
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN INDEPENDENT FINANCIAL ADVICE FROM A STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, OR OTHER FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

PALACE CAPITAL PLC
NOTICE OF ANNUAL GENERAL MEETING 2020
AND
PROPOSED CAPITAL REDUCTION

If you have sold or otherwise transferred all of your ordinary shares in the Company please send this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Notice of the annual general meeting of Palace Capital plc (the "**Company**"), to be held at 25 Bury Street, St James's, London, SW1Y 6AL at 10.00am on 7 August 2020, is set out in Part IV of this document.

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part III of this document and which contains the directors' recommendation to you to vote in favour of the resolutions to be proposed at the annual general meeting.

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PART I: EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	15 July 2020
Latest time and date for receipt of completed proxy forms	10:00am on 5 August 2020
Annual General Meeting	10:00am on 7 August 2020
Expected date of initial directions hearing of the Court	4 September 2020
Expected date of Court hearing to confirm the Capital Reduction	15 September 2020
Expected effective date for the Capital Reduction	on or around 30 September 2020

Note

The expected dates for the confirmation of the Capital Reduction by the Court and the Capital Reduction becoming effective are based on provisional dates that have been obtained for the required Court hearings of the Company's application. These provisional hearing dates are subject to change and dependent on the Court's timetable.

PART II: DEFINITIONS

The following definitions apply throughout this document and the accompanying form of proxy, unless the context otherwise requires:

Act	Companies Act 2006 (as amended);
Annual General Meeting or AGM	the annual general meeting of the Company 2020;
Annual Remuneration Report	the Directors' remuneration report required to be prepared in accordance with s420 of the Act;
Annual Report	the Company's accounts together with the reports of the Directors and the auditors and the strategic report for the year ended 31 March 2020;
Articles	the Company's articles of association;
Audit and Risk Committee	the audit and risk committee of the Company;
Board	the board of Directors;
Capital Reduction	the proposal recommended by the Board that, subject to the approval of the Court, the sum of £125,018,886.38, being the entire amount standing to the credit of the share premium account, be cancelled and credited to a reserve;
Court	the High Court of Justice in England and Wales;
CREST	the UK paperless share settlement system of which CRESTCo Limited is the Operator (as defined in the Uncertificated Securities Regulations 2001);
CREST Manual	the manual, as amended from time to time, produced by Euroclear UK and Ireland Limited describing the CREST system and supplied by Euroclear UK and Ireland Limited to users and participants thereof;
CREST member	a person who has been admitted by Euroclear UK and Ireland Limited as a system member (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755));
CREST Proxy Instruction	an instruction whereby CREST members send a CREST message appointing a proxy for a meeting and instructing the proxy on how to vote;
Directors	the directors of the Company;
Latest Practicable Date	7 July 2020 (being the latest practicable date prior to the publication of this document);
Notice	notice of the AGM, set out in Part IV of this document;
Registrar:	Link Asset Services;
Statement of Principles	the Pre-Emption Group's 2015 Statement of Principles for the disapplication of pre-emption rights;
Treasury Shares	shares in the capital of the Company held by the Company as treasury shares from time to time.

PART III: LETTER FROM THE CHAIRMAN

Palace Capital Plc

(a company incorporated in England and Wales
with registered number 05332938)

Directors:

Stanley Davis
Neil Sinclair FRICS
Stephen Silvester FCA
Richard Starr MRICS
Anthony Dove
Kim Taylor-Smith
Mickola Wilson
Paula Dillon

Registered Office:

25 Bury Street
St James's
London
SW1Y 6AL

15 July 2020

Dear Shareholder

**NOTICE OF ANNUAL GENERAL MEETING
AND CAPITAL REDUCTION**

I am writing to provide you with details of the Annual General Meeting of the Company, which will be held at the Company's registered office on 7 August 2020 at 10.00am. Formal notice is set out in Part IV of this document.

COVID-19

As a result of the Covid-19 pandemic and in light of the UK Government's measures, public health guidance and guidance issued by The Chartered Governance Institute (with the support of the Financial Reporting Council, GC100, the Investment Association and the Quoted Companies Alliance), at the time of publication of this document, the Company is proposing to run this year's AGM as a closed door meeting. Shareholders will not be able to attend in person. Any persons seeking to attend the meeting in person will unfortunately be refused entry.

