davis, Chief Risk Officer  
Director of Finance (items 5.2 and 14 only)  
Mark Fawcett, Chief Investment Officer  
Neville Howe, General Counsel and Corporate Secretary  
Deputy Corporate Secretary  
Mark Rowlands, Director of Customer Engagement  
Will Sandbrook, NEST Insight Director (items 5.1 and 5.2 only)  
Head of Responsible Investment (item 5.3 only)  
Director of Investment Development and Delivery (items 5.3, 6.1 and 7.1 only)

### CLOSED SESSION

### Actions

Board Members held a closed session ahead of the formal Governing Body meeting.

#### 1. Apologies for Absence

The Chair opened the meeting and noted that with all Board Members present, no apologies had been received.

#### 2. Declarations of interest

There were no new declarations of interest.

#### 3. Minutes and Synopsis of previous Governing Body Meetings

##### 3.1 Minutes and synopsis of the Governing Body meeting held on 28 March 2019

The Governing Body **RESOLVED** to **APPROVE** the minutes and synopsis documents of the meeting held on 28 March 2019.

#### 4. Matters Arising and Action Points

Progress with the completion of actions as shown in the action log was **NOTED** by the Governing Body.

#### 5. Financials, Performance and Investments

##### 5.1 Chief Executive's Report

## Confidential

The Governing Body discussed the CEO's report, which provided an overview of developments since the last meeting.

The CEO provided an overview of the report and provided updates to the Governing Body on key items, including:

- i. NEST's operations, financials and volumes;
- ii. Key staff changes within the compliance and operations teams;
- iii. The proposed topics for the Board strategy meeting to be held in June 2019;
- iv. NEST Insight.

### 5.2 Corporate Reporting Pack

The Director of Finance introduced the quarterly Corporate Reporting Pack for the period up to March 2019, which was **NOTED** by the Governing Body.

The Governing Body discussed the management information provided within the pack from across the business.

### 5.3 Annual Investment Report

*The Head of Responsible Investment joined the meeting.*

Mark Fawcett introduced the Annual Investment Report, which aimed to provide an overview of NEST's investment operations, strategy and external environment. The report was **NOTED** by Board Members.

## 6. Principal Matters for Decision

### 6.2 Charge Levels for Transfers

Following discussion, the Governing Body **RESOLVED** to **AGREE**:

- i. To maintain the transfer charges at 0.3% Annual Management charge, and the zero-contribution charge for transfers into the Scheme; and
- ii. To review this decision on an annual basis to enable an ongoing assessment of the proposition and associated costs.

### 6.3 Modern Slavery Act ('MSA') Statement

The Governing Body **RESOLVED** to **APPROVE**:

- i. The NEST MSA Statement for the financial year 2018/19, including publication on the NEST website following publication of the Annual Report and Accounts; and
- ii. The delegation to Helen Dean, CEO, to sign the MSA Statement on behalf of the Governing Body.

## 9. Strategy

### 9.1 Corporate Plan 2019-22

The Director of Strategy introduced the draft Corporate Plan and reported that this would be submitted to the July 2019 meeting for formal approval. The draft report was **NOTED** by the Governing Body.

It was reported that the report was a requirement outlined within the framework document with the Department for Work and Pensions ('DWP') and NEST was obliged to publish this on an annual basis.

## 13. Regulatory Landscape & Corporate Governance

### 13.1 Board and Committee Effectiveness Review

## Confidential

The General Counsel and Corporate Secretary introduced the report, which provided an overview of the results of the 2018 Board and Committee internal effectiveness reviews. The results had been discussed in detail at the Nominations and Remuneration Committee and each Committee had also discussed the individual results to clarify whether any further action was required. The report was **NOTED** by the Governing Body.

### 13.2 Committee Memberships

The Deputy Corporate Secretary introduced the report, which proposed changes to the chairs of both the Investment Committee and Nominations and Remuneration Committee ahead of the departure of the incumbent chairs in June 2019. The report, including the rationale for the recommendation, was **NOTED** by Board Members.

Following further discussion, the Governing Body **RESOLVED** to:

- i. **APPROVE** the proposal that Chris Hitchen was appointed as Chair of the NEST Investment Committee with effect from 28 May 2019; and
- ii. **APPROVE** the proposal that Ron Jarman was appointed as Chair of the NEST Nominations and Remuneration Committee with effect from 28 May 2019.

