

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or as to the action you should take, you are recommended to seek advice from your solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, by another appropriately authorised independent financial adviser.

Dear Shareholder,

PROPOSED SHARE BUYBACK ARRANGEMENTS- TOUCHSTONE GROUP LIMITED

My last letter to shareholders in October 2020 outlined the Board's intentions to change the status of the Group from being a Plc to Ltd. One of the principal factors for the change of status was to enable greater flexibility with regard to shareholder matters.

As the Group's change of status has now been registered with Companies House, I am now writing to all shareholders to outline a potential share buyback proposal. In summary, the Board is considering offering all shareholders in Touchstone Group Limited (the "Company") the opportunity to sell their shares back to the Company. At this stage, these considerations are preliminary and subject to contract.

The Company is no longer a public company admitted to trading on an investment exchange and therefore it is not possible to seek a shareholder authorisation to complete an on-market share buyback program. As a result, the Board is now considering offering some form of liquidity to its shareholders through an off-market buyback of shares within this current tax year.

Important Dates & Price

The Board is still considering and taking advice on the best method to do this, but it will need to comply with the legal requirements applicable to private companies. In order to allow the Board to do this, we are asking all shareholders to advise us by **31st January 2021** as to whether they would wish to proceed to sell some or all of their shares in the Company.

The price per share that would be offered as part of the buy-back proposals would be £1.30p per share. For information, this was the last price paid by private buyers for a material number of shares in the company prior to re-registering as a private company.

Once we are able to gauge the possible uptake and know which shareholders will take up the offer, we will then be able to decide whether to proceed and, if so, circulate formal proposals to all shareholders. Formal proposals will then involve convening a general meeting of the Company probably towards the end of February 2021 in order to obtain the necessary shareholder authority by a special resolution, such that the buybacks can occur in March.

Current Trading

As you may be aware, the Group completed the sale of its Jersey-based subsidiary in February 2020, the details of which were reported in the Group's financial statements for the year to 31st March 2020. Over recent years, this subsidiary contributed approx. 1/3rd of overall Group Turnover and Profits and therefore the impact of the sale will inevitably result in lower trading profits in future years.

Despite the impact of COVID-19 on the wider economy, Group trading in the 9-month period since the Group's last audited statements is broadly in-line with last year's comparative performance excluding disposed operations.

Register Your Interest - Contact Details

If you wish to express an interest in selling all or some of your shares in the Company, please provide:

- The name of the beneficial holder of your shares
- Relevant contact details; and
- The number of shares you wish to sell

These details can be sent to us by E-mail at **touchstone-buyback@touchstone.co.uk** or alternatively by printing out the enclosed form and returning it to: Touchstone Group Ltd, 46 Worship Street, London, EC2A 2EA.

Yours sincerely,

David RT Thompson

Non-Executive Chairman

REGISTER YOUR INTEREST IN SELLING TOUCHSTONE GROUP LIMITED SHARES

SHAREHOLDER NAME	
ADDRESS:	
POSTCODE	
CONTACT DETAILS:	
NUMBER OF SHARES YOU WISH TO SELL* <i>*subject to contract</i>	