



PALACE CAPITAL plc

NOTICE OF ANNUAL GENERAL MEETING 2024

**Wednesday 24 July 2024 at 10.00 a.m. at the offices of
CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place,
78 Cannon Street, London EC4N 6AF**

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 onward delivery to the purchaser or transferee.



PALACE CAPITAL plc

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

DIRECTORS:

Steven Owen
Mark Davies

Registered Office:
Thomas House
84 Eccleston Square
London
United Kingdom
SW1V 1PX

14 June 2024

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING

This document contains the Notice of Annual General Meeting ("AGM") of Palace Capital plc (the "Company") which is to be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF at 10.00 a.m. on Wednesday 24 July 2024.

This year we will hold the meeting in person. 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 7 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast for or against must be in favour of the resolution. Resolutions 8 and 9 are proposed as special resolutions. This means that for each of those resolutions to be passed, not less than 75% of the votes cast for or against must be in favour of the resolution.

Resolution 1 – Annual Report

Resolution 1 relates to the approval of the Company's annual report and accounts for the financial year ended 31 March 2024 (the "Annual Report") together with the reports of the Directors and the auditors and the strategic report for the year ended 31 March 2024 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 42 to 52 of the Annual Report (excluding the Remuneration Policy on pages 44 to 47), and states how the Company has remunerated its Directors for the financial year ended 31 March 2024.

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 Friday 23 August 2024 to the holders of ordinary shares on the register at close of business on 26 July 2024. A final dividend can only be paid after it has been approved by shareholders at a general meeting. It is proposed that 1.35 pence of this dividend be paid as a Property Income Distribution (PID) and 2.40 pence be paid as Non-PID dividend.

Resolution 4 – Re-appointment 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 BDO LLP, the auditors of the Company, for the work to be carried out by them in the next financial year.

Resolutions 6 and 7 – Re-election of Directors

In line with the UK Corporate Governance Code, the Directors will retire at the AGM. Biographical details of the Directors standing for re-election are set out on page 31 of the Annual Report. The Board considers that the Board is of the right size for the Company and 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 8 – Market purchase of own shares

In line with the Company's strategy to return cash to shareholders following the completion of disposals and the management of the Company's overall financial position, the Company has made purchases of its own shares. A special resolution is proposed, in line with the approval given at the General Meeting held in December 2023 but which expires at the 2024 AGM, 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 also give careful consideration to gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable reserves. It is currently expected that shares purchased will be cancelled on acquisition.

The maximum number of shares which may be purchased under the proposed authority will be 5,634,044 shares representing approximately 15% of the issued ordinary share capital of the Company as at 14 June 2024.

On 13 June 2024, the Company published a Circular in relation to a proposed Tender Offer for up to 8,667,760 ordinary shares, which would then be cancelled. That approval is sought at a General Meeting proposed for 9 July 2024. If approval is given and the maximum number of shares are acquired under the tender offer and cancelled, the resulting issued share capital of the Company would then consist of 28,892,535 ordinary shares. The percentage of the issued share capital which could be acquired under the authority sought by Resolution 8 will then be c.19.5% of the then issued share capital.

The price per ordinary share that the Company may pay 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 14 June 2024 (being the latest practicable date prior to publication of this document) was 169,287. The proportion of issued share capital that they represented at that time was less than 1% and the proportion of issued share capital that they will represent if the full authority to purchase shares is used is also less than 1%. The authority will expire on 24 December 2025 or, if earlier, at the conclusion of the next year's annual general meeting.

Resolution 9 – Notice of General Meeting

Under the existing articles of association of the Company, the Company may call a general meeting which is not an AGM on at least 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 for the Company to be permitted 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.

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 Monday 22 July 2024. If you are unable to attend 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.

You can register your proxy appointment and voting instructions by going to Equiniti's Shareview website, www.shareview.co.uk, and logging in to your Shareview Portfolio. Such appointments must be received by the Registrar by no later than 10.00 a.m. on Monday 22 July 2024. To register for a Shareview Portfolio, go to www.shareview.co.uk and enter the requested information. 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, as well as the Company's articles of association, this notice, and all the financial statements of the Company for the last three financial years will be available on the National Storage Mechanism until the conclusion of the AGM and 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. In addition, copies of these documents (other than the Directors' service contracts and letters of appointment) will be made available on the Company's website: <https://investors.palacecapital.com/>.

