

21<sup>st</sup> February 2023

Dear Shareholder,

Firstly, a thank you to all shareholders who responded to the Board's request for expressions of interest in the proposed Buyback initiative. I can confirm that approximately 124 individual shareholders registered an interest in participating in the Buyback.

The combined total number of registrations received was 672,400 shares or approx. 8.4 % of the total shares in issue.

**Important Documents**

- Notice of a General Meeting & Memorandum- is enclosed.
- New Articles of Association
- The Company's Annual Accounts for the year ended 31 March 2022

**Copies of the new Articles and Annual Accounts** are available to view and download at the **Investor Relations Page** of our website [www.touchstone.co.uk](http://www.touchstone.co.uk), and will also be available at the meeting. If you require a paper copy by post, please email us at BuyBack2@touchstone.co.uk or contact us by phone on 0207 121 4700.

- A Buyback Contract - for those referenced in the Memorandum to the Notice of the Meeting, these will be issued electronically where email addresses have been supplied, or on paper by post where we have received a postal request. A Pro forma copy will be available at the Registered Office prior to the Meeting.

**Dividend**

I am delighted to confirm that the Board have recommended a Final Dividend of 15 pence per ordinary share together with a Special Interim Dividend of 15 pence per ordinary share.

Subject to the passing of the Resolution 1 (being a Higher Majority Resolution) at the General Meeting, this combined Dividend of 30 pence per ordinary share will be declared with a payment date of 21<sup>st</sup> March 2023. That is, all shareholders on the share register at the record date will receive the dividend whether they are selling shares or not.

**Articles of Association**

The enclosed Notice of a GM also includes a special resolution to adopt new articles of association for the Company.

Article 10.1 of the current articles of association of the Company requires the Company to provide twenty-one days' notice of a general meeting where a special resolution is to be tabled.

As the Company is now a private company, the statutory minimum notice required for a general meeting is fourteen days. Accordingly, to simplify administrative procedures, we propose that the articles of association are amended so that the statutory minimum notice period applies to the Company.

**Repurchase of Shares**

The enclosed Notice of a general meeting ("GM") includes a special resolution ("Resolution 3") to approve a Company Buyback of shares, and in order to conform with the requirements of the Companies Act 2006, it specifically refers to a memorandum that specifies the Buyback price of £2.05 per share and highlights the name of each selling shareholder together with the number of shares they registered their interest in selling (the "Memorandum").

The Notice also references the terms of the buyback contracts (the "Buyback Contracts") which are to be approved by Resolution 3. Each Buyback Contract will be based on a proforma which will be amended for each selling shareholder to reflect their name, address, number of shares being sold and total price as well as their signature block.

The proforma Buyback Contract and the Memorandum are available for inspection at the Company's registered office and will be available at the meeting itself in accordance with the requirements of the Companies Act 2006.

Subject to shareholder approval of Resolution 3 (being a Special Resolution), it is the intention, subject to contract at this stage, to proceed to complete all valid Buyback Contract returns before the end of 31<sup>st</sup> March 2023 providing the selling shareholders have completed, signed, and returned, by post or email as applicable. On completion of the Buyback Contracts the relevant shares will be acquired and cancelled and the applicable purchase price will be transferred to all selling shareholders.

#### **Repurchase – what do I need to do?**

For those Shareholders who are referenced in the Memorandum to the Notice, who did not supply an email address when registering their interest, and have been contacted by post, they will need to sign (but not date) the Buyback Contract, and complete their address details, and return the Buyback Contract using the Reply Paid envelope sent to them with the contract.

For those Shareholders who are referenced in the Memorandum to the Notice, and supplied an email address when registering their interest, they will need to complete and sign their Buyback Contract using a DocuSign electronic signature.

Shareholders who are referenced in the Memorandum to the Notice but hold their shares in CREST form on behalf of underlying shareholders, need to ensure they have legal authority to contract on behalf of their shareholders.

Subject to Resolution 3 being passed at the GM and the board being satisfied that the Company can still comply with the applicable requirements of the Companies Act 2006, the Company will then sign (and date) all approved contracts which it has received, and you will then receive a copy of the completed contract via e-mail if this is how you originally signed, or by post if relevant.

Shareholders who did not register their interest in the Buyback proposal are not required to take any action unless they wish to vote.

#### **Voting**

If you sign the contract to sell **all** of your registered shareholding in Touchstone Group under this Buyback proposal, you will **not** be eligible to vote for the Resolution proposing the Buyback, and any proxy votes tendered by you will not be counted.

If you have signed the contract to sell **some** of your registered shareholding, only the votes for the shares you retain after the Buyback takes place will count towards the Resolution. For example, if a shareholder originally held 10,000 shares and wishes to sell 6,000 shares, then only 4,000 of their shares can count towards the Resolution. Any votes cast for the Resolution will be adjusted accordingly.

All other members (for the avoidance of doubt, not including any persons entitled to shares by transmission) are eligible to vote in the GM.

Your participation is important to us and I would encourage you to vote ahead of the GM, subject to the notes above, by appointing a proxy electronically by visiting [www.signalshares.com](http://www.signalshares.com). You will need your Investor Code in order to do so. Your Investor Code can be found on your share certificate or on previous dividend documentation. Shareholders may request a paper form of proxy from our Registrar, Link Group if you do not have access to the Internet. Further contact details for Link are available in the Notes to the Meeting.

If you would like to ask questions about the business to be discussed at the GM, please send them to [BuyBack2@touchstone.co.uk](mailto:BuyBack2@touchstone.co.uk) ahead of the meeting, and in any event to be received by no later than 11.00: am on 15th March 2023.

Thank you once again for your responses to the Buyback initiative.

Yours faithfully,

David Birch  
Company Secretary