## 14. Statutory & Regulatory Reporting

### 14.1 Annual Report and Accounts Draft Reports

*The Director of Finance joined the meeting.*

Richard Lockwood introduced the draft Annual Report and Accounts for 2018/19 for both the NEST Corporation and NEST Scheme. The reports were **NOTED** by the Governing Body.

### 14.2 HMRC Relief at Source Signatory List

Richard Lockwood introduced the report, which proposed changes to the signatories on the HMRC Relief at Source ('RAS') claim forms. It was reported that in order to make the proposed changes, a Board resolution or equivalent was required. The report was **NOTED** by the Governing Body.

Following further discussion, the NEST Corporation Governing Body **RESOLVED** to **APPROVE**, with effect from 28 May 2019:

- i. The proposed changes to the HMRC signatories for Relief at Source claims; and
- ii. Further changes to the RAS signatories list be delegated to the CEO.

*The Director of Finance left the meeting.*

## 15. Committee & Panel Reports/Minutes

### 15.1 Audit Committee

The minutes of the Audit Committee meetings held on 11 March 2019 and 9 May 2019 were **NOTED** by the Governing Body.

### 15.2 Risk Committee

Martin Turner provided the Governing Body with a summary of discussions at the Risk Committee meeting on 22 May 2019.

### 15.3 Investment Committee

Sally Bridgeland provided the Governing Body with a summary of discussions at the Investment Committee meetings held on 15 May 2019.

**15.4 Nominations and Remuneration Committee**

Caroline Rookes provided the Governing Body with a summary of discussions at the Nominations and Remuneration Committee meeting held on 8 May 2019.

**15.5 Determinations Committee**

Jill Youds provided the Governing Body with a summary of discussions at the Determinations Committee meetings on 10 April 2019 and 8 May 2019. The minutes of the meetings were **NOTED** by Board Members.

**15.6 Panels Key Messages**

Mark Rowlands provided an overview of the discussions at the Members' Panel meeting on 12 March 2019 and the Employers' Panel meeting on 7 March 2019. The key messages reports were **NOTED** by the Governing Body.

**16. Meeting Effectiveness**

The Governing Body discussed the effectiveness of the meeting.

**17. 2019 Board Calendar**

The calendar of items for the Governing Body in 2019 was **NOTED**.

**18. Any Other Business**

Martin Turner provided Board Members with an overview of the discussions at a recent Public Chairs' Forum event on 'Trust, Leadership and Social Cohesion'.

In response to the Chair, there were no other matters which any Board Member or anyone present wished to raise or discuss.

**19. Date of Next Meeting**

It was reported that the next NCGB meeting was scheduled for 25 June 2019.

With no further business to discuss, the meeting was closed.

## NEST Corporation

### SYNOPSIS GOVERNING BODY MEETING

Date: Tuesday 25 June 2019

Venue: De Vere, Canary Wharf, 1 Westferry Circus, Canary Wharf, London, E14 4HD

#### Present:

Otto Thoresen, NEST Chair  
Ian Armfield, Board Member  
Graham Berville, Board Member  
Helen Dean, Board Member and CEO  
Clive Elphick, Board Member  
Ron Jarman, Board Member  
Richard Lockwood, Board Member and CFO  
Mutaz Qubbaj, Board Member  
Caroline Rookes, Board Member  
Martin Turner, Board Member  
Jill Youds, Board Member

#### In attendance:

Director of Finance (item 3 only)  
Dan Davis, Chief Risk Officer  
Karen Cham, Board Member (Appointment effective from 01/07/2019)  
Rizwan Hassan, Commercial and Delivery Director  
Neville Howe, General Counsel and Corporate Secretary  
Director of Compliance  
Head of Financial Reporting, (item 3 only)  
Assistant Corporate Secretary  
Strategy Analyst, Finance (item 3 only)  
Gavin Perera-Betts, Chief Customer Officer (item 4 only)

#### CLOSED SESSION

Karen Cham was welcomed to the Board. Members **NOTED** that her appointment would take effect from the 1<sup>st</sup> of July 2019.

#### Actions

#### 1. Apologies for Absence

Apologies had been received from Iraj Amiri, Chris Hitchen, Tomas Carruthers and Sally Bridgeland.

#### 2. Declarations of interest

There were no new declarations of interest.

