General Counsel

Nest Corporation Customer Committee

Terms of Reference

The Board of Nest Corporation ('Nest') (hereinafter 'Board') executes the functions[1] set out in the Pensions Act 2008 and the Nest Order and Rules. It cannot delegate matters which set the strategic direction of the organisation, the overall accountability for the trust, decisions in respect of the distribution of trust assets, the setting of investment strategy and matters that are vital for the overall security of the scheme assets. It may however delegate processes such as research, the consideration of issues and making recommendations and the execution of approved decisions to competent persons.

The Customer Committee (the 'Committee') is a Committee of the Board of Nest Corporation, from which it derives its authority, and to which it shall regularly report. In line with Nest's fiduciary duty to act in the best interest of Nest's members, the primary role of the Committee is to provide oversight of the effectiveness of Nest's customer strategy and operations, including the journey and experience of customers. For the purposes of this Committee, the term 'customer' shall be defined as all users of the Nest pension scheme [and their representatives] and is inclusive of current and future: members, including both workplace and self-employed members; employers; and third party administrators using Nest's B2B web services and/ or using Nest Connect services. The Committee shall have oversight of Nest Corporation, the Nest Scheme and any subsidiary undertakings, as appropriate.

1. Role and Purpose

The Committee's role is:

- Monitor the effectiveness of the strategies, products and services in meeting the needs of each customer group to which they are delivered, and ensuring alignment with Nest's purpose.
- Provide oversight over the implementation of the customer strategy as agreed by the Nest Board.
- Receive and consider recommendations for the evolution of Nest's customer strategy, for recommendation to the Nest Board.
- Provide oversight and assurance that the services being provided represent value for Nest's customers and oversee Nest's delivery of good member outcomes.
- Monitor and receive appropriate assurance that Nest's customers are provided with services and experiences that help guide their decision making throughout their time with Nest.
- Provide oversight and assurance that Nest's customers are treated fairly and receive a good, inclusive service that take appropriate steps to support all customers, including those who are vulnerable.
- Monitor the impact to Nest's members of any significant regulatory changes.

[1] Not a defined term but generally understood to include powers and duties.

2. Responsibilities

This document sets out the specific responsibilities of the Committee, including the decision-making powers as well as oversight role.

Products and Services

2.1 REVIEW the development and implementation of Nest's customer strategy and RECOMMEND to the Nest Board any significant changes to Nest's customer proposition or strategy.

2.2 REVIEW reporting providing insight into Nest's customer needs, broken down into appropriate segmentation reporting.

2.3 REVIEW and monitor, through agreed KPIs, the effectiveness and appropriateness of Nest's end to end customer proposition, including, but not limited to: products available, customer journeys, and customer outcome objectives for each customer group.

2.4 REVIEW on a quarterly basis, the effectiveness and success of Nest's products and services via a report from the Managing Director of Nest Experience, to include: service performance reporting (SLA/SLO); CSAT measurement, broader voice of the customer data and regulatory horizon scanning to understand proposed changes and the customer impacts.

2.5 REVIEW and provide assurance to the Nest Risk Committee on the management of Nest's Principal Risk(s) relating to customer proposition and/ or service.

Price and Value

2.6 REVIEW and RECOMMEND to the Nest Board approval of the annual Value for Members assessment report, in line with requirements set out by The Pensions Regulator.

2.7 REVIEW at least annually competitor analysis; and broader strategic trend information, including technology, political, societal, adjacent industries, understanding this in the context of Nest's proposition and relevant internal targets and service levels.

2.8 REVIEW at least annually information relating to Nest's costs and charges in comparison to competitors.

Consumer Understanding, Consumer Support and Nest reputation

2.9 REVIEW information relating to Nest's provision of customer service and experience to help guide customers in their decision making, throughout their time with Nest.

2.10 REVIEW the effectiveness of Nest's brand strategy, and provide oversight of Nest's communication channels with customers.

2.11 REVIEW and receive assurance that the Executive and management have engaged in a sufficiently broad and considered research & insight programme in order to fully understand the needs of Nest's customers; including appropriate engagement with the Nest Panels to achieve this.

Miscellaneous

2.12 REVIEW any internal audit reports which relate to matters within the remit and authority of this Committee.

2.13 APPROVE any policies as required and set out in the Nest Policy Framework agreed by the Risk Committee.

2.14 REVIEW any other topic within the authority of the Committee which the Committee Members deem appropriate, and RECOMMEND Board oversight of any customer related topic, as required.

3. Membership, Quorum, Attendance, Procedures

3.1 The Committee will meet per a schedule agreed by the Committee Members. Apologies for absence shall be given in advance to the Corporate Secretariat. Individuals who are unable to attend are invited to raise any points with the Chair in advance of the meeting.

3.2 The quorum for the Committee is two Committee Members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. Meetings may be held via electronic means and attendance via video or teleconferencing shall be deemed to be attendance in person.

3.3 In the absence of the Committee Chair, the remaining Committee Members shall elect one of their number to chair the meeting.

3.4 Decisions will normally be reached by consensus, but any Committee Member may call for a vote. Where necessary, voting will be by a show of hands and in any equality of voting, the Committee Chair of the meeting shall have a casting vote. This will not apply at Committee meetings where only two Committee Members are present, where a consensus must be reached before a decision can be agreed.

3.5 All Board Members have attendance rights but have no voting rights unless they are a member of the Committee. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair. The Managing Director of Nest Experience, Chairs of both the Members' and Employers' Panels, and representatives of Nest's Scheme Administrator, shall be standing attendees of this Committee and will participate fully in all discussions, but will not have attendance or voting rights. The Committee may invite such other persons to attend its meetings, as it deems necessary.

3.6 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, shall be forwarded to each member of the Committee, any other person required to attend and all other Board Members, no later than five working days before the date of the meeting.

3.7 The Corporate Secretary of his/her nominee shall act as secretary to the meeting and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

4. General powers and duties

4.1 The Committee must ensure regular reporting back to the Board on matters within its remit, and should at least annually, review its terms of reference and recommend any changes to the Board for approval.

4.2 Nest Corporate Secretariat will produce a report on the Committee's activities to be included in the Nest Corporation and Nest Scheme Annual Report and Accounts.

4.3 The Committee may undertake any other task or activity which it considers is conducive to supporting the Board in the effective discharge of their duties.

4.4 The Committee shall make whatever recommendations to the Board as it deems may be appropriate within its remit where action or improvement is needed.

4.5 The Committee will have access to sufficient resources in order to carry out its duties, including access to the Corporate Secretary for assistance, as required. The Committee is authorised by the Board to obtain external legal or other professional advice in relation to any matters or responsibilities as set out in this terms of reference document.

4.6 The Committee may delegate to an individual Executive or a working group such of its delegated powers as it sees fit but must document these delegations.

4.7 The Committee may only enter into agreements relating to matters which have been reserved to them.

4.8 The Committee may set its own operating procedures and monitor the effectiveness of its processes in line with its terms of reference and may review and make recommendations to the Board on changes to its terms of reference.

4.9 The Committee will review and approve individual Nest policies as set out in the policy list and its terms of reference.

4.10 The Committee will determine whether a potential conflict of interest raised by a Committee Member precludes that Committee Member participating in a discussion or involvement in taking a decision on a particular topic. The Committee must resolve unanimously that a conflict may be disregarded (In the Pensions Act 2008, the relevant sections refer to "disqualification for acting, Schedule 1 paragraph 13(3) – 13(5). Conflicts will be documented and reviewed regularly.

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1	Corporate Secretariat/ Chief Customer Officer	Nest Corporation Board	**25 July 2024**