

NEST Corporation	
SYNOPSIS GOVERNING BODY MEETING	
Date:	Tuesday 28 January 2020
Venue:	Boardroom, Canary Wharf, 10 South Colonnade, Canary Wharf, London

**Present:**

Otto Thoresen, NEST Chair  
 Ian Armfield, Board Member  
 Helen Dean, Board Member and Chief Executive Officer  
 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:**

Director of Scheme Operations and Assurance (item 5 only)  
 Dan Davis, Chief Risk Officer  
 Neville Howe, General Counsel and Corporate Secretary  
 Head of Scheme Modelling (item 6.2 only)  
 Head of Financial Planning and Analysis (item 6.2 only)  
 Deputy Corporate Secretary  
 Director of Research and Innovation (item 6.4 only)  
 Mark Rowlands, Director of Customer Engagement (item 5 only)  
 Will Sandbrook, Executive Director, Nest Insight (item 5 and 6.4 only)  
 Director of Investment Development and Delivery (item 6.3 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 apologies had been received from Karen Cham and Clive Elphick.

**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 November 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 28 November 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. A forward look at key priorities for Nest in 2020 and the strategic work programmes to be delivered; and
- iv. The recent election and potential implications for Nest.

## **6. Principal Matters for Decision**

### **6.2 Business Planning: 3-Year Business Plan and Initial Funding Requirement Forecast ('IFRF')**

Richard Lockwood introduced the report, which was a combined paper outlining the proposed 3-Year Business Plan and the IFRF. The report was **NOTED** by the Governing Body.

Richard Lockwood provided Governing Body members with an overview of the report. It was highlighted that Martin Turner had exercised a 'hot reviewer' role over the process and provided challenge to the team as the report was produced and drafted.

The Chair reported that the revised format was extremely accessible and helpful and thanked the finance team for their work.

Following further discussion, the Governing Body **RESOLVED** to **APPROVE** the 3-Year Business Plan and IFRF for submission to the Department for Work and Pensions.

### **6.3 Statement of Investment Principles ('SIP')**

The Director of Investment Development and Delivery introduced the report, which sought approval for changes to the Statement of Investment Principles, which were primarily related to the establishment of the FCA regulated subsidiary Nest Invest Ltd., as well as key changes following the triennial review of the investment beliefs. The report was **NOTED** by the Governing Body.

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

- i. The changes to the Statement of Investment Principles; and
- ii. The changes to the investment beliefs to be incorporated as an annex of the Statement of Investment Principles.

### **6.4 Nest Insight Update**

Will Sandbrook introduced the report, which provided an update on the work of the Nest Insight unit during 2019. The report was **NOTED** by the Governing Body.

It was reported that 2019 had allowed the Insight unit to further develop the long-term research trials (such as the side-car savings trial) as well as publish findings in several strands of work, and scope new projects.

## **13. Regulatory Landscape & Corporate Governance**

### **13.1 Board Travel and Expenses Policy**

The Deputy Corporate Secretary introduced the report, which requested Governing Body approval for changes to the Board Travel and Expenses policy, and for the delegation to the General Counsel to approve the changes in future.

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

- i. The Travel and Expenses Policy for Board Members (V8) with effect from 10 February 2020; and
- ii. The delegation to the General Counsel and Corporate Secretary to approve future versions of this policy.

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

**15.1 Audit Committee**

In the absence of Clive Elphick as the Chair of Audit Committee, Ian Armfield provided the Governing Body with a summary of the discussions and decisions of the Committee meeting in December 2019. The minutes of the meeting were **NOTED** by the Governing Body.

**15.2 Investment Committee**

Chris Hitchen provided the Governing Body with an overview of the discussions and decisions at the Investment Committee meeting held on 29 November 2019 and the minutes of the meeting were **NOTED** by the Governing Body.

**15.3 Determinations Committee**

Jill Youds provided the Governing Body with a summary of discussions at the Determinations Committee meetings on 13 November 2019, 11 December 2019 and 15 January 2020. The minutes of the two 2019 meetings were **NOTED** by Governing Body members.

**15.4 Panel Key Messages**

The key messages of the Employers' Panel meeting held on 5 December 2019 and the Members' Panel meeting held on 10 December 2019 were **NOTED** by the Governing Body.

**16. Meeting Effectiveness**

The Governing Body discussed the effectiveness of the meeting.

**17. 2020 Board Calendar**

The 2020 Governing Body calendar was **NOTED**.

**18. Any Other Business**

Following enquiry from 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 26 March 2020.

NEST Corporation	
SYNOPSIS GOVERNING BODY ('BOARD') MEETING	
Date:	Thursday 26 March 2020
Venue:	Teleconference

**Present:**

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

**In attendance:**

Director of Scheme Operations and Assurance (item 5.1 only) (via phone)  
 Dan Davis, Chief Risk Officer (via phone)  
 Mark Fawcett, Chief Investment Officer (not present for item 6.1) (via phone)  
 Neville Howe, General Counsel and Corporate Secretary (via phone)  
 Head of Financial Planning and Analysis (item 6.2 only) (via phone)  
 Deputy Corporate Secretary (via phone)  
 Director of Business Delivery (item 5.1 only) (via phone)

**1. Apologies for Absence**

The Chair opened the meeting and noted that no apologies had been received.

The Chair reported that given the current Covid-19 epidemic, the Board would be focussing on Nest's response to the situation and a full update would be provided from the CEO and the Executive Team. The governance arrangements more broadly had also been reviewed to ensure the Board had prioritised updates and oversight of the impact to Nest of the current situation, as well as on key matters requiring review or approval.

**2. Declarations of interest**

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

**3. Minutes and Synopsis of previous Board Meetings**

**3.1 Minutes and synopsis of the meeting held on 28 January 2020**

The minutes and synopsis of the Board meeting held on 28 January 2020 were **APPROVED** as a true and accurate record of the meeting.

**4. Matters Arising and Action Points**

The updates on actions outlined within the action log were **NOTED** by the Board. It was reported that all actions were either closed or had deadlines allocated.

**5. Financials, Performance and Investments**

**5.1 Chief Executive's Report**

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

The CEO highlighted that the Executive Team were currently meeting on a daily basis with key Directors across the business to provide an update on the impact on Nest of Covid-19, which

included both Corporation and Scheme. HD was now meeting with the Chair on a weekly basis to provide a full update and to agree the update which was circulated to the full Board every Friday.

