



Scheme Particulars

APS Occupational Pension Scheme

The Scheme

The APS Occupational Pension Scheme (the 'Scheme') has been set up by APS Bank plc, qua settlor, in the form of a non-discretionary trust in terms of a trust deed dated the 1st September 2020, and is licensed as an Occupational Retirement Scheme by the Malta Financial Services Authority ('MFSA') in terms of the Retirement Pensions Act (Chapter 514 of the Laws of Malta, the 'RPA'). The purpose of the Scheme is to receive contributions from employers and/or employees (the 'Contributors') and to provide retirement benefits to individual members of the Scheme (the 'Member/s') in the form of a lump sum payment and/or as a regular income payment for the anticipated lifetime of the Member. The Scheme has been set up for an indefinite period, and is administered by Trireme Pension Services (Malta) Limited as trustee and retirement scheme administrator (the 'RSA').

The Scheme is an open Defined Contribution Scheme, meaning that:

- i. the Scheme generates retirement benefits depending on the contributions and the returns or gains that are received on the invested contributions, less the expenses and any losses;
- ii. the Scheme is open to unrelated employers and self-employed persons.

Scheme Eligibility

Any individual who is between the ages of 18 and 69 years and is domiciled and/or resident for tax purposes in Malta is eligible to become a Member of the Scheme, provided that any individual who has attained the age of 70 years has commenced receiving retirement benefits.

An individual Member account will be allocated to each Member and the RSA will allocate to each Member account all contributions made to the Scheme by the Member, net of associated fees and charges, and any assets invested by the RSA and allocated to the member's contributions.

Contributions

The Contributor, being the employer, employee or both, may make lump sum and/or regular contributions on such intervals as may be agreed with the RSA. Unless otherwise agreed with the RSA, all contributions shall be made in cash by bank transfer.

All Contributions shall be allocated to an account dedicated for each investment strategy (the 'Strategy Account') net of associated fees and charges, and all investments by the investment manager shall be made out of the assets available in that Strategy Account. All cash accounts will be held with APS Bank plc in the name of the RSA. Assets attributable to the Scheme are segregated and ring-fenced from those of the RSA, related third parties and other Contributors and Members.

Benefits

The beneficiaries of the Scheme shall be such individuals who shall receive retirement benefits in accordance with the provisions of the Scheme Document, namely (the 'Beneficiaries'):

- (a). The employee who has made contributions or in respect of whom contributions were made by the employer of that employee; or
- (b). In the case of incapacity of the employee, the employee and/or person/s on whom that employee has become dependent; or
- (c). In the case of death of the employee, the dependants and/or person/s pre-determined by the employee.

Upon commencement, the Member may elect to receive 30% of the value of their assets as a tax-free lump sum, subject to there being sufficient remaining assets of the Member in the Scheme to generate retirement income to the Member in the form of programmed withdrawals.

The remaining assets of a Member which have not been paid as an initial cash lump sum shall be used to provide the Member with an income based upon either of the following (or a combination of both):

- (a) Programmed Withdrawals.** Pension income will be paid to the Member for their lifetime or until the assets pertaining to the Member have been exhausted based on publicly available annuity or drawdown rates and life expectancy statistics. Such programmed withdrawals are usually paid annually, but by agreement with the Member, the payment frequency can be amended to monthly, quarterly or six-monthly; and/or
- (b) Annuity.** An annuity is purchased from an approved annuity issuer. This may be particularly relevant where the Member has become entirely dependent on the amount of the annuity to fund their living expenses and requires the certainty that they will not outlive the remaining balance of the assets.

The Scheme also permits the transfer of the retirement benefits to another eligible scheme in accordance with the terms of the Scheme Document. Such transfer is also permitted where the Member is no longer employed with the same employer, in which case the Member has the following options:

- (a). to transfer the retirement benefits to another retirement scheme;
- (b). to retain the retirement benefits within the Scheme as 'dormant'; or
- (c). to receive the investment value arising from the contributions, subject to the provisions of the Scheme Document on reaching retirement age and the distribution of retirement benefits.

Death Benefits

When the Member dies and is survived by one or more dependants or other nominated beneficiaries, the RSA shall either:

- (a) Provide an immediate cash lump sum (being the balance of the relevant assets less allowable deductions) to the Members dependants or other nominated beneficiaries, provided the MFSA has been notified of such a payment; or

- (b) If the member had previously so elected, provide one or more of the Member's dependants or other such nominated beneficiaries with retirement benefits for life by transferring the balance of the relevant assets to an approved annuity provider to purchase an annuity as the RSA shall decide.

If the Member dies without being survived by one or more dependants or other nominated beneficiaries, the RSA will pay the whole or remaining balance of the assets to the Member's estate and, where the Member's estate is not owned or claimed, to one or more voluntary organisations registered with the Office of the Commissioner for Voluntary Organisations in Malta, or organisations of an equivalent nature.