#### 3. Principal Items for Approval

##### 3.1 NEST Corporation Annual Report and Accounts and Letter of Representation

Richard Lockwood, Chief Financial Officer presented the report which had also been presented to the Audit Committee earlier that day. The report was **NOTED** by the Governing Body.

Following discussion, and on the **recommendation** of the Audit Committee, the Governing Body **RESOLVED** to **APPROVE**:

- i. The Letter of Representation to the National Audit Office and authorised the CEO to sign it;
- ii. The NEST Corporation Annual Report and Accounts for 2018/19, all subject to completion of outstanding items highlighted by the NAO in the draft 2018/19 Audit Completion Report; and
- iii. The delegation to the Chief Financial Officer the finalisation of the Annual Report and Accounts, including any minor changes and correction of typographical errors.

##### 3.2 NEST Scheme Annual Report and Accounts and Letter of Representation

## Confidential

Richard Lockwood introduced the report, which had also been presented to the Audit Committee earlier that day. The report was **NOTED** by Board Members.

On the **recommendation** of the Audit Committee, the Governing Body **RESOLVED** to **APPROVE**:

- i. The Letter of Representation to KPMG and authorised the CEO to sign it;
- ii. The NEST Scheme Annual Report and Accounts for 2018/19; and
- iii. The delegation to the Chief Financial Officer the finalisation of the Annual Report and Accounts, including any minor changes and correction of typographical errors.

### 3.3 NEST AAF 02/07 Final Report and Letter of Representation

The Director of Compliance introduced the report, which requested approval of NEST's AAF 02/07 report for 2018/19. The report was **NOTED** by the Governing Body.

The CEO had received assurance that the control environment had been tested and a representation letter to the Reporting Accountant could be signed.

The report had been presented to the Audit Committee at an earlier meeting that day and it had **agreed**, subject to minor amendments on wording to:

- i. **Recommend** to the NCGB that the Letter of Representation to the Reporting Accountant be approved and signed on behalf of the Trustee;
- ii. **Recommend** to the NCGB that the AAF 02/07 Report for 2018/19, including the Trustee assertion, be approved and signed by the Trustee; and
- iii. **Recommend** to the NCGB that a short form AAF 02/07 Report be published based on the recommendation of the Chief Risk Officer and that revised text make up section 5 of the short form report.

The Governing Body therefore **RESOLVED** to **APPROVE**:

- i. The Letter of Representation to KPMG and authorised the CEO to sign it;
- ii. The NEST AAF 02/07 report and delegated authority to the Chair to sign it; and
- iii. The publication of a short form of the AAF 02/07 Report based on the recommendation of the Chief Risk Officer with revised text making up section 5 of the report.

The Finance and Risk teams were commended for their work in producing the Annual Report and Accounts with Graham Berville thanked for his personal involvement.

## 4. Any Other Business

The Chair noted that Iraj Amiri, Graham Berville, Sally Bridgeland and Caroline Rookes' terms as Board Members were ending on the 30<sup>th</sup> June 2019. The Board recorded its grateful thanks for their contribution to NEST during their time as Board Members.

Following enquiry from the Chair, there was no further business any Board Member or anyone present wished to raise for the Governing Body to discuss.

## 5. Date of Next Meeting

The next Governing Body meeting was scheduled for 25 July 2019.

With no further business to discuss, the meeting was closed.

## NEST Corporation

### SYNOPSIS GOVERNING BODY MEETING

Date: **Thursday 25 July 2019**

Venue: **Boardroom, Canary Wharf, 10 South Colonnade, Canary Wharf, London**

#### Present:

Otto Thoresen, NEST Chair  
Ian Armfield, Board Member  
Tomas Carruthers, Board Member  
Karen Cham, Board Member  
Helen Dean, Board Member and CEO  
Clive Elphick, Board Member  
Chris Hitchen, Board Member  
Ron Jarman, Board Member  
Richard Lockwood, Board Member and CFO  
Mutaz Qubbaj, Board Member  
Martin Turner, Board Member  
Jill Youds, Board Member

#### In attendance:

Director of Strategy (item 6.4 and 11.1 only)  
Director of Scheme Operations and Assurance (item 5 and 6.1 only)  
Head of Retirement Options (item 6.2 only)  
Dan Davis, Chief Risk Officer  
Mark Fawcett, Chief Investment Officer  
Jamie Goodfellow, Chair of the Employers' Panel (item 7 only)  
Neville Howe, General Counsel and Corporate Secretary  
Deputy Corporate Secretary  
Mark Rowlands, Director of Customer Engagement  
Nick Sex, Chief Operations Officer  
Nigel Stanley, Chair of the Members' Panel (item 7 only)

#### CLOSED SESSION

#### Actions

Board Members held a closed session ahead of the formal Governing Body meeting.