We do however encourage you to participate by:

- casting your votes by proxy (further details of how to do so can be found below) provided that your proxy is received by the Registrar by no later than 10:00am on 5 August 2020. As the AGM will be closed door you are advised to appoint the chair of the AGM as your proxy; and
- submitting any questions that you have to the Board by emailing them to info@palacecapitalplc.com, to be received by no later than 10:00am on 5 August 2020. Responses, where practicable, will be published on the Company's website (www.palacecapitalplc.com).

The situation is constantly evolving. Should further announcements in respect of the AGM be required following publication of the Notice we will update the information on our website and make a RNS announcement if appropriate.

CAPITAL REDUCTION

In addition to the usual business to be conducted at the AGM, I am writing in connection with the Capital Reduction; to provide you with information about the reasons for the Capital Reduction, to explain why the Board considers it to be in the best interests of the Company and its shareholders as a whole, and to explain why the Board unanimously recommends that you vote in favour of it.

The Company's share premium account has built up over time. The Capital Reduction will have the effect of creating distributable reserves which will provide the Company with flexibility:

- a) subject to the financial performance of the Company, to make future distributions; and/or
- b) to make purchases of its own shares as permitted by the Act and in accordance with resolution 16 to be proposed at the AGM.

The Directors have no present intention to buy back any shares or to make any distributions out of the reserves created by the Capital Reduction. The Directors will only exercise the authority to purchase the Company's shares if, in light of market conditions prevailing at the time, they consider that the purchase of such shares can be expected to result in an increase in earnings or net assets per share and is in the best interests of the Company's shareholders (and other stakeholders) generally.

The Capital Reduction will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company nor does it affect in any way the final dividend being recommended by the Directors at resolution 3 as described in more detail below. There will be no change to the number of ordinary shares in issue (or their nominal value) following implementation of the Capital Reduction and no new share certificates will be issued as a result of the Capital Reduction.

PART III: LETTER FROM THE CHAIRMAN CONTINUED

Share premium account

The Act requires that if a company issues shares at a premium to the nominal value of those shares, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums must be transferred to the company's share premium account. A share premium account can only be used in limited circumstances. The Board is recommending that the Company's share premium account be cancelled. As at the Latest Practicable Date the amount standing to the credit of the Company's share premium account was £125,018,886.38. Following the implementation of the Capital Reduction the entire share premium account will be cancelled.

Court approval

In addition to the approval of the shareholders, the Capital Reduction requires the approval of the Court. Accordingly, following approval of the Capital Reduction by shareholders at the AGM, an application will be made to the Court in order to confirm and approve the Capital Reduction.

Creditor protection

In providing its approval, the Court may require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors that have consented to the Capital Reduction. Any such creditor protection may include seeking the consent of the Company's creditors to the Capital Reduction or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging, in due course, any amounts owing to the non-consenting creditors of the Company.

Court hearing

It is anticipated that the initial directions hearing in relation to the Capital Reduction will take place on 4 September 2020, with the final hearing by the Court to confirm the Capital Reduction taking place on 15 September 2020 and the Capital Reduction becoming effective as soon as practicable thereafter, following the necessary registration of, amongst other things, the order of the Court (Court Order) confirming the Capital Reduction at Companies House.

Right to abandon

The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the Capital Reduction would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or the shareholders as a whole. The Board has undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and considers that the Company will be able to satisfy the Court that, as at the date on which the Court Order relating to the Capital Reduction and the statement of capital in respect of the Capital Reduction are registered by the Registrar of Companies at Companies House and the Capital Reduction therefore becomes effective, the Company's creditors will either have consented to the Capital Reduction or be sufficiently protected.

RESOLUTIONS TO BE PROPOSED AT THE AGM

Details of the items of business to be proposed at the AGM are set out below.

Resolutions 1 to 13 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour. Resolutions 14 to 18 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour.

Resolution 1 – Annual Report

Resolution 1 relates to the approval of the Annual Report, which the Company is required to put to shareholders for consideration.

