TERMS OF REFERENCE
PEOPLE & REMUNERATION COMMITTEE (PRC)

Committee:	People & Remuneration
Version date:	September 2026
Committee review date:	13 July 2026
Reviewed by:	Director of Governance and Assurance
Approved by:	Cobalt Board – 7 September 2026
Review date:	September 2029

1.0 Membership

1.1 The Committee will comprise 4-5 independent Non-Executive Directors, appointed by the Board based on skills, experience and diversity of perspective, in line with the NHF Code of Governance 2020.

1.2 To support resilience, the Board may appoint a reserve independent Non-Executive Director who may attend and participate when required to maintain quorum, or where conflicts, absence or urgent business would otherwise prevent effective operation. When acting in place of a substantive member, the reserve member will hold full voting rights.

1.3 All substantive members must be independent Non-Executive Directors. Executives cannot be members.

1.4 The Committee Chair will be appointed by the Board. The Board Chair may serve as a member but cannot chair the Committee.

1.5 The Board may appoint specialist co-optees, where additional technical expertise is required. Co-optees may participate fully in discussion but do not count toward quorum and do not hold voting rights.

1.6 The Chief Executive, Executive Director responsible for HR/People, and other officers may attend by invitation for relevant items.

1.7 The Company Secretary, or their nominee, acts as Secretary to the Committee.

2.0 Quorum

2.1 The Committee will be quorate with three independent Non-Executive Directors, attending in person, or via video conference.

2.2 The reserve independent Non-Executive Director may be called upon to ensure the Committee remains quorate.

2.3 If a meeting is not quorate, decisions must be deferred unless urgent approval is required, in which case the matter may be escalated to the Board or approved via written resolution in line with governance procedures.

3.0 Frequency of meetings

3.1 The Committee will meet at least twice per year.

3.2 Meetings may be held in person or virtually, as agreed by the Committee. Approvals by written resolution or email may be used where appropriate.

3.3 The Committee will operate to an annual cycle of business, approved by the Board.

3.4 Additional meetings may be convened by the Committee Chair, the Company Secretary or Committee members.

4.0 Purpose

4.1 The People and Remuneration Committee (PRC) provides oversight, assurance and scrutiny of Cobalt's People Strategy, workforce performance, culture, organisational development, remuneration and workforce-related strategic risks, ensuring alignment with the Corporate Plan and organisational values.

4.2 The Committee is not a governance committee. Governance matters, including governance frameworks, effectiveness reviews, and NED appointments, sit with the Board.

4.3 The Committee reports directly to the Board.

5.0 Roles and Responsibilities

5.1 Strategic People oversight

The Committee will:

- Review and recommend the People Strategy and colleague elements of the EDI Strategy, ensuring alignment with the Corporate Plan.
- Monitor delivery of the People Strategy and review key workforce performance issues, escalating concerns to the Board.
- Review emerging themes from exit interviews, appraisals, and sickness absence, recommending improvements to policies and procedures.
- Oversee workforce-related strategic risks, escalating concerns to the Audit & Risk Committee.
- Provide oversight of frameworks for appraisal and performance management for the workforce, senior management, and Executive Directors, ensuring delivery and recommending improvements to the Board.

5.2 Remuneration and reward

The Committee will:

- Review and recommend pay, terms and conditions for all staff and remuneration arrangements for Non-Executive Directors.
- Review remuneration policies and practices, ensuring they support strategic delivery and long-term sustainability.
- Recommend exceptional discretionary payments, ensuring the Board understands legal and regulatory implications.
- Oversee pension arrangements and report recommendations and risks to the Board.
- Oversee the annual appraisal process for the Chief Executive, ensuring it is objective, evidence-based, aligned to organisational performance, and led by the Chair, with the Committee providing assurance on process and outcomes.
- Review and recommend the Chief Executive's remuneration, ensuring decisions are transparent, benchmarked, evidence-based and aligned with organisational performance.
- Ensure remuneration arrangements comply with the NHF Code of Governance, including fairness, transparency, proportionality and clear disclosure.
- Ensure remuneration decisions consider fairness across the workforce, including pay ratios, equality implications and alignment with organisational values.

5.3 Workforce culture, capability and capacity

The Committee will:

- Review organisational culture, colleague engagement and workforce development themes.
- Oversee HR and organisational development frameworks that support capacity, capability and culture.
- Review customer-related workforce themes where they impact people strategy or workforce performance.
- Oversee succession planning for the Chief Executive and Executive Directors, ensuring continuity of leadership and alignment with organisational strategy.

5.4 Executive appointments (advisory role)

The Committee will:

- Advise and participate in the appointment of the Chief Executive Officer and Executive Directors.
- Review and advise on the Chief Executive's contract and remuneration with final approval resting with the Board.

6.0 Delegated authority and escalation

6.1 The Committee has delegated authority from the Board for all matters set out in these Terms of Reference.

6.2 Where consensus cannot be reached, or where a matter is material, sensitive or outside delegated authority, the issue will be referred to the Board.

6.3 The Committee will liaise with other Board committees to ensure integrated governance.

7.0 Conduct and governance

7.1 Members share collective responsibility for decisions and must act solely in the interests of Cobalt Housing.

7.2 Members must declare and manage conflicts of interest in line with policy.

7.3 The Committee may commission additional work or obtain independent professional advise where necessary.

8.0 Reporting and assurance

8.1 Assurance to the Board will be provided through:

- minutes of each meeting
- verbal updates from the Committee Chair
- an annual report summarising activity, assurance and key risks.

8.2 The Chair will ensure that significant issues are promptly escalated to the Board.

9.0 Review of Terms of Reference and effectiveness

9.1 These Terms of Reference are approved by the Board and take effect from 7th September 2026.

9.2 The Committee will:

- participate in the annual Board and Committee Effectiveness Review
- formally review its Terms of Reference, structure and delegated responsibilities at least every three years, making recommendations to the Board.