#### 1. Apologies for Absence

The Chair opened the meeting and noted that with all Board Members present, no apologies had been received.

#### 2. Declarations of interest

There were no new declarations of interest.

Neville Howe reminded Board Members of their duty to declare conflicts of interest and noted that with the ongoing procurement of the Scheme Administration contract, this was of particular importance.

#### 3. Minutes and Synopsis of previous Governing Body Meetings

##### 3.1 Minutes and synopsis of the Governing Body meeting held on 28 May and 25 June 2019

Subject to the amendment of some minor typographic errors, the Governing Body **RESOLVED** to **APPROVE** the minutes and synopsis documents of the Board meetings held on 28 May and 25 June 2019.

#### 4. Matters Arising and Action Points

Progress with the completion of actions as shown in the action log was **NOTED** by the Governing Body.

#### 5. Financials, Performance and Investments



## 5.1 Chief Executive's Report

The Governing Body discussed the CEO's report, which provided an overview of developments since the last meeting. Helen Dean introduced the report and provided a summary of key points and the report was **NOTED** by the Governing Body.

The CEO provided an overview of the report and provided updates to the Governing Body on key items, including:

- i. NEST's operations, financials and volumes;
- ii. The ongoing procurement of the new Scheme Administration contract;
- iii. The Member Service Improvement Programme; and
- iv. The recent quarterly accountability review meeting with the Department for Work and Pensions.

## 6. Principal Matters for Decision

### 6.2 Discretionary Death Benefits Delegations

Nick Sex introduced the report, which requested Governing Body approval for the discretionary death benefits decisions requiring Board level approval. It was noted that this had been discussed at the Nominations and Remuneration Committee meeting on 8 May 2019 and followed the approval by the Governing Body on 25 September 2018 to introduce the proposition of opt-in and narrow discretion on death benefits. The report was **NOTED** by Board Members.

Following discussion, the Governing Body **RESOLVED** to **APPROVE**:

- i. that Board Committee level discretionary death benefits decisions should be delegated to the Nest Determinations Committee; and
- ii. that matters reserved for the Determinations Committee should be expression of wish cases which are above the value of £200,000 and which have at least one element of complexity as outlined within the report and to be outlined within the relevant Terms of Reference document.

### 6.3 Nest Invest Ltd. Board Membership

Helen Dean introduced the report, which sort Governing Body approval for Directorships of Nest Invest Ltd., the proposed FCA regulated investment subsidiary which was approved by the Governing Body at its meeting on 28 May 2019. The report was **NOTED** by Board Members.

Following discussion, the Governing Body **RESOLVED** to **APPROVE**:

- i. the appointment of Mark Fawcett as Nest Invest Ltd. Director;
- ii. the appointment of Amanda Hurst as Nest Invest Ltd. Director;
- iii. the appointment of Henk Michels as Nest Invest Ltd. Director; and
- iv. the appointment of Neville Howe as Nest Invest Ltd. Director.

### 6.4 Corporate Plan

The Director of Strategy provided the Governing Body with an overview of the Corporate Plan, which required approval. It was reported that this had been discussed at the May 2019 Governing Body meeting and feedback had been incorporated into this version. The report was **NOTED** by Board Members.

Following discussion, the Governing Body **RESOLVED** to **APPROVE** the Corporate Plan for 2019-2022, including external publication.

## 7. Stakeholders

### 7.1 Members' Panel Annual Report

## Confidential

*Nigel Stanley and Jamie Goodfellow joined the meeting.*

The Chair introduced the annual reports of both the Members' Panel and Employers' Panel. It was noted that the Panels provided a forum to discuss relevant customer strategic developments. The Panel Chairs provided an overview of the reports, which were **NOTED** by the Governing Body.

Jamie Goodfellow reported that the Employers' Panel had an extremely positive year and was evolving in both role and impact on the organisation. It was reported that the Employers' Panel aimed to contribute to employer retention and acquisition, as well as opining on policy areas and developments impacting employers.

JG noted that there was continued debate on the future of the auto-enrolment earnings trigger and potential increases to contribution levels by employers and members. The Panel had discussed what the minimum total contribution level needed to be secure an adequate income in retirement given levels of 12%o 15% were often proposed.

