



PALACE CAPITAL plc

NOTICE OF ANNUAL GENERAL MEETING 2022

**Friday 29 July 2022 at 10.00 a.m. at the offices of
Edwin Coe LLP,
2 Stone Buildings, Lincoln's Inn, London, WC2A 3TH**

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.

If you have sold or otherwise transferred all of your ordinary shares in Palace Capital plc please send this Notice of Annual General Meeting, 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.



PALACE CAPITAL plc

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

Directors:

Steven Owen
Matthew Simpson
Richard Starr
Kim Taylor-Smith
Mickola Wilson
Paula Dillon

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

22 June 2022

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING

This document contains the Notice of Annual General Meeting (AGM) which is to be held at the offices of Edwin Coe LLP, 2 Stone Buildings, Lincoln's Inn, London, WC2A 3TH at 10.00 a.m. on Friday 29 July 2022.

This year we are delighted to be able to welcome shareholders in person to our AGM. If guidelines on the COVID-19 pandemic should materially change before the date of the meeting, we may adapt our arrangements, working in accordance with the latest legislation and guidance. If the board considers that arrangements regarding attendance at the AGM need to change, we will notify any changes as early as possible before the date of the meeting. Shareholders should continue to monitor the Company's website at <https://investors.palacecapital.com/> and regulatory information service providers for any updates to the meeting arrangements.

Business at the Annual General Meeting

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

Resolutions 1 to 13 and Resolutions 17 and 18 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 of the resolution. Resolutions 14 to 16 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 of the resolution.

Resolution 1 – Annual Report

Resolution 1 relates to the approval of the Company's accounts together with the reports of the Directors and the auditors and the strategic report for the year ended 31 March 2022 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 on pages 85 to 99 of the Annual Report (excluding the Remuneration Policy on pages 89 to 92), and states how the Company has remunerated its Directors for the year ended 31 March 2022. The vote is advisory and therefore does not affect the actual remuneration paid to any individual Director.

Resolution 3 – Declaration of dividend

The Directors are recommending a final dividend on the Company's ordinary shares of 3.75 pence per ordinary share, to be paid on 5 August 2022 to the holders of ordinary shares at close of business on 1 July 2022. A final dividend can only be paid after it has been approved by the shareholders at a general meeting.

Resolution 4 – Reappointment of the auditors

Following the recommendation of the Audit and Risk Committee, the Board is proposing the re-appointment 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 5 – Authority to agree the remuneration of the auditors

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

Resolutions 6 to 11 – Election and re-election of Directors

In line with the UK Corporate Governance Code, all the Directors will retire at the AGM. Biographical details of the Directors standing for election or re-election are set out on pages 68 and 69 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.

The Nomination Committee has considered the appointment of Steven Owen as Interim Executive Chairman with effect from 14 June 2022. The Committee considers that Mr Owen has the right attributes to fulfil this role on a temporary basis while the Company reviews its strategic options. The Committee has agreed written terms for the appointment while the Remuneration Committee is considering the appropriate fees for such a role. Further information on the appointment and remuneration will be provided in the 2023 Annual Report. The Board supports Mr Owen's appointment as Interim Executive Chairman and believes that he has sufficient time and commitment to devote to the role, notwithstanding his Non-executive Chairmanship of Primary Health Properties plc.

Resolution 12 - Authority to allot shares

At the 2021 annual general meeting, the Directors were authorised, under section 551 of the Companies Act 2006, 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 2022. 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 £1,544,297.60 representing approximately one-third (33.33%) of the Company's existing issued share capital and calculated as at 21 June 2022 (being the latest practicable date prior to publication of this document). In accordance with institutional guidelines issued by the Investment Association, paragraph (a)(ii) of Resolution 14 will allow Directors to allot, including the ordinary shares referred to in paragraph (a)(i) of Resolution 13, further of the Company's ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £3,088,595.20, representing approximately two-thirds (66.67%) of the Company's existing issued share capital and calculated as at 21 June 2022 (being the latest practicable date prior to publication of this document).

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.

As at 21 June 2022 (being the latest practicable date prior to publication of this document), the Company held 59,587 ordinary shares in treasury.

Resolution 12 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 29 December 2023.

