WPP IM Co: Progress Update

September 2026

Prepared by Rob Lamb, Chief Executive Officer.

Following a highly significant three-month period for the organisation, this paper summarises key developments since June 1 2026, organised under the same three areas used in the prior JGC update: governance, people, and operations.

Governance

The governance structure separates three distinct roles: an independent IM Co Board responsible for the regulated entity, a Shareholder Board exercising reserved matters on behalf of the eight owners, and the Joint Governance Committee continuing as the collective client oversight body, working in close collaboration with the individual Pension Fund Committees.

The FCA requires the Company to demonstrate that it can operate independently of its shareholders, which has been built into the framework and agreed with all parties. With formal FCA authorisation confirmed as of September 1, this structure is now operational: -

- Transitionary Board directors have resigned, and new directors have been appointed, with all appropriate Companies House filings complete
- Regulatory capital has been called and confirmed
- Shareholder and Client services agreements have been signed and executed

The Shareholder Agreement requires a five-year business plan and annual budget approved by shareholder supermajority (75%) before April 2027. The remuneration policy is a separate reserved matter on the same threshold.

To expedite progression of the above, WPP IM Co. has developed a Governance roadmap, which was approved by the Board and shared with the JGC in July. Underpinned by distinct workstreams encompassing key operational activities, the roadmap outlines the decision-making touchpoints which will progress plan development towards securing Shareholder approval with engagement and consultation throughout.

Taking 'local investment' as an example of a key operational activity (which will feature as a distinct chapter within the finalised 5-yr plan), we are undertaking detailed stakeholder ecosystem engagement – comprising Local Government, economic development partners, Welsh Government and other intermediaries. This work will continue throughout Q3 and Q4 2026.

People

16 permanent members of staff and two contractors are now in post, with two more having accepted offers to join the company. We are pleased to have been able to continue recruitment based on a desire to blend institutional memory and relationships that are essential to continuity of service, while

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drawing on fresh perspectives from regulated investment management, risk, finance, communications, and operations backgrounds.

The blend is deliberate: we need people who understand the system we are inheriting and who have an instinctive feel for member interests. We also need people who bring the disciplines of the regulated environment we are entering. We remain committed to keeping our operation lean and focused, drawing on the availability of best-in-class talent and demonstrable commitment on the part of potential new recruits to serve WPP IM Co's distinct Welsh purpose.

As of September 1, we are delighted to confirm that the following appointees are now in post:

- Head of Investment Operations
- Director of Operations
- Director of People

Initial company meetings and team days have allowed us to connect as people, to align on our shared purpose and culture that define the company. During August we used this forum to begin discussing strategy development. While this continues (and will include consideration of the company's external presentation), we are now addressing our desire to build cross-functional competence and deep understanding of the wider LGPS landscape. The formal conferring of our mandate requires us to be cognisant of our individual and collective day-to-day compliance, technical and fiduciary responsibilities.

The leadership team has been recruited in full and on schedule, and in compliance with regulatory requirements under the FCA's Senior Manager Regime. The executive team includes the Chief Executive Officer and Chief Investment Officer as executive directors, supported by a Director of Finance, a Director of Risk, a Chief of Staff and recently, the Director of Operations and Director of People.

An independent Chair and Non-Executive Directors, including two Shareholder Non-Executive Directors proposed for consideration by the shareholders themselves, have been recruited. The Transitionary Board was formally dissolved on 28 July 2026, and with that, superseded by the WPP IM Co. Board. Induction and training for all new Board members continues. The Board convened for the first time following FCA authorisation on September 2, 2026, to discuss Company strategy.

Operations

The regulatory guidance underpinning the Pensions Scheme Act 2026 was enacted on June 30, 2026, and marked the official legislative enactment of the Government's 'Fit for the Future' pension reform package. One might construe this as the 'end of the beginning'.

As noted above, FCA confirmation of a minded to (in favour) of WPP IM Co. authorisation in July 2026 triggered execution of key agreements and implementation of a series of critical administrative processes to progress the business to full day one operational status as of September 1, 2026. The final step was the execution of the implementation service agreement, signed on August 27, 2026.

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To this effect, inaugural Remuneration Committee and Audit Risk & Compliance Committee (ARCC) meetings took place on August 20 and September 1, 2026, respectively, which represented the first formal convening of either Board or its sub-committees in a post authorisation, 'live' operating environment.

We were delighted to move into our permanent home at One Central Square, Cardiff in early July. During a visit to the new office on July 9th, pensions Minister Torsten Bell expressed his gratitude for the pace at which WPP IM Co. has progressed and pledged his support to enable the company to progress to full authorisation as quickly as possible. We had further positive exchanges regarding the implementation of our governance roadmap and our intent to progress development of our local investment agenda through Q3 2026.

More broadly from an operational perspective, having continuity in this Ministerial post, with the additional benefit of the post holder being a Welsh MP, is welcome. We look forward to continued dialogue with Ministry of Housing, Communities and Local Government (MHCLG) over coming months.

The Director of Operations will now lead the remaining operational transition activity. This covers the novation of contracts with our middle office provider, custodians and investment managers, the establishment of service level agreements, and the systems and controls required to operate as a regulated firm from the point of authorisation.

IT support services are being outsourced to a third-party Managed Service Provider (MSP), and we were pleased to complete and expedite these contracts over the summer, with onboarding concluding in August 2026. We now move towards overseeing the performance of this critical provider in line with Company policy and regulatory standards.

Next steps

After a very short pause to reflect on the achievement of all those who have contributed to delivering our fledgling organisation safely to this critical milestone, we have turned our attention very quickly to the day-to-day business of discharging our investment implementation mandate. In parallel, we will progress several workstreams – enshrined within our governance roadmap - with the intent to secure Board approval for our 5-yr. business plan in Spring 2027.

Finally, as we move into Autumn after a long, hot Summer, we know that the real work of mandate implementation, client and member accountability, and Governance discipline awaits us. I am confident that with the team we are putting in place, we are well positioned to start repaying the faith which has been placed in this organisation. We are delighted to be formally authorised to commence regulated activities. We accept the challenge with humility, and with quiet confidence that we can succeed.

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