A full update was provided by the Executive Team to the Board on areas across the business. Each Executive Team member provided a summary of business within their remit, including any relevant update on the response to the epidemic. This included:

- i. The investment market and performance;
- ii. Scheme Operations;
- iii. The ongoing procurement of the new Scheme Administration contract;
- iv. Customer engagement and communications;
- v. Regulatory changes and environment; and
- vi. Nest staff and broader Nest Corporation matters, including financials.

## 5.2 Corporate Reporting Pack

The Chair noted that the Corporate Reporting Pack had been pre-circulated to Board Members during February 2020 and comments and questions had been taken offline. The report was **NOTED** by the Board.

## 5.3 Chief Investment Officer's Report

The Chief Investment Officer's report was **NOTED** by the Board. MF reported that a full investment update had been provided under agenda item 5.1.

## 6. Principal Matters for Decision

### 6.2 Business Planning: 3-Year Business Plan; Final Funding Requirement Forecast ('FFRF') and 1 Year Budget

Richard Lockwood introduced the report, which sought Board approval for the three-year business plan for 2020-2023; the FFRF and the 2020-21 budget. The report was **NOTED** by Board members

RL provided an overview of the report, including key changes since the Board had reviewed the Initial Funding Requirement Forecast and business plan at the January 2020 meeting. It was noted that the report did not reflect any impact from the current Covid-19 situation, as the impacts were not yet clear.

Following further discussion, the Board **RESOLVED** to **APPROVE**:

- i. The 2020-23 Nest Business Plan;
- ii. The Final Funding Requirement Forecast; and
- iii. The 2020-21 Budget.

It was noted that the reports would be submitted to the Department for Work and Pensions ('DWP') ahead of the 31 March 2020 deadline.

### 6.3 Statement of Investment Principles ('SIP')

The Chief Investment Officer introduced the report, which outlined changes to Nest's Statement of Investment Principles ('SIP') and sought Board approval for these amendments with immediate effect. The report was **NOTED** by Board Members.

The Chief Investment Officer provided an overview of the changes, which related to the agreement of the Board to deliver the Nest Guided Retirement Fund ('NGRF'); as well as to reflect changes required to meet the Occupational Pension Schemes (Investment and Disclosure) Regulations, which would come into effect from October 2020. Changes had also been made to reflect the updated investment risk appetite.

It was noted that the updated SIP had been reviewed by the Executive Board, both the Employers' and Members' Panel and finally the Investment Committee, where it was approved for submission to the Board.

Following further discussion, the Board **RESOLVED** to **APPROVE** the updated Statement of Investment Principles, effective from 26 March 2020.

#### **6.4 Value for Members Report**

The Chief Risk Officer provided Board Members with an overview of the Value for Members assessment for the period 1 October 2018 to 30 September 2019, which required Board approval. It was noted that the assessment would also need to be referred to within the Chairs Statement of the 2019-20 Nest Scheme Annual Report and Accounts. The report was **NOTED** by the Board Members.

DD noted that the assessment was a regulatory requirement, and this had been discussed in detail at the Audit Committee on 19 March 2020.

Following further discussion, the Board **RESOLVED** to **APPROVE** the Value for Members assessment and conclusions.

### **13. Regulatory Landscape & Corporate Governance**

#### **13.1 Scheme of Reserved Matters and Delegations**

The Deputy Corporate Secretary introduced the report, which sought approval for changes to the Scheme of Reserved Matters and Delegations following the annual review. It was noted that the changes had been reviewed by the Nominations and Remuneration Committee. The report was **NOTED** by the Board.

Following further discussion, and subject to one amendment the Board **RESOLVED** to **APPROVE** the Scheme of Reserved Matters and Delegations V10 with effect from 26 March 2020.

#### **13.2 Pensions Trustee Liability Insurance**

The Chief Risk Officer introduced the report, which sought Board approval for the renewal of Nest Corporation's Pension Trustee Liability Insurance. The report was **NOTED** by the Board.

DD provided an overview of the report and following discussion, the Board **RESOLVED** to **APPROVE** the renewal of the Pension Trustee Liability Insurance.

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

#### **15.1 Nominations and Remuneration Committee**

Ron Jarman, Chair of the Nominations and Remuneration Committee provided the Board with a summary of the discussions and decisions at the February 2020 Nominations and Remuneration Committee meeting.

#### **15.2 Investment Committee**

Chris Hitchen, Chair of the Investment Committee provided the Board with a summary of the discussions and decisions at the February 2020 Investment Committee meeting, as well as a meeting of the Committee on 24 March 2020 relating to the Nest Guided Retirement Fund.

#### **15.3 Determinations Committee**

Jill Youds, Chair of the Determinations Committee provided the Board with a summary of the discussions and decisions at the February and March 2020 Determinations Committee meeting.

**16. Any Other Business**

Board Members expressed their thanks to the Executive Team for the work completed to respond to the Covid-19 situation.

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

**17. Date of Next Meeting**

It was reported that the next Board meeting was scheduled for 23 April 2020.

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

NEST Corporation	
SYNOPSIS GOVERNING BODY ('BOARD') MEETING	
Date:	Thursday 23 April 2020
Venue:	Teleconference

**Present:**

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

**In attendance:**

Director of Scheme Operations and Assurance (part of item 3.1 only)  
 Dan Davis, Chief Risk Officer  
 Mark Fawcett, Chief Investment Officer (part of item 3.1 only)  
 Rizwan Hassan, Executive Director Commercial and Delivery (part of item 3.1 only)  
 Neville Howe, General Counsel and Corporate Secretary  
 Deputy Corporate Secretary  
 Gavin Perera-Betts, Chief Customer Officer (part of item 3.1 only)  
 Mark Rowlands, Director of Customer Engagement (part of item 3.1 only)  
 Nick Sex, Chief Operations Officer (part of item 3.1 only)  
 Will Sandbrook, Nest Insight and Strategy Director (part of item 3.1 only)

**1. Apologies for Absence**

The Chair opened the meeting and noted that no apologies had been received.

The Chair highlighted that this meeting had been scheduled to be a strategy workshop meeting, but this had been revised given the current Covid -19 situation and it had been agreed that a full Board update on Nest's operations and response to the situation had instead been agreed.