Resolution 13 – General disapplication of pre-emption rights

Also at the 2021 annual general meeting, a special resolution was passed, under sections 570 to 573 of the Companies Act 2006, 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 of association, 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 £231,644.64 which includes the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. The maximum nominal amount of £231,644.64 of equity securities to which this authority relates represents approximately 5% of the issued share capital of the Company as at 21 June 2022 (being the latest practicable date prior to publication of this document).

Resolution 13 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 29 December 2023.

Resolution 14 – Additional authority to dis-apply pre-emption rights

Resolution 14 requests 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 Pre-emption Group's 2015 Statement of Principles for the disapplication of pre-emption rights (Statement of Principles) and will expire on 29 December 2023 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 £231,644.64, which represents approximately 5% of the issued share capital of the Company as at 21 June 2022 (being the latest practicable date prior to publication of this document); 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 £463,289.28, which represents approximately 10% of the issued share capital of the Company as at 21 June 2022 (being the latest practicable date prior to publication of this document).

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 15 – 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 is in the interests of shareholders. The Directors will 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 Companies Act 2006 permits certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by the company. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under the company's employees' 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 the treasury shares. 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 employees' share schemes. The maximum number of shares which may be purchased under the proposed authority will be 4,632,892 shares representing

approximately 10% of the issued ordinary share capital of the Company as at 21 June 2022. 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 21 June 2022 (being the latest practicable date prior to publication of this document) was 1,072,772. The proportion of issued share capital that they represented at that time was 2.3% and the proportion of issued share capital that they will represent if the full authority to purchase shares is used is 2.5%.

The authority will expire on 29 December 2023 or, if earlier, at the conclusion of the next year's annual general meeting.

Resolution 16 – Notice of General Meeting

Under the existing articles of association of the Company, the Company may call a general meeting which is not an Annual General Meeting on 14 clear days' notice. Section 307A of the Companies Act 2006 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 17 – New Save as You Earn Plan

It is proposed to offer all employees the opportunity to participate in a new Save as You Earn 'SAYE' or 'ShareSave' scheme, a summary of which is contained in Appendix 1. SAYE schemes have been widely adopted by listed companies for several years and offer a good way for employees to save and receive Company shares at the end of their savings contract for three and/or five years and for employee and shareholder interests to be aligned. Shareholders are requested to approve the new share scheme rules as an ordinary resolution.

Resolution 18 – Director Fees

Under the existing articles of association of the Company, the Company may pay fees to the Non-Executive Directors of the Company up to a maximum total of £300,000. The Non-Executive Director fees currently total £240,000. In light of the appointment of Mr Owen as Interim Executive Chairman, it is proposed that the maximum of the total fees payable be increased to £500,000. This change is proposed as an Ordinary Resolution, in line with the provisions of the Articles. The Directors believe that obtaining this authority is desirable and would give the Directors an additional degree of flexibility.

Action to be taken

You are requested to submit a form of proxy to the Registrar so that it arrives no later than 10.00 a.m. on Wednesday 27 July 2022. If you are unable to attend the meeting, or in the event that the social distancing guidelines materially change between now and the date of the meeting, we would encourage you to appoint the chair of the meeting as your proxy. The completion and return of a Form of Proxy will not preclude you from attending the AGM and voting in person if you wish to do so.

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 Wednesday 27 July 2022. Alternatively, shareholders whose shares are held through CREST may appoint a proxy by issuing a CREST Proxy Instruction utilising the CREST electronic proxy appointment service. 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 this 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 15 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

Steven Owen

Interim Executive Chairman
22 June 2022

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of Palace Capital plc (the Company) will be held at the offices of Edwin Coe LLP, 2 Stone Buildings, Lincoln's Inn, London, WC2A 3TH at 10.00 a.m. on Friday 29 July 2022.