Resolution 2 – Annual Remuneration Report

Resolution 2 is an ordinary resolution to approve the Annual Remuneration Report and states how the Company has remunerated its Directors. Section 439 of the Act requires UK incorporated listed companies to put their annual remuneration report to an advisory vote. As the vote is advisory, it does not affect the actual remuneration paid to any individual Director. The Annual Remuneration Report is set out in full on pages 69 to 80 of the Annual Report.

Resolution 3 – Declaration of dividend

The Directors are recommending a final dividend on the Company's ordinary shares of 2.5 pence per ordinary share, to be paid on 14 August 2020 to the holders of ordinary shares at close of business on 24 July 2020. A final dividend can only be paid after it has been approved by the shareholders at a general meeting. The dividend of 2.5 pence per ordinary share will be designated as a property income distribution.

Resolutions 4 to 10 – Re-election of Directors

The Company's articles of association require only directors who have been appointed by the Board since the last annual general meeting or for whom it is the third annual general meeting following the annual general meeting at which he or she was elected or last re-elected, to retire from office and offer themselves for re-appointment.

Anthony Dove will be retiring from office at the conclusion of the AGM. I would like to take this opportunity to thank Anthony for his many years of service to the Company and his invaluable contribution towards its growth over the past nine years.

Paula Dillon, having been appointed by the Board on 1 March 2020, is therefore the only Director to which the requirement to retire in accordance with the articles of association applies. However, in accordance with the recommendations of the Financial Reporting Council as set out in the UK Corporate Governance Code, it has been decided that all the Directors will retire at the AGM. Biographical details of the Directors standing for re-election are set out on pages 52 to 53 of the Annual Report. The Board considers that all of the Directors continue to make a

valuable contribution to the Board's deliberations and that they continue to demonstrate the required commitment.

Resolution 4 – To re-elect Mickola Wilson as a Director

Resolution 5 – To re-elect Stanley Davis as a Director

Resolution 6 – To re-elect Neil Sinclair as a Director

Resolution 7 – To re-elect Richard Starr as a Director

Resolution 8 – To re-elect Stephen Silvester as a Director

Resolution 9 – To re-elect Kim Taylor-Smith as a Director

Resolution 10 – To re-elect Paula Dillon as a Director

Resolution 11 – Reappointment of the auditors

Following the recommendation of the Audit and Risk Committee, the Board is proposing the reappointment of BDO LLP as the Company's auditors to hold office from the conclusion of the AGM until the conclusion of the next annual general meeting of the Company.

Resolution 12 – Authority to agree the remuneration of the auditors

This resolution authorises the Audit and Risk Committee to determine the remuneration of the auditors.

Resolution 13 – Authority to allot

At the 2019 annual general meeting, the Directors were authorised, under section 551 of the Act, to allot ordinary shares without the prior consent of shareholders for a period expiring at the conclusion of the annual general meeting to be held in 2020. It is proposed to renew this authority. Paragraph (a)(i) of resolution 13 will allow the Directors to allot ordinary shares up to a maximum nominal amount of £1,536,144 representing approximately one third (33.33%) of the Company's existing issued share capital (excluding Treasury Shares) calculated as at the Latest Practicable Date.

In accordance with institutional guidelines issued by the Investment Association, paragraph (a)(ii) of resolution 13 will allow Directors to allot, including the ordinary shares referred to in paragraph (a)(i) of resolution 13, further of the ordinary shares in connection with a pre-emptive offer by way of a rights issue to shareholders up to a maximum nominal amount of £3,072,749 representing approximately two thirds (66.67%) of the Company's existing issued share capital and calculated as at the Latest Practicable Date.

The Directors have no present intention of exercising this authority. However, if they do exercise the authority, the Directors intend to follow best practice as regards its use, as recommended by the Investment Association.

PART III: LETTER FROM THE CHAIRMAN CONTINUED

RESOLUTIONS TO BE PROPOSED AT THE AGM CONTINUED

Resolution 13 will be proposed as an ordinary resolution to renew this authority until the conclusion of the next annual general meeting or, if earlier, the close of business on 6 November 2021.