**2. Declarations of interest**

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

**3. Financials, Performance and Investments**

**3.1 Chief Executive's Report**

The Board discussed the CEO's report, which provided an overview of Nest's response to the Covid-19 pandemic and the impact on Nest and its customers. The report was **NOTED** by the Board.

A full update was provided by the Executive Team to the Board on areas across the business. Each Executive Team member provided a summary of business within their remit, including any relevant update on the response to the epidemic. This included:

- i. The investment market and performance;
- ii. Scheme Operations;
- iii. The ongoing procurement of the new Scheme Administration contract;
- iv. Customer engagement and communications;
- v. Regulatory changes and environment; and
- vi. Nest staff and broader Nest Corporation matters, including financials.

Board Members discussed the Executive response to the Covid-19 situation and provided challenge in key areas. Board Members sought assurance around the continued delivery of crucial services for members and employers. The Board noted that the Executive update had been thorough, and the discussion had provided necessary assurance around the robustness of Nest's



response. However, regular Board updates and dialogue would continue in order to monitor this situation and seek clarification, where required.

**4. Meeting Effectiveness**

Board Members noted that it had been an extremely helpful meeting and thanked the Executive for the thorough update.

**5. Any Other Business**

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

**6. Date of Next Meeting**

It was reported that the next Board meeting was scheduled for 28 May 2020.

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

NEST Corporation	
SYNOPSIS GOVERNING BODY ('BOARD') MEETING	
Date:	Thursday 28 May 2020
Venue:	Teleconference

**Present:**

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

**In attendance:**

Director of Finance (item 14.1 only) (via phone)  
 Dan Davis, Chief Risk Officer (item 1- 6.2 only) (via phone)  
 Senior Creative Production Manager (item 14.1 only) (via phone)  
 Mark Fawcett, Chief Investment Officer (item 5.2 – 5.4 only) (via phone)  
 Rizwan Hassan, Executive Director Commercial and Delivery (item 5.1 only) (via phone)  
 Neville Howe, General Counsel and Corporate Secretary (via phone)  
 Deputy Corporate Secretary (via phone)  
 Gavin Perera-Betts, Chief Customer Officer (item 5.1 only) (via phone)  
 Mark Rowlands, Director of Customer Engagement (items 5.2 – 6.1 only) (via phone)  
 Nick Sex, Chief Operations Officer (item 5.2 – 5.4 only) (via phone)  
 Will Sandbrook, Nest Insight and Strategy Director (item 5.2 – 5.4 only) (via phone)

**1. Apologies for Absence**

The Chair opened the meeting and noted that no apologies had been received.

**2. Declarations of interest**

Helen Dean declared that she had been appointed as a member of the Money and Pensions Service ('MAPS') Advisory Group aimed at providing long-term support and challenge around both the future MAPS' corporate strategy and the wider UK strategy for financial wellbeing.

Mutaz Qubbaj reported that he had been appointed as an entrepreneur in house at CitiVenture.

Chris Hitchen noted that he had joined the Finance and Investment Board at the Institute and Faculty of Actuaries.

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

**3. Minutes and Synopsis of Previous Board Meetings**

Following Board discussion, the minutes and synopsis of the Board meeting held 26 March 2020 were **APPROVED** as a true and accurate record of the meeting.

Subject to a minor amendment, the minutes and synopsis of the meeting held on 23 April were **FOT APPROVED** as a true and accurate record of the meeting.

**4. Action Log**

The updates on actions outlined within the action log were **NOTED** by the Board. It was reported that all actions were either closed or had deadlines allocated.

**5. Financials, Performance and Investments**

**5.2 Chief Executive's Report**

The Board 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 Board.

A full update was provided by the CEO and members of the Executive Team on areas across the business. This focused on Nest's response to Covid-19 epidemic across a number of areas, including:

- i. Scheme Operations and Nest's ability to continue to provide a high-level service to its customers;
- ii. The ongoing procurement of the new Scheme Administration contract;
- iii. Customer engagement and communications;
- iv. Regulatory changes and environment; and
- v. Nest staff and broader Nest Corporation matters, including financials.

### 5.3 Corporate Reporting Pack

Board Members discussed the Corporate Reporting Pack for the quarter ending 31 March 2020, which had been circulated for awareness, though the information contained within the report and the reporting period did not consider the impact of Covid-19. The report was **NOTED** by the Board.

### 5.4 Chief Investment Officer's Report

Mark Fawcett introduced the Chief Investment Officer's report, which provided an overview of the work of the investment team and investment performance during the last quarter. The report was **NOTED** by the Board.

## 6. Principal Matters for Decision

### 6.1 Charge Levels for Transfers

The Director of Customer Engagement introduced the report, which sought approval from the Board to maintain current levels of charges for transfers. The report was **NOTED** by Board Members.

Following further discussion, the Board **RESOLVED** to **APPROVE**:

- i. The maintenance of transfer charges at a 0.3% Annual Management Charge and zero contribution charge for transfers into the Scheme;
- ii. The retention of the current minimum transfer value at £50; and
- iii. The decision to review charge levels for transfers at least annually.

### 6.2 Modern Slavery Act Statement

The General Counsel and Corporate Secretary provided the Board with an overview of the report, which requested Board approval for the Modern Slavery Act ('MSA') Statement. The report had been discussed at the Audit Committee meeting on 19 March 2020. The report was **NOTED** by the Board.

Subject to one minor change, the Board **RESOLVED** to **APPROVE** the Nest Modern Slavery Act Statement covering the period 1 April 2019 to 31 March 2020.

## 13. Regulatory Landscape/ Corporate Governance

### 13.1 Committee Memberships

The Deputy Corporate introduced the report, which sought Board approval for the appointment of Chris Hitchen as a member of the Risk Committee. The report was **NOTED** by the Board.

Following discussion, the Board **RESOLVED** to **APPROVE** the appointment of Chris Hitchen as a member of the Nest Risk Committee with effect from 28 May 2020.

### 13.2 Board Effectiveness Review

The Chair opened the discussion on the results of the 2019 internal Board and Committee effectiveness review, which had been led by the Corporate Secretariat team and discussed in detail by the Nominations and Remuneration Committee. The report was **NOTED** by the Board.

The Deputy Corporate Secretary noted that overall, the scores across the Board and Committees were strong and there were no specific areas for concern, with the scores not deviating from the 2018 scores significantly, and the results appeared to show that the governance framework was operating effectively.

