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If you have sold or transferred all of your ordinary shares of 10 pence each in the capital of Watchstone Group plc ("Ordinary Shares"), please send this document immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of relevant laws. If you have sold or transferred part only of your holding of Ordinary Shares, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

Watchstone Group plc

(Incorporated and registered in England and Wales with registered number 05542221)

Notice of Annual General Meeting

Notice of the Annual General Meeting of Watchstone Group plc ("Company") to be held at 1.30 pm on 26 June 2019 in Room LGA, WeWork, Aviation House, 125 Kingsway, Holborn, London WC2B 6NH is set out at the end of this document.

You will not receive a form of proxy for the Annual General Meeting in the post. Instead, you will receive instructions to enable you to vote electronically and how to register to do so. You will still be able to vote in person at the Annual General Meeting, and may request a hard copy proxy form directly from the registrars, **Link Asset Services, 34 Beckenham Road, Beckenham, BR3 4TU (telephone number: 0871 664 0300).**

WATCHSTONE GROUP PLC

(Incorporated and registered in England and Wales with registered number 05542221)

Directors:

Richard Rose (Non-Executive Chairman)
Stefan Borson (Group Chief Executive Officer)
Mark Williams (Group Finance Director)
Lord Howard of Lympne (Senior Non-Executive Director)
David Young (Non-Executive Director)

Registered Office:

Highfield Court Tollgate, Chandler's Ford,
Eastleigh, Hampshire, SO53 3TY

Dear Shareholder

31 May 2019

Notice of Annual General Meeting

1 Annual General Meeting

A notice convening the Annual General Meeting to be held at 1.30 pm on 26 June 2019 in Room LGA, WeWork, Aviation House, 125 Kingsway, Holborn, London WC2B 6NH is set out at the end of this document. At the Annual General Meeting the following resolutions will be proposed, of which Resolutions 1 to 5 (inclusive) will be proposed as Ordinary Resolutions and Resolutions 6 and 7 as Special Resolutions.

Ordinary Resolutions

Resolution 1

Resolution 1 proposes that the Company's annual accounts for the year ended 31 December 2018 together with the Directors' Report and Auditor's Report on these accounts be received, considered and adopted.

Resolution 2

Resolution 2 proposes that KPMG LLP be re-appointed as auditors of the Company from the conclusion of the Annual General Meeting until the conclusion of the next general meeting at which accounts are laid before the Company and authorises the Directors to determine their remuneration.

Resolution 3

Resolution 3 proposes the re-appointment of Lord Howard of Lympne as a Director who is retiring by rotation in accordance with article 15.1 of the Articles of Association and who, being eligible, is offering himself for re-election.

Resolution 4

Resolution 4 proposes the re-appointment of David Young as a Director who is retiring in accordance with article 15.1 of the Articles of Association and who, being eligible, is offering himself for re-election.

Resolution 5

Resolution 5 renews the authority of the Directors to allot shares in the capital of the Company (or to grant rights to subscribe for or convert any securities into shares in the capital of the Company) up to a maximum nominal amount of £1,534,611 (representing approximately 33% of the current issued share capital which is in line with current Guidelines of the UK Association of British Insurers). This authority will expire 18 months after the passing of the resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of the resolution.

Special Resolutions

Resolution 6

Resolution 6 renews the disapplication of pre-emption rights in relation to the allotment of shares having a nominal value equal to £460,383 (representing approximately 10% of the current issued share capital), in each case under the authorities conferred by Resolution 5. This authority will expire 18 months after the passing of the resolution, or if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of the resolution.

Resolution 7

Resolution 7 proposes the authority of the Directors, to make market purchases of up to a maximum aggregate amount of £690,575 (representing 15% of the current issued share capital) at a price no greater than 105% of the average market value of the Ordinary Shares over the five business day period prior to the date of purchase. This authority will expire 18 months after the passing of the resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company. Ordinary Shares purchased pursuant to this authority may be held as treasury shares for re-issue.

The Directors will only exercise the authority to purchase shares where they consider that such purchases will be in the best interests of shareholders generally and will result in an increase in earnings per share.

2 Voting

You will not receive a form of proxy for the AGM in the post. Instead, you will receive instructions to enable you to vote electronically and how to register to do so. You will still be able to vote in person at the AGM, and may request a hard copy proxy form directly from the registrars, Link Asset Services, 34 Beckenham Road, Beckenham, BR3 4TU (telephone number: 0871 664 0300). The return of the form of proxy will not, however, prevent you from attending the Meeting and voting, in person, should you wish to do so.

3 Recommendation

Your Directors believe that the resolutions to be considered at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend that you vote in favour of each of the resolutions, as those Directors who are shareholders intend to do in respect of their beneficial shareholdings representing, in aggregate, approximately 1 per cent of the current issued share capital of the Company.