It was highlighted that the Employers' Panel had also discussed a number of key operational and policy areas from an employer perspective, including: the proposed pensions dashboard; default pathways and decumulation; ethical investment and the sidecar initiative. JG reported that the Panel was supportive of Nest offering decumulation options.

Nigel Stanley introduced the Members' Panel report and noted that the Panel had been established to represent Nest members, though this was not always easy given the inertia of members due to the nature of auto-enrolment. The key theme for Panel discussion during 2018-19 had been on member engagement and there had been some robust discussions around targeted, limited engagement in order to drive outcomes for savers which could better reflect their circumstances and preferences. The Panel were supportive of the approach taken by Nest to stimulate registration and member contact. However, this was not a unique challenge for Nest and the Panel were supportive of a national debate about how schemes, government and appropriate public bodies to drive awareness and an achievable level of engagement.

The Chair thanked both Panel Chairs for their attendance and work throughout the year.

*Nigel Stanley and Jamie Goodfellow left the meeting.*

### **7.2 Employers' Panel Annual Report**

This update was covered under agenda item 7.1.

## **11. People**

### **11.1 Annual Staff Survey Results**

The Director of Strategy introduced the report which outlined the results of the 2019 Nest Staff Survey. It was reported that detailed analysis had been provided to the Nominations and Remuneration Committee on 26 June 2019, included directorate level data. The report was **NOTED** by the Governing Body.

Board Members noted that the results were positive and showed a sense of progression on issues identified.

### **11.2 Annual Health, Safety and Wellbeing Report**

Richard Lockwood introduced the health, safety and wellbeing report, which had been reviewed by the Risk Committee on 24 July 2019. The report was **NOTED** by the Governing Body.

## **15. Committee & Panel Reports/Minutes**

## Confidential

### 15.1 Audit Committee

The minutes of the Audit Committee meetings held on 14 and 25 June 2019 were **NOTED** by the Governing Body. Clive Elphick, Chair of the Committee, provided an overview of the discussions and decisions at these meetings.

### 15.2 Risk Committee

The minutes of the Risk Committee meeting held on 22 May 2019 were **NOTED** by the Governing Body.

### 15.3 Investment Committee

The minutes of the Investment Committee meeting held on 15 May 2019 were **NOTED** by the Governing Body.

### 15.4 Nominations and Remuneration Committee

Ron Jarman provided the Governing Body with an oral overview of the discussions and decisions at the meetings held on 27 June 2019.

### 15.5 Determinations Committee

Jill Youds provided the Governing Body with a summary of discussions at the Determinations Committee meetings on 5 June and 10 July 2019. The minutes of the meeting on 5 June 2019 were **NOTED** by the Governing Body.

### 15.6 Panels Key Messages

The Director of Customer Engagement provided an overview of the discussions at the Members' Panel meeting on 11 June 2019 and the Employers' Panel meeting on 6 June 2019.

## 16. Meeting Effectiveness

The Governing Body discussed the effectiveness of the meeting.

## 17. 2019 Board Calendar

The calendar of items for the Governing Body in 2019 was **NOTED**.

## 18. Any Other Business

In response to the Chair, there were no other matters which any Board Member or anyone present wished to raise or discuss.

## 19. Date of Next Meeting

It was reported that the next NCGB meeting was scheduled for 24 September 2019.

With no further business to discuss, the meeting was closed.

## NEST Corporation

### SYNOPSIS GOVERNING BODY MEETING

Date: **Thursday 24 October 2019**

Venue: **Boardroom, Canary Wharf, 10 South Colonnade, Canary Wharf, London**

#### Present:

Otto Thoresen, NEST Chair  
Ian Armfield, Board Member  
Tomas Carruthers, Board Member  
Karen Cham, Board Member  
Helen Dean, Board Member and Chief Executive Officer  
Clive Elphick, Board Member  
Chris Hitchen, Board Member (via telephone, from item 5.1 onwards)  
Ron Jarman, Board Member  
Richard Lockwood, Board Member and Chief Financial Officer  
Mutaz Qubbaj, Board Member  
Martin Turner, Board Member  
Jill Youds, Board Member

#### In attendance:

David Barnes, Director of Scheme Operations and Assurance  
Dan Davis, Chief Risk Officer  
Mark Fawcett, Chief Investment Officer  
Neville Howe, General Counsel and Corporate Secretary  
Deputy Corporate Secretary

#### CLOSED SESSION

#### Actions

Board Members held a closed session ahead of the formal Governing Body meeting.