Ron Jarman, Chair of the Nominations and Remuneration Committee noted that the Committee had discussed the results in detail and agreed the proposed recommendations as set out within the report. Board Members discussed the recommendation relating to Board diversity and noted that this was a matter of high priority.

### 13.3 Nest Invest Ltd. Articles of Association and Company Secretary

The General Counsel and Corporate Secretary introduced the report, which sought approval for some changes to the Articles of Association for Nest's wholly owned investment subsidiary; Nest Invest Ltd. NH highlighted that approval was also sought to appoint a Company Secretary to Nest Invest. The report was **NOTED** by the Board.

Following Board discussion, the Board **RESOLVED** to **APPROVE**:

- i. The amended Articles of Association for Nest Invest Ltd.; and
- ii. The appointment of Faye O'Toole as Company Secretary of Nest Invest Ltd.

## 14. Statutory and External Reporting

### 14.1 Annual Report and Accounts Review

The Chief Financial Officer introduced the report, which provided the Board with an update on the production of the Annual Report and Accounts for both Nest Corporation and the Nest Scheme. It was reported that drafts of both reports had been provided for Board review, and these would be submitted for formal approval at the Board meeting on 25 June 2020. The reports were **NOTED** by Board Members.

The final version of the reports would be discussed at the Audit Committee on 11 June 2020 and formal recommendations made to the Board on 25 June 2020. Board Members noted that the process had been significantly improved this year and thanked the team for their work in producing the reports.

## 15. Committee Reports

### 15.1 Audit Committee

Clive Elphick, as Chair of the Audit Committee, provided an oral report on the meeting of the Committee held on 6<sup>th</sup> May 2020. It was reported that this meeting had largely focused on the review and oversight of the Annual Report and Accounts production.

### 15.2 Risk Committee

Martin Turner, as Chair of the Risk Committee, provided an oral report on the meeting of the Committee held on 6<sup>th</sup> May 2020.

### 15.3 Nominations and Remuneration Committee

Ron Jarman, as Chair of the Nominations and Remuneration Committee, provided an oral report on the meeting of the Committee held on 19<sup>th</sup> May 2020.

**15.4 Determinations Committee**

Jill Youds, as Chair of the Determinations Committee, provided an oral report on the meeting of the Committee held on the 13<sup>th</sup> May 2020.

**16. Meeting Effectiveness**

Board Members discussed the effectiveness of the meeting.

**17. 2020 Board Calendar**

The calendar of Board items was **NOTED**.

**18. Any Other Business**

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

**19. Date of Next Meeting**

It was reported that the next Board meeting was scheduled for 25 June 2020.

Nest Corporation	
SYNOPSIS GOVERNING BODY ('BOARD') MEETING	
Date:	Thursday 25 June 2020
Venue:	Teleconference

**Present:**

Otto Thoresen, Nest Chair (via phone)  
 Ian Armfield, Board Member (via phone)  
 Karen Cham, Board Member (items 1 – 6.2 only) (via phone)  
 Chris Hitchen, Board Member (items 1 – 8 and 15 only) (via phone)  
 Ron Jarman, Board Member (via phone)  
 Richard Lockwood, Board Member and Chief Financial Officer (via phone)  
 Mutaz Qubbaj, Board Member (items 1 – 7 and 15 only) (via phone)  
 Martin Turner, Board Member (via phone)  
 Jill Youds, Board Member (via phone)

**In attendance:**

Director of Finance (item 6.1 and 6.2 only) (via phone)  
 Dan Davis, Chief Risk Officer (via phone)  
 Senior Creative Production Manager (item 6.1 and 6.2 only) (via phone)  
 Mark Fawcett, Chief Investment Officer (item 1 - 5 only) (via phone)  
 Senior Account Manager (item 8.1 only) (via phone)  
 Neville Howe, General Counsel and Corporate Secretary (via phone)  
 Director of Compliance (item 6.3 only) (via phone)  
 Head of Financial Planning and Analysis (item 6.4 only) (via phone)  
 Responsible Investment Manager (item 5.2ii only) (via phone)  
 Head of Financial Reporting (item 6.1 and 6.2 only) (via phone)  
 Deputy Corporate Secretary (via phone)  
 Director of Customer Engagement (item 8.1 and part of 5.1 only) (via phone)  
 Will Sandbrook, Nest Insight and Strategy Director (via phone)  
 Head of Responsible Investment (item 5.2ii only) (via phone)  
 Director of Investment Development and Delivery (item 5.2 only) (via phone)

**CLOSED SESSION**

The Board held a closed session.

**1. Apologies for Absence**

The Chair opened the meeting and noted that apologies had been received from Clive Elphick and Helen Dean. There were also a number of Board Members who would leave before the end of the meeting.

**2. Declarations of interest**

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

**3. Minutes and Synopsis of Previous Board Meetings**

Following Board discussion, the minutes and synopsis of the Board meeting held 28 May 2020 were **APPROVED** as a true and accurate record of the meeting.

**4. Action Log**

The updates on actions outlined within the action log were **NOTED** by the Board. It was reported that all actions were either closed or had deadlines allocated.

**5. Financials, Performance and Investments**

**5.1 Chief Executive's Report**

The Board discussed the CEO's report, which provided an overview of developments since the last meeting. In the absence of Helen Dean, Chief Executive Officer, Richard Lockwood, Chief

Financial Officer introduced the report and provided a summary of key points, including in relation to Nest's response to the Covid-19 situation. The report was **NOTED** by the Board.

A full update was provided by members of the Executive Team on areas across the business. This focused on a number of areas, including:

- i. Scheme Operations and Nest's ability to continue to provide a high-level service to its customers;
- ii. The ongoing procurement of the new Scheme Administration contract;
- iii. Customer engagement and communications;
- iv. The Black Lives Matter movement and Nest's Diversity strategy; and
- v. Nest staff and broader Nest Corporation matters, including financials.

## **5.2(i) Annual Investment Report**

The Chief Investment Officer introduced the annual investment report, which provided the Board with an overview of the past year's investment activity and performance of markets and Nest funds; the current portfolios position; and the investment outlook and planned investment approach. The report was **NOTED** by the Board.

## **5.2 (ii) Responsible Investment**

Board Members discussed climate related risks. The management of these risks and opportunities had been an important part of Nest's responsible investment work since 2016 and Board Members discussed the work underway to strengthen Nest's approach in this area. The report was **NOTED** by the Board.