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 13 and 18 will be proposed as ordinary resolutions and resolutions 14 to 17 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 2022 (Annual Report).
2. To receive and approve the Directors' Remuneration Report, other than the part containing the Directors' remuneration policy, contained within the Annual Report on pages 85 to 99.
3. To declare a final dividend of 3.75 pence per ordinary share in respect of the year ended 31 March 2022, to be paid on 5 August 2022 to the holders of ordinary shares at close of business on 1 July 2022.
4. To re-appoint BDO LLP as auditors of the Company.
5. To authorise the Audit and Risk Committee to determine the remuneration of the auditors.
6. To elect STEVEN OWEN as a Director of the Company.
7. To elect MATTHEW SIMPSON as a Director of the Company.
8. To re-elect RICHARD STARR as a Director of the Company.
9. To re-elect MICKOLA WILSON as a Director of the Company.
10. To re-elect KIM TAYLOR-SMITH as a Director of the Company.
11. To re-elect PAULA DILLON as a Director of the Company.
12. In accordance with section 551 of the Companies Act 2006 (Companies Act):
 - (a) the Directors be 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 £1,544,297.60 (such amount to be reduced by the nominal amount of any equity securities (as defined in section 560(1) of the Companies Act) allotted under paragraph (ii) below in excess of £3,088,595.20); and
 - (ii) comprising equity securities up to a maximum nominal amount of £3,088,595.20 (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 29 December 2023; and
 - (c) all previous unutilised authorities under section 551 of the Companies Act shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Companies 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).

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

SPECIAL RESOLUTIONS

13. That, subject to and conditional on the passing of resolution 12, the Directors be authorised pursuant to sections 570 and 573 of the Companies Act to allot equity securities (as defined in section 560(1) of the Companies Act) for cash under the authority given by resolution 14 and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if section 561(1) of the Companies 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 13 up to a nominal value of £231,644.64,

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 29 December 2023) 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.

14. That, subject to and conditional on the passing of resolution 12, the Directors be authorised, in addition to any authority granted under resolution 13 or resolution 14, pursuant to sections 570 and 573 of the Companies Act, to allot equity securities (as defined in section 560(1) of the Companies Act) for cash under the authority given by resolution 14 and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 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 £231,644.64; 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 of the Company 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 29 December 2023) 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.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

15. That the Company be, and it is hereby, generally and unconditionally authorised for the purpose of sections 693 and 701 of the Companies Act to make one or more market purchases (within the meaning of section 693(4) of the Companies 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 4,632,892 (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 1.05% 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, the expiry of a period of 15 months from the date of the passing of this resolution; 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.
16. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

ORDINARY RESOLUTIONS

17. That the new all employee Palace Capital plc Save as You Earn Scheme, the rules of which are summarised at Appendix 1, be approved.
18. That Article 87 of the Articles of Association of the Company be updated such that the aggregate of all fees payable to the Directors (other than amounts payable under any other provision of these Articles) be increased from £300,000 to £500,000.

By order of the board

Phil Higgins

Company Secretary
Date: 22 June 2022

Registered Office

4th Floor
25 Bury Street
St James's
London
United Kingdom
SW1Y 6AL

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

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 27th July 2022, 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 27th July 2022.

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.

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 Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL by 10:00am on 27th July 2022.

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.

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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 27th July 2022. 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 59,587 are Treasury Shares. Therefore, the total voting rights in the Company as at the Latest Practicable Date are 46,328,928.
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://investors.palacecapital.com/>

Proxy Information

Shareholders who are unable to attend the Annual General Meeting may appoint proxies electronically via www.signalshares.com so that it is received by the registrar by no later than 10.00 a.m. on 27 July 2022.

CREST members may 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 no later than 10.00 a.m. on 27 July 2022. 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 shareholders cannot use either of these services, you should contact the Registrar, Link (on 0371 664 0300) who can send you a paper form of proxy.

The Annual Report and Notice of Annual General Meeting are also available on the Company's website at www.palacecapitalplc.com

APPENDIX 1

The Palace Capital plc Save As You Earn Scheme (SAYE Scheme)**1. General**

The SAYE Scheme is an all-employee share scheme. It will be registered with HMRC under Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003.

2. Administration

The SAYE Scheme will be administered by the Board.

3. Eligibility

All employees and executive directors of the participating companies within the Group will be eligible to participate in the SAYE Scheme as long as they have been employed for a period of time (no longer than 5 years), such period to be determined by the Board.

4. Savings contract

In order to participate in the SAYE Scheme, an eligible employee must enter into a linked Save-As-You-Earn contract (commonly called 'a savings contract') with a bank or building society approved by the Company. Through the savings contract the participant agrees to make monthly contributions between £5 and £500 for a specified period of three and/or five years, such period to be determined by the Board on each occasion invitations are made. At the end of the savings contract, employees may either withdraw their savings on a tax-free basis or use them to exercise their Options and acquire Ordinary Shares in the Company.