#### 1. Apologies for Absence

The Chair opened the meeting and noted that with all Board Members present, no apologies had been received.

#### 2. Declarations of interest

There were no new declarations of interest.

#### 3. Minutes and Synopsis of previous Governing Body Meetings

##### 3.1 Minutes and synopsis of the Governing Body meeting held on 25 July 2019

Subject to the amendment of some minor typographic errors, the Governing Body **RESOLVED** to **APPROVE** the minutes and synopsis documents of the Board meeting held on 25 July 2019.

#### 4. Matters Arising and Action Points

Progress with the completion of actions as shown in the action log was **NOTED** by the Governing Body.

#### 5. Financials, Performance and Investments

##### 5.1 Chief Executive's Report

The Governing Body discussed the CEO's report, which provided an overview of developments since the last meeting. Helen Dean introduced the report and provided a summary of key points and the report was **NOTED** by the Governing Body.

The CEO provided an overview of the report and provided updates to the Governing Body on key items, including:

- i. NEST's operations, financials and volumes;
- ii. The ongoing procurement of the new Scheme Administration contract;

- iii. The Occupational and Personal Pension Schemes General Levy review 2019;
- iv. Nest's preparedness for Brexit; and
- v. The recent Nest Staff Pulse Survey results.

## 5.2 Chief Investment Officer's Report

Mark Fawcett introduced the report, which provided the Governing Body with an overview of Nest's investment operations and recent performance. The report was **NOTED** by Board Members.

## 5.3 Trustee Investment Duties Letter Response

Mark Fawcett introduced the report, which sought approval for a response from Nest to a Ministerial letter on how trustees were meeting the new investment and disclosure regulations. In particular the letter referred to the new requirements on Environmental, Social and Governance ('ESG') factors, including the management of climate risk, stewardship and the consideration of non-financial factors (members' views) in pension schemes investment approach. The letter had been sent to fifty pension schemes and was therefore not specific to Nest. The proposed response was **NOTED** by the Governing Body.

Following discussion and subject to some drafting amendments, the Governing Body **RESOLVED** to **AGREE** the response. It was noted that the Chair would sign the response on behalf of Board Members.

## 6. Principal Matters for Decision

### 6.1 Committee Memberships

Following discussion, the Governing Body **RESOLVED** to **APPROVE** the recommendation of the Nominations and Remuneration Committee that Karen Cham should be, and hereby was, appointed as a member of the Determinations Committee, with effect from 24 October 2019.

### 6.2 Terms of Reference: Nominations and Remuneration Committee and Determinations Committee

The Deputy Corporate Secretary introduced the report, which requested approval from the Governing Body for the revised terms of reference of both the Determinations Committee and the Nominations and Remuneration Committee. The report was **NOTED** by the Governing Body.

Both terms of reference documents had been discussed and were recommended by the Nominations and Remuneration Committee at its meeting in September 2019.

Following further discussion, the Governing Body **RESOLVED** to **APPROVE**:

- i. the updated Nominations and Remuneration terms of reference (V2) with effect from 24 October 2019; and
- ii. the updated Determinations Committee terms of reference (V2) with effect from 24 October 2019.

## 15. Committee & Panel Reports/Minutes

### 15.1 Audit Committee

The minutes of the Audit Committee meeting held on 12 September 2019 were **NOTED** by the Governing Body. Clive Elphick, Chair of the Committee, provided an overview of the discussions and decisions at this meeting.

### 15.2 Risk Committee

## Confidential

The minutes of the Risk Committee meeting held on 12 September 2019 were **NOTED** by the Governing Body. Martin Turner, Chair of the Committee, provided an overview of the discussions and decisions at this meeting.

### 15.3 Investment Committee

The minutes of the Investment Committee meeting held on 3 September 2019 were **NOTED** by the Governing Body. Chris Hitchen provided an overview of this meeting, as well as the Committee workshop meeting on 15 October 2019.

### 15.4 Nominations and Remuneration Committee

Ron Jarman provided the Governing Body with an oral overview of the discussions and decisions at the meetings held on 5 September and 18 September 2019.