## **6. Principal Matters for Decision**

### **6.1 Nest Corporation Annual Report and Accounts and Letter of Representation**

The Chief Financial Officer introduced the Annual Report and Accounts for Nest Corporation ('CARA') for 2019/20, as well as the associated Letter of Representation. It was reported that the document had been reviewed on a number of occasions by the Audit Committee. The report was **NOTED** by the Board.

Following discussion, the Board **RESOLVED** to **APPROVE**:

- i. the Nest Corporation Annual Report and Accounts for 2019/20; and
- i. the Nest Corporation Letter of Representation for 2019/20, and the delegation to the Nest Chief Executive Officer to sign this; and
- i. the delegation to the Chief Financial Officer to finalise any typographical changes to finalise the report to print.

### **6.2 Nest Scheme Annual Report and Accounts and Letter of Representation**

The Chief Financial Officer introduced the Annual Report and Accounts for the Nest Scheme ('SARA') for 2019/20, as well as the associated Letter of Representation. It was reported that the document had been reviewed on a number of occasions by the Audit Committee. The report was **NOTED** by the Board.

Following discussion, the Board **RESOLVED** to **APPROVE**:

- ii. the Nest Scheme Annual Report and Accounts for 2019/20;
- iii. the Nest Scheme Letter of Representation for 2019/20, and the delegation to the Nest Chair to sign this; and
- ii. the delegation to the Chief Financial Officer to finalise any typographical changes to finalise the SARA to print.

The Chair thanked the team for their hard work in preparing such high-quality documents, particularly given the challenges posed by lockdown.

### 6.3 Nest AAF 02/07 Report 2019/ 20

The Director of Compliance introduced the report, which sought Board approval for the 2019/20 AAF 02/07 report and associated Letter of Representation. The report was **NOTED** by the Board.

It was noted that the report had been reviewed in detail by the Audit Committee and it had been agreed that this would be recommended for approval at the meeting on 24 June 2020.

Following discussion, the Board **RESOLVED** to **APPROVE**:

- i. the AAF 02/07 report for 2019/20, and the delegation to the Nest Chair to sign this;
- ii. the associated Letter of Representation and the delegation to the Nest Chief Executive Officer to sign this; and
- iii. the publication of a short form report which excluded the full detailed control section.

The Chair thanked the Director of Compliance and the team for their work in producing the report.

### 6.4 Master Trust Supervision: Business Plan and Continuity Strategy

The Head of Financial Planning and Analysis introduced the report, which sought approval for the Business Plan and Continuity Strategy and had been produced in line with the Master Trust Supervision ('MTS') regulations. It was noted that under the new regulations, Nest was required to submit these documents to The Pensions Regulator ('TPR') on an annual basis. The report was **NOTED** by the Board.

Subject to some minor drafting error amendments, the Board **RESOLVED** to **APPROVE**:

- i. the Business Plan and addendums;
- ii. the Continuity Strategy; and
- iii. the submission of both documents to The Pensions Regulator.

The Chair thanked the Head of Financial Planning and Analysis for the work completed to produce the documents.

## 7. Stakeholders

### 7.1 Nest Insight Annual Report

The Nest Insight and Strategy Director provided the Board with an overview of the work completed by the Nest Insight unit during 2020. It was reported that the Board had last received an update in January 2020 and in the five months since, the team had continued to advance the research work, events and communication programme, though the more recent months had been dominated by Covid-19: both considering its impacts on planned activity, and also seeking to understand how the pandemic was affecting Nest members' financial security. The report was **NOTED** by the Board.

## 8. Customers

### 8.1 Nest Connector Report

Nest's Senior Account Manager introduced the report, which sought to provide Board Members with an overview of Nest Connectors, including who they were and how many existed; what their needs were and how Nest addressed these; and how this group had been impacted by the Covid-19 pandemic. It was reported that Connectors were a key part of Nest's strategy and in the onboarding of new employers. The report was **NOTED** by the Board.

Board Members noted that the report had been extremely beneficial in understanding the interactions between Nest's Connectors and Employers and thanked the team for facilitating the discussion.

## 15. Committee Reports



**15.1 Audit Committee**

In the absence of Clive Elphick, Chair of the Audit Committee, Ian Armfield provided an overview of the 11 June 2020 Committee meeting. The minutes were **NOTED** by the Board.

**15.2 Investment Committee**

Chris Hitchen, as Chair of the Investment Committee, provided an overview of the discussions and decisions of the Investment Committee at the meeting on 29 May 2020.

**15.3 Nominations and Remuneration Committee**

Ron Jarman, as Chair of the Nominations and Remuneration Committee, provided overview of the discussions and decisions at the Committee meeting held on 16 June 2020, which had focused on the CEO performance review, the triennial Board effectiveness review and the Nest wellbeing strategy.

**15.4 Determinations Committee**

Jill Youds, as Chair of the Determinations Committee, provided an overview of the stage two cases reviewed at the meeting of the Committee held on the 9 June 2020. The minutes of the meeting were **NOTED** by the Board.

**16. Meeting Effectiveness**

Board Members discussed the effectiveness of the meeting.

**17. 2020 Board Calendar**

The calendar of Board items was **NOTED**.

**18. Any Other Business**

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

**19. Date of Next Meeting**

It was reported that the next Board meeting was scheduled for 23 July 2020.

Nest Corporation	
SYNOPSIS GOVERNING BODY ('BOARD') MEETING	
Date:	Thursday 23 July 2020
Venue:	Teleconference

**Present:**

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

**In attendance:**

Director of Strategy (item 5.1 and 7.2 only) (via phone)  
 Director of Scheme Operations (via phone)  
 Dan Davis, Chief Risk Officer (via phone)  
 Director of Business Development (item 7.1 only) (via phone)  
 Mark Fawcett, Chief Investment Officer (via phone)  
 Jamie Goodfellow, Chair of the Employers' Panel (Item 8 only) (via phone)  
 Neville Howe, General Counsel and Corporate Secretary (via phone)  
 Deputy Corporate Secretary (via phone)  
 Director of Business Delivery (item 7.1 only) (via phone)  
 Director of Customer Engagement (via phone)  
 Will Sandbrook, Nest Insight and Strategy Director (items 1-5 only) (via phone)  
 Pete Searle, DWP (item 6.1 onwards only) (via phone)  
 Nigel Stanley, Chair of the Members' Panel (item 8 only) (via phone)  
 Senior Strategy Advisor (item 5.1 and 7.1 only) (via phone)  
 Government Partnership (item 7.2 only) (via phone)

**CLOSED SESSION**

The Board held a closed session.

