



PALACE CAPITAL plc

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING 2018

25 July 2018 at 10:00a.m. at the offices of
CMS 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 Supplemental 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 533938)

DIRECTORS:

Stanley Davis
Neil Sinclair FRICS
Stephen Silvester ACA
Richard Starr MRICS
Anthony Dove
Kim Taylor-Smith

Registered office:
Lower Ground Floor
One George Yard
London
EC3V 9DF

26 June 2018

Dear Shareholder

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON 25 JULY 2018 (AGM)

You will have received a Notice of Annual General Meeting (**Notice**) from the Company in recent days. I am writing to you now as it has come to our attention that the Notice incorrectly omitted an additional resolution that we are required to put to the meeting.

This letter is a supplemental notice of the AGM and adds an additional ordinary resolution to approve the Directors' remuneration policy. This is a requirement at the general meeting at which the annual accounts are to be laid held in the first financial year following the Company becoming a quoted company (within the meaning of the Companies Act 2006).

New Resolution 13 - Approval of Directors' remuneration policy

The additional resolution which will be proposed as an ordinary resolution provides for the members' approval of the Directors' remuneration policy contained on pages 46 to 49 of the Annual Report. The resolution to be proposed will be as follows:-

"Resolution 13 - to receive and approve the Directors' remuneration policy, contained within the Annual Report on pages 46 to 49."

This letter is supplemental to the Notice and adds an additional Resolution 13 as an ordinary resolution as described above. All other matters of business in the original Notice remain valid and have not changed.

Action to be taken

A new Form of Proxy (called the Supplemental Form of Proxy and printed on blue card) relating to the annual general meeting accompanies this document. It is issued in place of the original Form of Proxy (printed on white card) which shareholders would have received with the original Notice. The original Form of Proxy should be discarded and not used. Appointment of proxies on the new Supplemental Form of Proxy (printed on blue card) only will be accepted. If you have already submitted an original Form of Proxy, you will need to resubmit a new Supplemental Form of Proxy as the original form will be discarded. Electronic proxy votes submitted prior to receipt of this document (whether online or through CREST) should also be resubmitted. You are asked to complete, sign and date the new Supplemental Form of Proxy in accordance with the instructions printed on it and return it as soon as possible and, in any event, so as to be received by the Company's Registrars no later than 10:00am on 23 July 2018.

Completion and return of the Supplementary Form of Proxy will not preclude you from attending the AGM and voting in person if you wish to do so. Apologies for any inconvenience which these new arrangements will cause you. If you have already submitted your Form of Proxy or voted electronically I would ask you please to resubmit your votes.

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

26 June 2018

Notes to the Supplemental Notice of Annual General Meeting

ENTITLEMENT TO ATTEND AND VOTE

1. Only those members registered on the Company's register of members at:
 - Close of business on 23 July 2018; or
 - If this Meeting is adjourned, at 48 hours (excluding any part of a day that is not a working day) prior to the adjourned Meeting, shall be entitled to attend and vote at the Meeting.

ATTENDING IN PERSON

2. If you wish to attend the Meeting in person, please arrive at the offices of CMS Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF (the nearest underground station is Cannon Street) at 09:30 a.m. on 25 July 2018 (commencement of registration); the Meeting will commence at 10:00 a.m. Please bring this Notice with you. Representatives of corporate shareholders will have to produce evidence of their proper appointment when attending the Meeting. Please contact the Company's Registrar, Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, if you require further guidance on this.

APPOINTMENT OF PROXIES

3. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a Supplemental Form of Proxy with this Supplemental Notice of Annual General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Supplemental Form of Proxy.
4. **The new form of proxy (which is called a Supplemental Form of Proxy and is printed on blue card) is issued in place of the Form of Proxy which shareholders will have received with the original Notice of Annual General Meeting dated 8 June 2018. The original Form of Proxy (printed on white card) should be discarded and not used. Appointment of proxies on the Supplemental Form of Proxy only will be accepted. If you have already submitted an original Form of Proxy you will need to resubmit a Supplemental Form of Proxy as the original form will be discarded. Electronic proxy votes submitted before receipt of this document should also be resubmitted.**
5. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section.
6. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Supplemental Form of Proxy are set out in the notes to the Supplemental Form of Proxy. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's Registrar, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

APPOINTMENT PROXY USING HARD COPY SUPPLEMENTAL FORM OF PROXY

9. The notes to the Supplemental Form of Proxy explain how to direct your proxy how to vote on each resolution or withhold their vote.
10. To appoint a proxy using the Supplemental Form of Proxy, the form must be:
 - Completed and signed;
 - Sent or delivered to the Company's Registrar, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
 - Received by Link Assets Services no later than 10:00am on 23 July 2018.

In the case of a member which is a company, the Supplemental 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 Supplemental Form of Proxy is signed (or duly certified copy of such power of authority) must be included with the Supplemental Form of Proxy.

Notes to the Supplemental Notice continued

APPOINTMENT OF PROXIES THROUGH CREST

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

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) 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 (IDRA10) by 10:00am on the 23 July 2018. For this purpose, the time of the receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) takes(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, 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.

APPOINTMENT OF PROXY BY JOINT MEMBERS

12. 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).

CHANGING PROXY INSTRUCTION

13. To change your proxy instructions simply submit a new proxy appointment using 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 amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy Supplemental Form of Proxy and would like to change the instructions using another hard-copy Supplemental Form of Proxy, please contact Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

TERMINATION OF PROXY APPOINTMENTS

14. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case a member which is a company, the revocation notice 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 revocation note is signed (or duly certified copy of such power of authority) must be included with the revocation notice.

The revocation notice must be received by Link Asset Services no later than 10:00am on 23 July 2018.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person your proxy appointment will automatically be terminated.

CORPORATE REPRESENTATIVES

15. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.