Yours faithfully

Richard Rose
Non-Executive

Chairman

WATCHSTONE GROUP PLC

(Incorporated and registered in England and Wales with registered number 05542221)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Watchstone Group plc ("Company") will be held at 1.30 pm on 26 June 2019 in Room LGA, WeWork, Aviation House, 125 Kingsway, Holborn, London WC2B 6NH for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 5 inclusive will be proposed as ordinary resolutions and resolutions 6 and 7 will be proposed as special resolutions:

Ordinary Resolutions

1. THAT the Company's annual accounts for the year ended 31 December 2018 together with the Directors' Report and Auditor's Report on those accounts be received, considered and adopted.
2. THAT KPMG LLP be re-appointed as auditors of the Company from the conclusion of this meeting until the earlier of the conclusion of the next general meeting at which accounts are laid before the Company, and to authorise the Directors to determine their remuneration.
3. THAT Lord Howard of Lympne who is retiring in accordance with article 15.1 of the Company's Articles of Association and who, being eligible, is offering himself for re-election, be re-appointed as a Director of the Company.
4. THAT David Young who is retiring in accordance with article 15.1 of the Company's Articles of Association and who, being eligible, is offering himself for re-election, be re-appointed as a Director of the Company.
5. THAT in substitution for and to the exclusion of all existing authorities, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to allot relevant securities (within the meaning of such section) (or to grant rights to subscribe for or to convert any security into relevant securities) in the Company for all and any purposes approved by the Directors, up to an aggregate nominal value equal to the sum of £1,534,611, representing one-third of the current issued share capital (excluding treasury shares) and so that such authority shall, save to the extent that it is earlier renewed or extended by resolution passed at a general meeting, expire 18 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, prior to the expiry of such authority, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authorities hereby conferred had not expired.

Special Resolutions

6. THAT, subject to and conditional upon the passing of Resolution 5 above and in substitution for and to the exclusion of all existing authorities in that regard other than the authority contained in Resolution 5 above, the Directors be and are hereby empowered pursuant to section 571 of the Act to allot equity securities (as defined in section 560(1) of the Act) and to sell treasury shares having an aggregate nominal value of up to £460,383 (representing 10% of the current issued share capital) for cash pursuant to the authorities conferred by that resolution, as if section 561(1) of the Act did not apply to any such allotment or sale of treasury shares. Such authority, unless previously renewed, extended, varied or revoked by the Company in general meeting, shall expire 18 months after the passing of this resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, prior to the expiry of such authority, make an offer or agreement which would or might require equity securities in the Company to be allotted or treasury shares to be sold after the expiry thereof and the Directors may allot equity securities in the Company (or sell treasury shares) in pursuance of such offer or agreement notwithstanding the expiry of the authority given by this resolution.
7. THAT the Company is generally and unconditionally authorised to make market purchases (within the

meaning of section 693(4) of the Act) of Ordinary Shares provided that:

- (a) the maximum aggregate nominal value of Ordinary Shares that may be purchased is £690,575;
- (b) the minimum price (excluding expenses) which may be paid for each ordinary share is 10 pence; and
- (c) the maximum price (excluding expenses) which may be paid for each ordinary share is 105 % of the average market value of an ordinary share for the five business days prior to the day the purchase is made.

The authority conferred by this resolution shall expire 18 months after the date of the passing of this resolution or, if earlier, at the conclusion of the Company's next Annual General Meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

Dated: 31 May 2019

By order of the Board,

Registered office:

Highfield Court Tollgate, Chandler's Ford, Eastleigh,
Hampshire, SO53 3TY

Richard Rose
Non-Executive Chairman

Notice of Meeting Notes:

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on ~~28 May~~ 24 June 2019. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 1.30pm (UK time) on 26 June 2019 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.

3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

6. You can vote either:

- by logging on to www.signalshares.com and following the instructions;
- You may request a hard copy form of proxy directly from the registrars, Link Asset Services (previously called Capita), on Tel: 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link

Asset Services at 34 Beckenham Road, Beckenham, Kent, BR3 4ZF by 1.30 pm on 24 June 2019.

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 1.30 pm on 24 June 2019. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

13. As at 29 May 2019 (being the latest practicable date before publication of this document), the issued share capital of the Company comprised 46,038,333 Ordinary Shares of 10 pence each and the total number of voting rights was 46,038,333. There are no Ordinary Shares held by the Company in treasury.

14. Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

15. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

16. Copies of the Directors' letters of appointment or service contracts re available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from xxx am on the day of the Meeting until the conclusion of the Meeting.

17. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.watchstonegroup.com.