**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**

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

**3. Minutes and Synopsis of Previous Board Meetings**

Following Board discussion, the minutes and synopsis of the Board meeting held 25 June 2020 were **APPROVED** as a true and accurate record of the meeting.

**4. Action Log**

The updates on actions outlined within the action log were **NOTED** by the Board. It was reported that all actions were either closed or had deadlines allocated.

**5. Strategy**

**5.1 Strategy Overview and Update**

The Director of Strategy introduced the report, which provided an overview of the proposed approach to Nest's 'strategy reset' discussion with the Board, planned for January 2021. It was

noted that the aim of the paper was to surface the strategic questions in the context of a number of ongoing strategic initiatives and the significantly different operating environment for Nest – including due to Covid-19. The paper was **NOTED** by the Board.

## **6 Financials, Performance and Investment**

### **6.1 Chief Executive's Report**

*Pete Searle joined the meeting.*

The Board 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, including in relation to Nest's response to the Covid-19 situation. The report was **NOTED** by the Board.

Board Members discussed the report. This focused on a number of areas, including:

- i. Scheme Operations and Nest's ability to continue to provide a high-level service to its customers;
- ii. The ongoing procurement of the new Scheme Administration contract;
- iii. The Governments Comprehensive Spending Review;
- iv. Nest and outsourced staff and the impact of Covid-19; and
- v. Broader Nest Corporation matters, including financials.

### **6.2 Corporate Reporting Pack**

The Chief Financial Officer introduced the quarterly Corporate Reporting Pack for the period to June 2020. The report was **NOTED** by the Board.

Board Members discussed the management information provided. Board Members noted that the operational performance, despite the challenges of both Covid-19 and the related remote working, was extremely strong, though this would need to be kept under constant close review.

## **7.2 Corporate Plan**

The Director of Strategy introduced the report, which sought Board approval of the annual Corporate Plan, covering the period 2020-23. The Board were reminded that the plan sets out a public statement of Nest's three-year strategy. Publishing a Corporate Plan was a requirement of being a Public Corporation and was outlined within the Framework Agreement with the Department for Work and Pensions. The report was **NOTED** by the Board.

Following discussion, the Board **RESOLVED** to **APPROVE** the delegation the Chair and Chief Executive Officer to approve the final version of the Corporate Plan for publication in September 2020.

## **8. Stakeholders**

### **8.1 Members' Panel Annual Report**

*Nigel Stanley and Jamie Goodfellow joined the meeting.*

The Deputy Corporate Secretary introduced the Panel Chairs and provided the Board with a reminder on the role of the Panels. It was noted that The Pensions Act 2008 contained a provision that Nest must establish two Panels – one to represent members, and one to represent participating employers. The function of the Panels was set out in the Nest Order and their key role was to represent the views and needs of the members and employers, and to provide assurance and advice to Nest in general, and to the Board specifically. The Deputy Corporate Secretary highlighted that the Panels, and therefore the annual reports, were deliberately independent to Nest in order to provide appropriate challenge and the views of the members and employers on a wide range of topics. The report from the Members' Panel was **NOTED** by the Board.

Nigel Stanley provided an overview of the report. It was noted that the Nest Order contained an obligation for the Members' Panel to provide such a report on an annual basis, on the extent to which Nest had taken into account the views of members of the Scheme and the views of the Panel, when Nest made decisions about the operation, development or amendment of the Scheme.

The Chair of the Panel noted that Panel Members were happy to report once again that they considered that Nest had carried out its duties to act in the member interest and to take account of the views of the Members' Panel and Panel Members had been particularly impressed with Nest's response to the Covid-19 pandemic, which had hugely exceeded expectations. It was noted that though the longer term impacts on Nest's membership were not yet clear, the Panel continued to stress the importance of the state pension in auto-enrolment in order to provide a firm foundation for retirement income; and secondly, restated a call for a Pensions Commission which could advise Government and build consensus.

Board Members discussed the report and the Nest Chair noted that this was extremely helpful and reflected the strong relationship between Nest and the Panels.

In response to a query on the Pensions Dashboard, Nigel Stanley noted that the use of the dashboard as a tool to educate on economics was unclear, but it was positive that there would be more readily available information and default pathways to retirement. It would be important that the dashboard was designed to ensure that it was aimed at the right level for the audience.

## 8.2 Employers' Panel Annual Report

Jamie Goodfellow introduced the Employers' Panel Annual Report, which was **NOTED** by the Board. It was reported that the Employers' Panel did not have the same obligation as the Members' Panel to produce an annual report, but when the Panels were established in 2010, it was agreed that a similar report would also be produced as it was extremely useful to gain the views of both Panels.

JG noted that the Panel had continued to evolve through the year and the relationship with Nest and the customer experience team in particular, continued to strengthen. Jamie Goodfellow thanked the Customer Experience team and the Corporate Secretariat team for their support during the year. It was noted that with the continued focus from Nest on the customer journey, an efficient and easy to use service, and promoting engagement, the role of the Panels was more important than ever.

It was noted that the Panel would be closely monitoring the effect of Covid-19 on employers, and there had already been a significant impact. Panel Members had noted the importance of support during this time as a lot of organisations were dealing with furloughed staff and complex payroll and HR issues.

During the year, the Panel had considered and provided employer's perspectives on a number of different topics, including employer segmentation, communications to employers and intermediaries and Responsible Investment.

The Chair thanked both Panel Chairs for their excellent reports and presentations, and the work of the Panels during the year.

*Nigel Stanley and Jamie Goodfellow left the meeting.*

## 10. People

There were no specific updates for this item as this was covered under agenda item 6.1 and 6.2.

## 14. Committee Reports

**14.1 Audit Committee**

Clive Elphick provided an overview of the 24 June 2020 Committee meeting, which was focussed entirely on the approval of the Nest Corporation and Scheme Annual Report and Accounts, as well as the AAF 02/07 Internal Controls Framework report. The minutes were **NOTED** by the Board.

**14.2 Nominations and Remuneration Committee**

Ron Jarman provided the Board with an overview of the Nominations and Remuneration Committee meeting on 15 July 2020, though this had largely been discussed within the Board closed session at the beginning of the meeting. The minutes were **NOTED** by the Board.