Resolution 14 – General disapplication of pre-emption rights

Also at the 2019 annual general meeting, a special resolution was passed, under sections 570 to 573 of the Act, empowering the Directors to allot equity securities for cash without first being required to offer such shares to existing shareholders. It is proposed that this authority also be renewed in line with institutional guidelines. If approved, the resolution will authorise the Directors, in accordance with the Articles, to issue shares in connection with a rights issue or other pre-emptive offer and otherwise to issue shares for cash up to a maximum nominal amount of £230,445 which includes the sale on a non pre-emptive basis of any Treasury Shares for cash. The maximum nominal amount of £230,445 of equity securities to which this authority relates represents approximately 5% of the issued share capital of the Company as at the Latest Practicable Date.

Resolution 14 will be proposed as a special resolution to renew this authority until the conclusion of the next annual general meeting or, if earlier, the close of business on 6 November 2021.

Resolution 15 – Additional authority to dis-apply pre-emption rights

Resolution 15 provides further shareholder approval, by way of a separate special resolution (in line with the best practice guidance issued by the Pre-Emption Group), for the Directors to allot equity securities or sell Treasury Shares for cash without first being required to offer such securities to existing shareholders. The proposed resolution reflects the Statement of Principles and will expire on 6 November 2021 or at the conclusion of the next annual general meeting, whichever is the earlier.

The authority granted by this resolution, if passed: (a) will be limited to the allotment of equity securities and sale of Treasury Shares for cash up to an aggregate nominal value of £230,445, which represents approximately 5% of the issued share capital of the Company as at the Latest Practicable Date; and (b) will only be used in connection with an acquisition or other capital investment of a kind contemplated by the Statement of Principles, and which is announced contemporaneously with the allotment, or has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The authority granted by this resolution would be in addition to the general authority to disapply pre-emption rights under resolution 14. The maximum nominal value of equity securities which could be allotted if both authorities were used would be £460,889 which represents approximately 10% of the issued share capital of the Company as at the Latest Practicable Date.

The Directors do not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non pre-emptive basis in any rolling three-year period (other than in connection with an acquisition or specified capital investment as described in the Statement of Principles) without prior consultation with shareholders.

Resolution 16 – Market purchase of own shares

A special resolution is proposed, in line with market practice, to authorise the purchase of the Company's own shares in the market. The power given by the resolution will only be exercised if the Directors are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and, accordingly, that the purchase is in the best interests of shareholders. The Directors will also give careful consideration to gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits.

The Act permits companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under the company's employee share schemes. Once held in treasury, the company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of shares held in treasury.

If the Directors exercise the authority conferred by this resolution, they may consider holding those shares in treasury, rather than cancelling them. The Directors believe that holding shares in treasury would provide the Company with greater flexibility in the management of its share capital. The Directors will also consider using the Treasury Shares to satisfy share options and/or awards under the Company's employee share schemes. As at the Latest Practicable Date, the Company held 299,587 Treasury Shares.

The maximum number of shares which may be purchased under the proposed authority will be 4,608,893 ordinary shares, representing approximately 10% of the issued ordinary share capital of the Company as at the Latest Practicable Date. The price paid for shares will not be less than the nominal value (of 10 pence per share) nor more than the higher of: (a) 5% above the average of the middle-market quotation of the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the day on which the shares are purchased; and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

The total number of options to subscribe for ordinary shares that were outstanding at the Latest Practicable Date was 770,223. The proportion of issued share capital that they represented at that time was 1.67% and the proportion of issued share capital that they will represent if the full authority to purchase shares is used is 1.70%.

The authority will expire at the conclusion of the next year's annual general meeting or, if earlier, the close of business on 6 November 2021.

Resolution 17 – Notice of General Meeting

Under the Articles, the Company may call a general meeting which is not an annual general meeting on 14 clear days' notice. Section 307A of the Act requires, in addition, the Company to pass a special resolution on an annual basis in order to convene general meetings, other than the Company's annual general meeting, on 14 clear days' notice. The Directors believe that obtaining this authority is desirable and would give the Directors an additional degree of flexibility.

Resolution 18 – Capital Reduction

Your approval is being sought to carry out the Capital Reduction as described above.

ACTION TO BE TAKEN

You are requested to submit a form of proxy to the Registrar so that it arrives no later than 10.00am on 5 August 2020.

Given the current restrictions on attendance, we suggest you appoint the chair of the meeting as your proxy, rather than a named person who will not be permitted to attend the meeting.