### 15.5 Determinations Committee

Jill Youds provided the Governing Body with a summary of discussions at the Determinations Committee meetings on 14 August and 24 September 2019. The minutes of the meeting were **NOTED** by the Governing Body.

### 15.6 Panels Key Messages

The Deputy Corporate Secretary provided an overview of the discussions at the Members' Panel meeting on 10 September 2019 and the Employers' Panel meeting on 5 September 2019.

## 16. Meeting Effectiveness

The Governing Body discussed the effectiveness of the meeting. Board Members noted that lighter agenda had allowed for more debate and discussion and this should be considered for future Board meetings.

## 17. 2019 Board Calendar

The calendar of items was **NOTED**. It was reported that the 2020 calendar would be submitted to the November 2019 meeting.

## 18. Any Other Business

Tomas Carruthers provided the Governing Body with an overview of a recent ABI NEDs and Chairs Network event he had attended on behalf of Nest, where Charles Randell from the FCA had also attended as a guest speaker.

In response to the Chair, there were no other matters which any Board Member or anyone present wished to raise or discuss.

## 19. Date of Next Meeting

It was reported that the next NCGB meeting was scheduled for 28 November 2019.

With no further business to discuss, the Chair closed the meeting.

# NEST Corporation

## SYNOPSIS GOVERNING BODY MEETING

Date: **Thursday 28 November 2019**

Venue: **Boardroom, Canary Wharf, 10 South Colonnade, Canary Wharf, London**

### Present:

Otto Thoresen, NEST Chair  
Ian Armfield, Board Member  
Karen Cham, Board Member  
Helen Dean, Board Member and Chief Executive Officer  
Clive Elphick, Board Member  
Chris Hitchen, Board Member  
Ron Jarman, Board Member  
Richard Lockwood, Board Member and Chief Financial Officer  
Mutaz Qubbaj, Board Member  
Martin Turner, Board Member  
Jill Youds, Board Member

### In attendance:

Risk Manager (item 9 only)  
Director of Scheme Operations and Assurance  
Travers Smith Advisor (item 6 only)  
Dan Davis, Chief Risk Officer  
Mark Fawcett, Chief Investment Officer  
Investment Subsidiary Implementation Manager (item 6 only)  
Neville Howe, General Counsel and Corporate Secretary  
Amanda Hurst, Director of Compliance and Nest Invest Director (item 6 only)  
Henk Michels, Director of Fund Administration and Nest Invest Director (item 6 only)  
Deputy Corporate Secretary  
Director of Customer Engagement (item 5 only)  
Director of Investment Development and Delivery (item 6 only)

### CLOSED SESSION

### Actions

Board Members held a closed session ahead of the formal Governing Body meeting. The Chair reported that Tomas Carruthers had resigned his position as Board Member of Nest Corporation with effect from 28 November 2019.

#### 1. Apologies for Absence

The Chair opened the meeting and noted that with all Board Members present, no apologies had been received.

#### 2. Declarations of interest

There were no new declarations of interest.

#### 3. Minutes and Synopsis of previous Governing Body Meetings

##### 3.1 Minutes and synopsis of the Governing Body meeting held on 24 October 2019

Subject to the amendment of some minor typographic errors, the Governing Body **RESOLVED** to **APPROVE** the minutes and synopsis documents of the Board meeting held on 24 October 2019.

#### 4. Matters Arising and Action Points

Progress with the completion of actions as shown in the action log was **NOTED** by the Governing Body and the key updates were also provided.

#### 5. Financials, Performance and Investments

##### 5.1 Chief Executive's Report

## Confidential

The Governing Body discussed the CEO's report, which provided an overview of developments since the last meeting. Helen Dean introduced the report and provided a summary of key points and the report was **NOTED** by the Governing Body.

The CEO provided an overview of the report and provided updates to the Governing Body on key items, including:

- i. NEST's operations, financials and volumes;
- ii. The ongoing procurement of the new Scheme Administration contract;
- iii. A forward look at key priorities for Nest in 2020; and
- iv. The recent Master Trust Supervisory launch by The Pensions Regulator.

### 5.2 Corporate Reporting Pack

The quarterly Corporate Reporting Pack for the quarter ending 30 September 2019 was **NOTED** by the Governing Body.

## 6. Principal Matters for Decision

### 6.1 Nest Invest Ltd. Preparedness for Launch

Mark Fawcett introduced the report, which provided a summary of the work undertaken to ensure Nest Corporation's and Nest Invest's readiness for FCA authorisation of Nest Invest to become an Occupational Pension Scheme ('OPS'). The report was **NOTED** by the Governing Body.