**14.3 Determinations Committee**

Jill Youds, as Chair of the Determinations Committee, provided an overview of the stage two case reviewed at the meeting of the Committee held on the 9 July 2020. The minutes of the meeting were **NOTED** by the Board.

**15. Meeting Effectiveness**

Board Members noted that it had been an effective meeting.

**16. Board Calendar and Forward Look**

The calendar of Board items was **NOTED**.

**17. Any Other Business**

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

**18. Date of Next Meeting**

It was reported that the next Board meeting was scheduled for 24 September 2020.

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

Board Members held an informal discussion with Pete Searle.

Nest Corporation	
SYNOPSIS GOVERNING BODY ('BOARD') MEETING	
Date:	Thursday 24 September 2020
Venue:	Teleconference

**Present:**

Otto Thoresen, Nest Chair (via phone)  
 Ian Armfield, Board Member (via phone)  
 Karen Cham, Board Member (via phone)  
 Helen Dean, Board Member and Chief Executive Officer (via phone)  
 Chris Hitchen, Board Member (via phone)  
 Clive Elphick, Board Member (via phone)  
 Ron Jarman, Board Member (via phone)  
 Richard Lockwood, Board Member and Chief Financial Officer (via phone)  
 Mutaz Qubbaj, Board Member (via phone)  
 Martin Turner, Board Member (via phone) (not present for items 7-10)  
 Jill Youds, Board Member (via phone)

**In attendance:**

Head of Financial Crime and Compliance Management (via phone) (item 8.1 only)  
 Director of Scheme Operations (via phone) (item 3.1 only)  
 Director of Finance (via phone) (item 4.1 only)  
 Assistant Director of Nest Insight (via phone) (item 6.1 only)  
 Dan Davis, Chief Risk Officer (via phone)  
 Neville Howe, General Counsel and Corporate Secretary (via phone)  
 Deputy Corporate Secretary (via phone)  
 Will Sandbrook, Nest Insight and Strategy Director (via phone) (items 1-4 and 6.1 only)

**CLOSED SESSION**

The Board held a closed session to discuss the agenda and papers for the day.

**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**

The Chair reported that he had been asked to become an ambassador for Money Advice Trust. This was not a formal external appointment which required approval by the Department for Work and Pensions. Following enquiry from the Chair, there were no other new declarations of interest.

**3. Financials, Performance and Investment**

**3.1 Chief Executive's Report**

The Board discussed the CEO's report, which provided an overview of developments since the last meeting. HD introduced the report and provided a summary of key points, including in relation to Nest's response to the Covid-19 situation. The report was **NOTED** by the Board.

A full update was provided by members of the Executive Team on areas across the business. This focused on a number of areas, including:

- i. Scheme Operations and Nest's ability to continue to provide a high-level service to its customers;
- ii. Nest and outsourced staff wellbeing;
- iii. The ongoing procurement of the new Scheme Administration contract;
- iv. Customer engagement and communications;
- v. Key ongoing strategic initiatives; and
- vi. Recent communications with the Department for Work and Pensions.

#### **4. Business Planning**

##### **4.1 Business Planning Process Update**

The Chief Financial Officer introduced the report, which provided an overview of the proposed process to produce the three-year business plan for 2021-24, to be submitted for approval to the Board in March 2021. The report was **NOTED** by the Board.

The Chief Financial Officer provided an overview of the report for Board Members. It was noted that the report sought to provide an update on the high-level strategic assumptions which were informing the business planning and highlight any issues and uncertainties. It was noted that the Annual Report and Accounts contained a robust Going Concern statement and the team were building on the work completed for this assessment.

#### **6. Stakeholders/ Customers**

##### **6.1 Nest Insight: Cross-industry data sharing initiatives**

The Assistant Director of Nest Insight introduced the report, which provided the Board with an update on a number of initiatives by the Nest Insight team to create or contribute to data sets which would cover aspects of members' financial behaviours, over and above their experience of Nest. This was likely to ultimately have a significant impact on a range of policy and industry challenges, as well as having huge value for the research community. The report was **NOTED** by the Board.

#### **7. Committee Reports**

##### **7.1 Audit Committee**

Clive Elphick provided an overview of the 15 September 2020 Audit Committee meeting. The minutes would be submitted to the Board at the October 2020 meeting for information.

##### **7.2 Risk Committee**

In the absence of Martin Turner, Clive Elphick provided an overview of the 15 September 2020 Committee meeting. The minutes would be submitted to the Board at the October 2020 meeting for information.

##### **7.3 Investment Committee**

Chris Hitchen provided an overview of the 23 September 2020 Committee meeting. The minutes would be submitted to the Board at the October 2020 meeting for information.

##### **7.4 Nominations and Remuneration Committee**

Ron Jarman provided the Board with an overview of the Nominations and Remuneration Committee meeting on 8 September 2020. The minutes would be submitted to the Board at the October 2020 meeting for information.

##### **7.5 Determinations Committee**

Jill Youds, as Chair of the Determinations Committee, provided an overview of the stage two case reviewed at the meeting of the Committee held on the 16 September 2020. The minutes would be submitted to the Board at the October 2020 meeting for information.

#### **8. Any Other Business**

##### **8.1 Personal Accounts Dealing Policy**

The Head of Financial Crime and Compliance Management introduced the paper, which had been requested by the Audit Committee at the meeting on 15 September 2020 in order to provide Board oversight and understanding of the recent changes to the Personal Account Dealing Policy, and the subsequent impact on the Board returns. The report was **NOTED** by the Board.

Board Members thanked the Head of Financial Crime and Compliance Management for the update and the Chair noted that the approach was proportionate to the risk.

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

**9. Meeting Effectiveness**

Board Members noted that the meeting had been effective.

**10. Date of Next Meeting**

It was reported that the next Board meeting was scheduled for 21 October 2020.