Recommendation

The Board considers that resolutions 1 to 9 are in the best interests of shareholders as a whole and unanimously recommends that shareholders vote in favour of such resolutions.

Yours sincerely

Steven Owen
Executive Chairman
14 June 2024

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 CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place 78 Cannon Street London EC4N 6AF at 10.00 a.m. on Wednesday 24 July 2024.

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 7 will be proposed as ordinary resolutions and resolutions 8 and 9 will be proposed as special resolutions.

ORDINARY BUSINESS

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 financial year ended 31 March 2024.
2. To receive and approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, for the financial year ended 31 March 2024.
3. To declare a final dividend of 3.75 pence per ordinary share of the Company in respect of the financial year ended 31 March 2024, to be paid on 23 August 2024 to the holders of ordinary shares on the register at close of business on 26 July 2024.
4. To re-appoint BDO LLP as auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
5. To authorise the Audit and Risk Committee to determine the remuneration of BDO LLP as the auditors of the Company.
6. To re-elect STEVEN OWEN as a Director of the Company.
7. To re-elect MARK DAVIES as a Director of the Company.

SPECIAL BUSINESS

8. That the Company be, and is hereby, generally and unconditionally authorised to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its 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 5,634,044 (representing approximately 15% of the Company's total issued ordinary share capital as at 14 June 2024);
 - (b) the minimum price which may be paid per ordinary share is 10 pence (excluding expenses);

- (c) the maximum price (excluding expenses) which may be paid per ordinary share is an amount equal to the higher of:
 - (i) an amount equal to 5% above the average of the closing middle market price for the ordinary shares 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, if it agrees to purchase ordinary shares under this authority prior to the expiry of this authority, may complete such purchase wholly or partly after the expiry of this authority pursuant to such agreement.
9. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

Phil Higgins
Company Secretary
Date: 14 June 2024

Registered Office
Thomas House
84 Eccleston Square
London
SW1V 1PX

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 the 2024 Annual General Meeting ("AGM") or to appoint someone else to vote on your behalf.

1. To be entitled to vote at the AGM (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 6.30 p.m. on 22 July 2024, or, if the AGM is adjourned, at 6.30 p.m. on the day which is 48 hours (excluding any part of a day that is not a working day) prior to the adjourned AGM. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the AGM.
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 AGM. 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. 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 AGM.
5. You can appoint a proxy by logging on to www.shareview.co.uk 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. Institutional investors may be able to appoint a proxy electronically via the Proximity platform. The appointment of a proxy in any case must be received by 10:00 a.m. on 22 July 2024.

If you need help with voting online or wish to receive a paper form of proxy, please contact our Registrar, Equiniti Limited, on +44 (0)371 384 2030. 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.

If you cannot use either of the above electronic 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 our Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA by 10.00 am on 22 July 2024.

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 AGM (and any adjournment of the AGM) by using the procedures described in the CREST Manual. 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.

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 & International 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 RA19) by the latest time(s) for receipt of proxy appointments specified in this Notice. 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 & International 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.

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10:00 am on 22 July 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.
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 37,560,295 ordinary shares. No shares are held in Treasury. Therefore, the total voting rights in the Company as at the Latest Practicable Date are 37,560,295. If the proposed Tender Offer, as explained in the Circular to shareholders dated 13 June 2024, is approved by shareholders on 9 July 2024 and the maximum number of shares are acquired and cancelled under the Tender Offer, the Company's ordinary issued share capital will then consist of 28,892,535 ordinary shares.
13. Under section 527 of the Companies Act 2006 (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 AGM 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

It is possible for you to submit your proxy votes online by going to Equiniti's Shareview website, www.shareview.co.uk, and logging in to your Shareview Portfolio. Once you have logged in, simply click 'View' on the 'My Investments' page and then click on the link to vote and follow the on-screen instructions, so that it is received by the registrar by no later than 10.00 a.m. on 22 July 2024. If you have not yet registered for a Shareview Portfolio, go to www.shareview.co.uk and enter the requested information. It is important that you register for a Shareview Portfolio with enough time to complete the registration and authentication processes. 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 22 July 2024. 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. Institutional investors may be able to appoint a proxy electronically via the Proximity platform. To be valid it must be received by the registrar no later than 10.00 a.m. on 22 July 2024. If shareholders cannot use any of these electronic services, they should contact the Registrar, Equiniti who can send a paper form of proxy.

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