Board Members discussed each section of the report in detail.

Following further discussion, the Governing Body noted that the paper had been extremely useful and provided assurance that appropriate arrangements were in place to ensure readiness of the Corporation and subsidiary for FCA authorisation.

### 6.2 Nest Invest Ltd./ Nest Corporation Investment Management Agreement

Neville Howe introduced the report, which followed the report from the investment team under agenda item 6.1, and requested Governing Body approval for the Investment Management Agreement ('IMA') between Nest Corporation and Nest Invest Ltd. The report was **NOTED** by the Governing Body.

Neville Howe provided Board Members with a summary of the content of the IMA. Following discussion and in light of the assurance provided under agenda item 6.1, and subject to the completion of the outstanding tasks outlined within that report, the Governing Body **RESOLVED** to **APPROVE**, with effect from the date of signature:

- i. that Nest Corporation should enter into the attached Investment Management Agreement with Nest Invest Ltd.; and
- i. the delegation to the Nest Chair to sign the agreement on behalf of Nest Corporation.

The Chair thanked the investment team and project team for their work.

## 9. Risk Management and Internal Controls

### 9.1 Risk Appetite

Dan Davis introduced the report, which sought Governing Body approval for Nest's Risk Appetite Statement. The report was **NOTED** by Board Members.

Following further discussion, the Governing Body **RESOLVED** to **APPROVE** the Risk Appetite Statement with effect from 28 November 2019.

### 9.2 Risk Management Framework



## Confidential

Dan Davis introduced the Risk Management Framework, which had been reviewed by both the Executive Board and the Risk Committee. The report was **NOTED** by the Governing Body.

Subject to some minor drafting changes, including references to ‘frameworks’ which were not frameworks, the Governing Body **RESOLVED** to **APPROVE** the Risk Management Framework V9 with effect from 28 November 2020.

### 9.3 Principal Risk Annual Review

The Principal Risk Annual Review report was **NOTED** by the Board. Dan Davis reported that as Chief Risk Officer, a review had been undertaken of the appropriateness of Nest’s current Principal Risks and it was recommended that they were fit for purpose and should remain unchanged for the next financial year. The Governing Body noted that the Risk Committee had considered this report at the meeting on 29 October 2019.

Following discussion, the Governing Body **RESOLVED** to **APPROVE** the Nest Principal Risks, including the risk description, causes and consequences.

## 15. Committee & Panel Reports/Minutes

### 15.1 Risk Committee

The minutes of the Risk Committee meeting held on 29 October 2019 were **NOTED** by the Governing Body. Martin Turner noted that the Committee had considered the risk items which had been covered on the Governing Body agenda at this meeting.

### 15.2 Nominations and Remuneration Committee

Ron Jarman provided the Governing Body with an overview of the discussions and decisions at the meeting held on 24 October 2019 and reported that the minutes were included for Governing Body awareness.

Ron Jarman summarised the discussions and decisions of the Committee meeting on 25 November 2019. It was noted that the meeting had been generally focussed on governance changes and included discussions on the output from the 2019 Board skills and experience analysis as well as approval of the Board succession and training plans.

### 15.3 Determinations Committee

Jill Youds provided the Governing Body with a summary of discussions at the Determinations Committee meeting on 13 November 2019. The minutes of the meeting would be included in the January NCGB pack.

## 16. Meeting Effectiveness

The Governing Body discussed the effectiveness of the meeting.

## 17. 2020 Board Calendar

The Deputy Corporate Secretary introduced the draft NCGB 2020 calendar which was circulated to the Board Members in the meeting. It was noted that the calendar had been drafted based on the scheme of reserved matters and delegations, the agreed business plan, and had also been mapped to the Nest Principal Risks and key stakeholders to ensure appropriate oversight of key matters. The calendar of items for the Governing Body was **NOTED** and it was agreed that Board Members would provide any additional comments outside of the meeting.

## 18. Any Other Business

## Confidential

Board Members discussed The Pensions Regulators ('TPR') Master Trust Supervisory regime following the launch event on 18 November 2019. Regular Board updates would be provided.

In response to the Chair, there were no other matters which any Board Member or anyone present wished to raise or discuss.

### **19. Date of Next Meeting**

It was reported that the next NCGB meeting was scheduled for 28 January 2020.