Shareholders can appoint proxies electronically via www.signalshares.com provided that such appointments are received by the Registrar by no later than 10.00am on 5 August 2020. CREST members can also appoint proxies by using the CREST Electronic Proxy Appointment Service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so it is received by the Registrar by no later than 10.00am on 5 August 2020. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. If you cannot use either of these services, you should contact the Registrar, who can send you a hard copy form of proxy.

DOCUMENTS FOR INSPECTION

Copies of the Directors' service contracts and letters of appointment will be available for inspection during normal business hours on any weekday from the date of the Notice until the conclusion of the AGM at the Company's registered office. These documents will also be available for inspection at the place of the AGM, for at least 60 minutes prior to, and during, the AGM.

RECOMMENDATION

The Board considers that the resolutions to be proposed at the AGM are in the best interests of shareholders as a whole and unanimously recommends that shareholders vote in favour of such resolutions, as the Directors intend to do, or procure to be done, in respect of their own beneficial holdings.

Yours sincerely

Stanley Davis
Chairman

15 July 2020

PART IV: NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Palace Capital plc (**Company**) will be held at 25 Bury Street, St James's, London, SW1Y 6AL at 10.00 a.m. on Friday 7 August 2020.

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 13 will be proposed as ordinary resolutions and resolutions 14 to 18 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive and approve the Company's accounts together with the reports of the Directors and the auditors and the strategic report for the year ended 31 March 2020.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 March 2020 contained within the Annual Report on pages 69 to 80.
3. To declare a final dividend of 2.5 pence per ordinary share in respect of the year ended 31 March 2020, to be paid on 14 August 2020 to the holders of ordinary shares at close of business on 24 July 2020.
4. To re-elect Mickola Wilson as a Director.
5. To re-elect Stanley Davis as a Director.
6. To re-elect Neil Sinclair as a Director.
7. To re-elect Richard Starr as a Director.
8. To re-elect Stephen Silvester as a Director.
9. To re-elect Kim Taylor-Smith as a Director.
10. To re-elect Paula Dillon, who was appointed by the Board since the last annual general meeting, as a Director.
11. To re-appoint BDO LLP as the Company's auditors to hold office from conclusion of the AGM until conclusion of the next year's annual general meeting.
12. To authorise the Audit and Risk Committee to determine the auditors' remuneration.
13. In accordance with section 551 the Act:
 - (a) the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
 - (i) up to a maximum nominal amount of £1,536,144 (such amount to be reduced by the nominal amount of any equity securities (as defined in section 560(1) of the Act) allotted under paragraph (ii) below in excess of £3,072,749); and
 - (ii) comprising equity securities up to a maximum nominal amount of £3,072,749 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in

connection with an offer by way of a rights issue to holders of ordinary shares of 10 pence each in the capital of the Company (Ordinary Shares) on the register of shareholders of the Company at such record date as the Directors may determine where the equity securities respectively attributable to the interests of the Ordinary Shares are proportionate (as nearly as practicable) to the numbers of Ordinary Shares held or deemed to be held by them on any such record date and to the other holders of equity securities (if any), subject to such exclusions or other arrangements the Directors may deem necessary or expedient for dealing with Treasury shares, fractional entitlements or legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange in any territory;

- (b) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, or, if earlier, at the close of business on 6 November 2021; and
- (c) all previous unutilised authorities under section 551 of the Act shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Act by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

SPECIAL RESOLUTIONS

14. That, subject to and conditional on the passing of the resolution 13, the Directors be authorised pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by resolution 13 and/or to sell Ordinary Shares held by the Company as Treasury Shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such authority to be limited:
 - (a) to allotments of equity securities, or sales of Treasury Shares, in connection with a rights issue, open offer or other pre-emptive issue to existing ordinary shareholders (other than holders of Treasury Shares) in proportion (as nearly as practicable) to their respective holdings and holders (excluding any holding of shares as Treasury Shares) of any other class of equity securities in existence with a right to participate in allotments of such class of equity securities, subject to such exclusions or other arrangements the Directors may deem necessary or expedient for dealing with Treasury Shares, fractional entitlements or legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange in any territory; and

- (b) to the allotment of equity securities or sale of Treasury Shares (otherwise than under paragraph (a) of this resolution 14 up to a nominal value of £230,445,

such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 6 November 2021) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and Treasury Shares to be sold) after the authority expires and the Board may allot equity securities (and sell Treasury Shares) under any such offer or agreement as if the authority had not expired.