A bonus may be payable after the expiration of the savings period although currently no bonus is payable.

5. Invitation to apply

Invitations to apply for the grant of SAYE Options ("Options") may be issued within 42 days of (i) the adoption of the SAYE Scheme and (ii) the announcement of the Company's interim or preliminary results. Invitations may also be made at other times in exceptional circumstances which the Board considers justify the granting of Options, but not during a 'close period'.

No invitation to apply for the grant of SAYE Options may be made more than 10 years after the adoption date of the SAYE Scheme.

The number of Ordinary Shares over which Options may be granted must as nearly as possible be equal to (but not in excess of) such number of Ordinary Shares which may be purchased out of the monies deposited through the savings contract.

6. Option Price

The price payable per Ordinary Share on the exercise of an Option by a participant will be determined by the Board at the time of the invitation for that Option, which price must be no less than the higher of:

- (a) 80% of the middle market quotation for an Ordinary Share as derived from the daily Official List for the dealing day immediately preceding the date on which the invitations to apply for the options are issued to the employees; and
- (b) the nominal value of an Ordinary Share.

7. Exercise of Options

SAYE Options can be exercised within a 6-month period following the maturity of the 3-year or 5-year savings contract. If not exercised by the end of this period, they will lapse.

Earlier exercise may be permitted in specified circumstances, including the cessation of employment of the participant because of death, injury, disability, redundancy, retirement, or the sale of the subsidiary or business for which the participant works or in the event of a takeover of the Company.

8. Limits on the issue of Ordinary Shares

An Option may not be granted if the result would be that the total number of Shares issued or issuable pursuant to the Option and all awards or options granted under the SAYE Scheme and any other employee share scheme operated by a member of the Group in the previous 10 years would exceed such number as is equivalent to 10 per cent of the Company's issued ordinary share capital at the proposed Grant Date.

Ordinary Shares subject to awards which are released or lapsed without being exercised are excluded for the purposes of calculating the limit.

The Board may determine the maximum number of Ordinary Shares that may be acquired by the participants pursuant to each invitation. If the Company receives valid applications for Options over an aggregate number of Shares which exceeds the limit determined by the Board in respect of an invitation, the number of Ordinary Shares that may be acquired by the participants in respect of that invitation may be appropriately scaled down.

APPENDIX 1 CONTINUED

9. Corporate events

Early exercise may also be allowed on the change of control of the Company, or alternatively, SAYE Options may be exchanged for options in the acquiring company with its agreement. If a change of control causes the Shares to cease to qualify under the SAYE legislation, SAYE Options may nevertheless be exercised during the period of 20 days before or after such change of control. SAYE Options may also be exercised on a voluntary winding up of the Company.

10. UK MAR

The invitation to apply for Options and the exercise of Options are subject to any restrictions on dealing set out in the UK MAR or otherwise imposed by statute, order, regulation or government directives.

11. Variation of capital

In the event of any rights or capitalisation issue, sub-division, consolidation, reduction or other variation of the ordinary share capital of the Company, the Board may make such adjustments as it considers appropriate to the number of Ordinary Shares subject to an Option and/or the price payable on the exercise of an Option.

12. Satisfying the vesting/exercise of Awards

The vesting of an Option may be satisfied by issue of shares or by transfer of treasury shares or by other transfer of shares.

Within 30 days of the exercise of an Option, the Company will issue or procure the transfer of Ordinary Shares in satisfaction of the Option.

13. Amendment and termination

The SAYE Scheme may at any time be altered by the Board. However, any alterations to the advantage of participants to the rules governing eligibility, individual limits on participation, Share dilution limits, the terms of the Options and adjustment of Options must be approved in advance by shareholders in general meeting unless the alteration or addition is minor in nature and made to benefit the administration of the SAYE Scheme, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or Group companies.

An amendment may not adversely affect the existing rights of a participant except with the prior consent of a majority of the participants.

No amendment may be made if it would cause the relevant requirements of the SAYE legislation to be breached.

The SAYE Scheme will terminate on the tenth anniversary of the date the SAYE Scheme is adopted or on such earlier date as the Board may determine.