



PALACE CAPITAL plc

NOTICE OF GENERAL MEETING

**Monday 4 December 2023 at 1.00 p.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 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
Matthew Simpson
Mark Davies

Registered Office:
Fora Victoria,
6-8 Greencoat Place
London
United Kingdom
SW1P 1PL

14 November 2023

Dear Shareholder

NOTICE OF GENERAL MEETING

This document contains the Notice of a General Meeting ("GM") 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 1.00 p.m. on Monday 4 December 2023.

We will again hold the meeting in person. If the board considers that arrangements regarding attendance at the GM 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://palacecapitalplc.com/> and regulatory information service providers for any updates to the meeting arrangements.

Business at the General Meeting

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

The Resolution is proposed as a special resolution. This means that for the resolution to be passed, more than three quarters of the votes cast for or against must be in favour of the resolution.

Resolution – 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 under the authority given at the 2023 Annual General meeting (for the purchase by the Company of up to 10% of its then issued share capital). As the Company has utilised that authority in full, a special resolution is now proposed to authorise the Company to purchase a further 15% of 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 for any shares 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, though it is currently expected that the shares will be cancelled under this authority upon acquisition by the Company.

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 November 2023. 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 13 November 2023 (being the latest practicable date prior to publication of this document) was 162,651. The proportion of issued share capital that they represented at that time was 0.43% and the proportion of issued share capital that they will represent if the full authority to purchase shares is used is 0.5%.

The authority will expire in 12 months time on 4 December 2024 or, if earlier, at the 2024 annual general meeting.

Action to be taken

You are requested to submit a form of proxy to the Registrar so that it arrives no later than 1.00 p.m. on Thursday 30 November 2023. 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 GM 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 1.00 p.m. on Thursday 30 November 2023. 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.

Recommendation

The Board considers that the resolution proposed is in the best interests of shareholders as a whole and unanimously recommends that shareholders vote in favour of such resolutions as will Directors in relation to their own beneficial holdings.

Yours sincerely

Steven Owen

Executive Chairman
14 November 2023

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting (GM) 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 1.00 p.m. on Monday 4 December 2023.

You will be asked to consider and vote on the resolution below which will be proposed as a special resolution.

1. 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);
 - 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 12 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, complete such purchase wholly or partly after the expiry of this authority pursuant to such agreement.

By order of the Board

Phil Higgins

Company Secretary

Date: 14 November 2023

Registered Office

Fora Victoria
6-8 Greencoat Place
London
United Kingdom
SW1P 1PL

Notes

The following notes explain your general rights as a shareholder and your right to vote at the General Meeting ("GM") or to appoint someone else to vote on your behalf.

1. To be entitled to vote at the GM (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 30 November 2023, or, if the GM is adjourned, at 48 hours (excluding any part of a day that is not a working day) prior to the adjourned GM. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the GM.
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 GM. A shareholder may appoint more than one proxy in relation to the GM 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 GM.

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 1:00 p.m. on 30 November 2023.

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 1.00 pm on 30th November 2023.

5. 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.
6. 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.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the GM (and any adjournment of the GM) 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 GENERAL MEETING CONTINUED

8. 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 RA10) 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.
9. 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.
10. 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.
11. As at the Latest Practicable Date, the Company's ordinary issued share capital consists of 46,388,515 ordinary shares, of which 8,828,220 are Treasury Shares. Therefore, the total voting rights in the Company as at the Latest Practicable Date are 37,560,295.
12. Any shareholder who would be entitled to attend the GM has the right to ask questions relating specifically to the business of the meeting. The Company must cause to be answered any such question relating to the business being dealt with at the GM but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the GM 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 GM that the question be answered.
13. 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.
14. 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://palacecapitalplc.com/>.

Proxy Information

Shareholders who are unable to attend the GM may appoint proxies electronically via www.signalshares.com so that it is received by the registrar by no later than 1.00 p.m. on 30 November 2023.

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 1.00 p.m. on 30 November 2023. 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 Notice of GM is also available on the Company's website at www.palacecapitalplc.com

