

Nest Corporation Members' Panel

Terms of Reference



1. Statutory Obligations

The Members' Panel is a Panel set up by the Nest Corporation ("Corporation") to which it shall regularly report. It is set up under the Pensions Act 2008, the Nest Order 2010 (as amended) and the Nest Rules to ensure a voice for the members of Nest.

2. Role and Purpose

The primary role of the Members' Panel is to:

- Provide an advisory role to Nest Corporation on the operation, development or amendment of the scheme and represent the views of Nest's members in doing so, and;
- Provide an independent annual view on the extent to which the trustee has taken into account the views of scheme members and of the Panel when making decisions about the operation, development and amendment of the scheme.

3. Functions

The functions of the Panel will be to:

- 3.1 Provide advice and comment as required on matters brought to the Panel by Nest on the operation, development or amendment of the scheme by e.g., considering Nest's strategy, priorities and forward look; and through reviewing and questioning the corporate and complaints dashboards at each meeting;
- 3.2 Seek to identify issues connected to the operation, development or amendment of the scheme, affecting Nest's current and potential members, both collectively as a Panel and individually as members, with particular reference to the areas where they have particular knowledge or expertise, and where appropriate communicate them to the Board and/or external audiences e.g. via the key messages to the Corporation, formal consultations or the annual report;
- 3.3 Offer comment, as appropriate, on consultations and research undertaken by Nest;
- 3.4 Be consulted on any proposed changes to the Statement of Investment Principles;
- 3.5 Be consulted on any changes to the Nest Rules proposed by Nest, and be consulted before Nest provides its consent to any changes to the Nest Order, as proposed by the Secretary of State for Work and Pensions;
- 3.6 Be consulted on (1) any changes proposed by Nest to the level of charges deducted from Nest members' pots to contribute to the general costs of setting up, administration and management of

the scheme and (2) any further deductions from member pension accounts (or changes to such) that Nest proposes to make meet the costs of providing a service;

3.7 Prepare and publish an independent annual report, in each financial year, of the Panel's activities on the extent to which the Board has taken into account the views of members of the Scheme and the views of the Members' Panel, when the Trustee makes decisions about the operation, development or amendment of the Scheme. The report will be submitted to the Board prior to it being sent to the Secretary of State and published on the public area website; in line with the requirements set out in the Nest Order 2010, and;

3.8 Adhere to the principles set out in the Memorandum of Understanding between the Panel Chairs, and the Chair and CEO of Nest. A copy of the Memorandum of Understanding will be issued to all Panel members on appointment and whenever it is amended or updated.

After the initial period, the Panel should:

3.9 Be consulted on any subsequent methods for calculating¹ how to make deductions from members accounts (i.e. the charge structure) proposed by Nest.

3.10 Participate in the process for the appointment of the Board Chair and Board Members by:

- Being consulted by Nest Corporation in respect of any job description or selection criteria that the corporation proposes to use;
- Nominating one of its members to participate in any meeting or other discussion that is to be held by the corporation with respect to the creation of a shortlist of candidates, and in any interview of any candidate.

3.11 Nest will supply the nominated Panel Member with a copy of any documents that Nest is to consider when it decides who should be included in the shortlist, or who should be appointed, and will take into account any views expressed by that member before it makes a decision.

4. Membership, Quorum, Attendance, Procedures

4.1 The Panel and the Chair will be appointed (reappointed) by the Nominations and Remuneration Committee and shall consist of up to twelve Members at any time (some of which should be actual members of the Nest pension scheme)

4.2 The Panel will meet quarterly. Apologies for absence shall be given in advance to the Secretariat. Individuals who are unable to attend are invited to raise any points with the Chair in advance of the meeting.

4.3 The quorum for a meeting is **four** Panel Members, including the Chair. In the absence of the Chair the remaining members shall elect one of their number to Chair a meeting.

4.4 The Corporate Secretary or his/her nominee shall act as Secretary to the Panel and will ensure papers are circulated in a timely manner to enable full and proper consideration to be given to the issues. A formal minute will be taken of all Panel meetings, including the names of those present and in attendance. Once approved by the Chair of the Panel, the minutes of each Panel meeting

¹ The Secretary of State must determine the method of calculating how to make deductions during an initial period and for how long the initial period applies. Once the initial period ends, Nest Corporation determines subsequent methods of calculating how to make deductions.

will be circulated to Panel Members. Service standards for the Panel will be the same as other Nest Committees as set out in the Panels Handbook.

- 4.5 The key messages from each meeting will be submitted directly to Nest Corporation for noting by the Accountable Executive who will report back to the Panel on any outcome from that reporting. At the request of the Nest Board, the Panel Chair or a Panel Member may be called to give a report to the Nest Board.
- 4.6 Where the Panel identifies areas for discussion these should be raised with the Panel Chair in the first instance and then the Corporate Secretary and Accountable Executive of the Panels; and progression to the Nest Board if dissatisfied with the action taken.
- 4.7 Board Members can propose items for inclusion on a Panel meeting agenda, this will be discussed and agreed with the Panel Chair.
- 4.8 A Panel Member may call for a vote. Where necessary, voting will be by a show of hands and in any equality of voting the Chair of each meeting shall have the casting vote. A full record of voting will be included in the Minutes of that meeting.
- 4.9 The Panel will determine whether a potential conflict of interest raised by a Panel Member precludes that Panel Member from participating in a discussion on a particular topic. The Panel must resolve unanimously that a conflict may be disregarded. Conflicts will be documented and reviewed regularly.
- 4.10 The Panel should at least annually, discuss its own effectiveness and review its terms of reference and recommend any changes to the Nominations and Remuneration Committee for approval.
- 4.11 The Panel Chair will attend the Four Way meeting, at least once a year, with the Chair of Nest Corporation, the Chief Executive Officer and Chair of the Panels.

Version:	Recommended by:	Approved by:	Effective from:
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