15. That, subject to and conditional on the passing of resolution 13, the Directors be authorised, in addition to any authority granted under resolution 13 or resolution 14, pursuant to sections 570 and 573 of the Act, to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by resolution 13 and/or to sell Ordinary Shares held by the Company as Treasury Shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of Treasury Shares up to a nominal amount of £230,445; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within 6 months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next annual general meeting or, if earlier, at the close of business on 6 November 2021 but prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and Treasury Shares to be sold) after the authority expires and the Directors may allot securities (and sell Treasury Shares) under any such offer or agreement as if the authority had not expired.

16. That the Company be, and it is hereby, generally and unconditionally authorised for the purpose of sections 693 and 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares upon such terms and in such manner as the Directors shall determine, provided that:

- (a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 4,608,893 (representing approximately 10% of the Company's total issued ordinary share capital);

- (b) the minimum price which may be paid for each such Ordinary Share is 10 pence (exclusive of expenses);
- (c) the maximum price (exclusive of expenses) which may be paid for each such Ordinary Share is an amount equal to the higher of:
 - (i) an amount equal to 105% of the average of the closing middle market price for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day the purchase is made; and
 - (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out;
- (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, on 6 November 2021; and
- (e) the Company may make a contract to purchase Ordinary Shares under this authority prior to its expiry which will or may be executed wholly or partly after such expiry and may make a purchase of Ordinary Shares in pursuance of any such contract.

17. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

18. That, subject to confirmation of the Court, the share premium account of the Company be cancelled.

By order of the Board

Nicola Grinham
Company Secretary

Date: 15 July 2020

Registered Office
4th Floor
25 Bury Street
St. James's
London
SW1Y 6AL

PART IV: NOTICE OF ANNUAL GENERAL MEETING CONTINUED

NOTES

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

1. To be entitled to vote at the Annual General 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 business on 5 August 2020, or, if the Annual General Meeting is adjourned, at 48 hours (excluding any part of a day that is not a working day) prior to the adjourned Annual General Meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the Annual General Meeting.
 2. Shareholders are entitled to appoint a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Annual General Meeting. A Shareholder may appoint more than one proxy in relation to the AGM 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. Given the current restrictions on attendance, we recommend you appoint the chair of the meeting as your proxy.
 3. 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).
 4. 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 Annual General Meeting
 5. You can appoint a proxy either:
 - by logging on to www.signalshares.com and following the instructions; or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
- The appointment of a proxy in each case must be received by 10:00am on 5 August 2020.
- If you need help with voting online, please contact our Registrar 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate or email them at enquiries@linkgroup.co.uk
- If you cannot use either of the above services, you should contact the Registrar who can send you a hard copy form of proxy. In the case of a shareholder which is a company delivering a hard copy form of proxy, such form of proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.
6. To change your proxy instructions simply submit a new proxy appointment using any of the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any attempt to terminate or amend a proxy appointment received after the relevant cut-off time will be disregarded.
 7. If you return more than one proxy appointment, 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. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting (and any adjournment of the Annual General 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, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made by means of CREST to be valid, the 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 10:00am on 5 August 2020. 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.
10. 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, to procure that his CREST sponsor or voting service provider takes 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.
11. 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.
12. As at the Latest Practicable Date, the Company's ordinary issued share capital consists of 46,388,515 ordinary shares, of which 299,587 are Treasury Shares. Therefore, the total voting rights in the Company as at the Latest Practicable Date are 46,088,928.
13. Under section 527 of the Act, 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 auditors' report and the conduct of the audit) that are to be laid before the AGM; 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 Act (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 Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under section 527 of the Act to publish on a website.
14. Any shareholder who would be entitled to attend the AGM 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 Annual General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the AGM 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 AGM that the question be answered.
15. You may not use any electronic address (within the meaning of section 333(4) of the Act) 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.
16. A copy of this Notice, and other information required by section 311A of the Act, can be found on the Company's website at <https://www.palacecapitalplc.com>