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



Date: **Thursday 26 November 2020**

Venue: **Teleconference**

**Present:**

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

**In attendance:**

Director of Scheme Operations (via phone) (item 6.1 only)  
 Dan Davis, Chief Risk Officer (via phone)  
 Mark Fawcett, Chief Investment Officer (via phone) (item 6.1 – 17 only)  
 Commercial and Delivery Director (via phone) (item 5.1 only)  
 EY External Support (via phone) (item 5.1 only)  
 Neville Howe, General Counsel and Corporate Secretary (via phone)  
 Deputy Corporate Secretary (via phone)  
 Gavin Perera-Betts, MD Nest Experience (via phone) (item 5.1 – 6.2 only)  
 Director of Commercial Outsourcing (via phone) (item 5.1 only)  
 Head of Internal Audit – EY (via phone) (item 5.1 only)

**CLOSED SESSION**

The Board held a closed session and discussed the items set out within the agenda of the 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**

Helen Dean, Richard Lockwood and Neville Howe declared a conflict with agenda item 5.1 as they had been involved with the process and recommendation relating to the Scheme Administrator contract and preferred bidder. Board Members noted the conflict and agreed that no action was required.

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

**3. Minutes and Synopsis of Previous Board Meetings**

Board Members noted the minutes and synopsis documents from the July, August, September and October 2020 meetings and **AGREED** that comments would be provided offline and the Chair would approve the final versions.

**4. Action Log**

The updates on actions outlined within the action log were **NOTED** by the Board. It was reported that all actions were either closed or had deadlines allocated.

**5. Customer/ Strategy**

**5.1 Scheme Administration Contract Award**

Following further discussion, the Board **RESOLVED** to **APPROVE** the recommendation of the preferred bidder, who would hereby be awarded the final and formal contract for Nest's new Scheme Administration services contract.

Board Members thanked the team for their work and commended the strength of the process and work undertaken.

## **6. Financials, Performance and Investment**

### **6.1 Chief Executive's Report**

The Board 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, including in relation to Nest's response to the Covid-19 situation. The report was **NOTED** by the Board.

Board Members discussed the report. This focused on a number of areas, including:

- i. Scheme Operations and Nest's ability to continue to provide a high-level service to its customers in the current Covid-19 pandemic;
- ii. The Business Planning process which would be submitted to the Board for approval in quarter one 2021;
- iii. Investment performance and the impact of the US Election outcome and Covid-19 vaccination news;
- iv. Nest and outsourced staff wellbeing and the impact of Covid-19; and
- v. Broader Nest Corporation matters, including financials.

### **6.2 Corporate Reporting Pack**

The Chief Financial Officer introduced the quarterly Corporate Reporting Pack for the period to September 2020. The report was **NOTED** by the Board.

Board Members discussed the management information provided. Board Members noted that the operational performance, despite the challenges of both Covid-19 and the related remote working, continued to be extremely strong.

### **6.3 Credit Rating**

The Chief Financial Officer introduced the report, which provided the Board with a summary of the impacts of Nest's recent credit rating review. The report was **NOTED** by the Board.

## **7. Risk Management and Internal Controls**

### **7.1 Risk Management Framework**

The Chief Risk Officer introduced the report and noted that the annual review of the Risk Management Framework had been completed and the Board were asked to approve the updated version. The report was **NOTED** by the Board.

The Chief Risk Officer provided the Board with an overview of the proposed changes, which were not material following a substantial review being undertaken in 2019. It was reported that the proposed amendments reflected refinements of the framework based on feedback from the organisation when embedding the risk appetite and the document had been discussed in detail at the Nest Risk Committee in September 2020.

Following discussion, the Board **RESOLVED** to **APPROVE** the Risk Management Framework V9.0.4 with effect from 26 November 2020.

### **7.2 Risk Appetite**

The Chief Risk Officer provided the Board with an overview of the Risk Appetite Statement, which was recommended to the Board for approval. The report was **NOTED** by the Board.

It was reported that following the annual review of the Risk Appetite Statement, including the categories and Key Risk Indicators ('KRIs') it was recommended that this still represented Nest's appetite and no changes were proposed. DD reported that following the full review of the statement in 2019, work was ongoing to fully embed this into the organisation and decision making at all levels.

Following discussion, the Board **RESOLVED** to **APPROVE** the Risk Appetite with effect from 26 November 2020.

### 7.3 Principal Risk Annual Review

Board Members were provided with a summary of the output of the annual review of Nest's Principal Risks. The Chief Risk Officer reported that the Principal Risks remained materially unchanged and following the annual review, the Enterprise Risk Team had concluded that they remained appropriate, fit for purpose, and reflected the risks facing Nest. The report was **NOTED** by the Board.

Following further discussion, the Board **RESOLVED** to **APPROVE** the Nest Principal Risks with effect from 26 November 2020. However, it was agreed that the Principal Risks would be reviewed ahead of the detailed review to be undertaken in 2021, to ensure these reflected the decision on the new Scheme Administration contract award.

## 8. Regulatory Landscape/ Corporate Governance

### 8.1 Scheme of Reserved Matters and Delegations

The Deputy Corporate Secretary introduced the report, which requested Board approval for changes proposed to the Scheme of Reserved Matters and Delegations. It was noted that the document had been discussed and was recommended by the Nominations and Remuneration Committee. The report was **NOTED** by the Board.

Subject to some minor changes being incorporated, the Board **RESOLVED** to **APPROVE** the Scheme of Reserved Matters and Delegations V11 with effect from 26 November 2020.

## 13. Committee Reports

### 13.1 Investment Committee

Chris Hitchen provided a summary of the key discussion points and decisions at the Investment Committee meeting held on 25 November 2020. It was reported that there were a number of projects underway which would ultimately be submitted to the Board for approval.

### 13.2 Nominations and Remuneration Committee

Ron Jarman provided the Board with an overview of the Nominations and Remuneration Committee meeting on 25 November 2020. It was noted that the focus of the meeting had primarily been on the outcome of the annual Board skills and experience gap analysis and subsequent recommendations around Board training, succession planning and recruitment.

### 13.3 Determinations Committee

Jill Youds, as Chair of the Determinations Committee, provided an overview of the stage two cases reviewed at the meeting of the Committee held on the 11 November 2020. The minutes of the meeting were **NOTED** by the Board. Board Members were reminded that the December 2020 meeting of the Committee would be the final meeting following the Board decision in October 2020 that the Committee would be disbanded.

**14. Meeting Effectiveness**

Board Members noted that it had been an effective meeting.

**15. Board and Committee Calendars**

The calendar of Board and Committee items for 2021 was **NOTED**.

**16. Any Other Business**

The Chair provided the Board with a summary of the Chair and Committee Chair meeting which had taken place in October 2020.

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

**17. Date of Next Meeting**

It was reported that the next Board meeting was scheduled for 26 January 2021.

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