Investment Objectives and Strategies

The investment objective of the Scheme shall be to accumulate the value of contributions and achieve returns and capital growth by investing predominantly in units in collective investment schemes as well as in other listed instruments such as bonds and other transferable securities, and other ancillary liquid assets. A range of investment strategies are available for selection (refer to 'Investment Strategies' document which is available upon request), which have been designed and approved by ReAPS Asset Management Limited. Each Member must decide which investment strategy is the most appropriate for themselves and their contributions will then be directed accordingly. Members will be offered guidance on establishing their risk profile through the completion of a questionnaire. The Member may decide to re-direct contributions into another strategy at any time free of charge, subject to providing suitable notification.

The Scheme's assets shall be invested through the portfolio services offered by

ReAPS Asset Management Limited ('ReAPS'), which is licensed to provide investment management services by the MFSA in terms of the RPA and the Investment Services Act (Chapter 370 of the Laws of Malta). The invested contributions will be adequately diversified in order to avoid concentration of risk and will be invested in the best interests of Members and Beneficiaries in line with the Pension Rules for Occupational Retirement Schemes (the 'Pension Rules').

All scheme assets will be managed within the parameters of restricted investments, diversification and prudence as required by the MFSA and the Member's risk profile, applicable ESG (environmental, social and governance) policies, as well as in compliance with applicable investment restrictions, a full list of which is provided in Annex I hereto. ReAPS shall integrate sustainability risks in its investment decision-making process relating to the Scheme's strategies by considering various environmental, social and governance factors (including climate change, health protection, sustainability management) to ensure that the underlying investments satisfy the Scheme's policy in this regard. The investment policy outlined herein shall be maintained up-to-date and reviewed at least once every three years.

Asset Valuation and Investment Monitoring

ReAPS shall be reporting the value of the investments made on behalf of the Scheme on a periodic basis to the RSA, which shall be verifying same on the basis of independent sources to identify and detect any potential valuation errors. The Scheme's investments shall be made in regulated markets, and will be valued using generally accepted valuation methodologies such as at their last recorded bid price (as appropriate to the security and exchange or market concerned). For the purposes of the Scheme's accounts, values will be reported on a half-yearly and annual

basis, the latter of which shall also be audited. As a general rule, all assets within the Scheme are valued on the basis of International Financial Reporting Standards with any contributions made to the Scheme in the form of in-specie transfers (as may be agreed with the RSA) being subject to an ad hoc valuation.

Accounting

The accounting period of the Scheme commences on the 1st January and ends on the 31st December of every year. The RSA will keep, maintain and prepare accounting records in respect of the Scheme, which shall be audited by the auditor on an annual basis and submitted to the MFSA together with the annual report.

Statutory Provisions for Compensation

There is no statutory provision for compensation in the case where the Scheme is unable to satisfy the liabilities attributed to it. The registration of the Scheme is not an endorsement by the MFSA of the Scheme's performance and the MFSA shall not be liable for the performance or default of the Scheme.

Scheme Risks

All investments carry a degree of risk and the value of the Member's assets in the Scheme will increase and decrease depending upon the underlying values of the investments allocated to the Strategy Account relating to that Member. A lower than projected value at retirement will mean that the Member will receive lower benefits than anticipated throughout their retirement.

Past performance of investments is not a guide to their future performance and the value of the Scheme is not guaranteed and the Member may not get back their original investment.

Commencing high income withdrawals at retirement may not be sustainable. The Member's life span and the investment performance of the assets held within a Strategy Account are not easy to predict and could result in a lower income being received than anticipated. Unless a guaranteed annuity is purchased, the assets may be exhausted before a Member's death if that Member starts to draw down benefits from the Scheme, depending on the level of benefits paid.

Annuity rates may be lower than projected when the Member actually comes to retire. This means that the level of income the Member would actually receive at retirement age may be lower than the anticipated level estimated when becoming a Member.

Changes in corporate and personal tax laws can adversely affect the value of the Scheme's investments and ultimately the net income the Member will receive when they retire. Prospective Contributors and Members are strongly advised to obtain professional tax, legal and investment advice before contributing to the Scheme or becoming a Member. A list of the general risk factors associated with the Scheme is included in the Scheme Document, but this should not in any manner be considered as an exhaustive indication of such risks.

Fee Structure

Fees charged by the RSA are set out in the Key Information and Fee Schedule which is available upon request from APS Bank plc and/or the RSA, and must be confirmed before any prospective Contributor decides to participate in the Scheme.

Tax

The Scheme is a 'Qualifying Scheme' in terms of the Voluntary Occupational Pension Scheme Rules (SL 123.175), meaning that employers and employees contributing to the Scheme are entitled to a tax credit on their contributions, up to a maximum set by Government. Under current legislation, the maximum tax credit is currently set at the lower of:

- 25% of the contributions made in the relevant tax year; and
- €750 per employee

The tax credit is only available in respect of the income tax chargeable for the year during which the contribution has been paid. Any unused credits cannot be carried forward. The maximum tax credit one may receive is limited to the individual's tax bill in any one year.

Contributions made to the Scheme by employers may also be deducted for tax purposes, provided that the maximum deduction that can be availed of in respect of each employee is the lower of the contribution actually paid and €2,000.

The Scheme is not subject to Maltese tax on all its generated income, except income generated from immovable property situated in Malta, and capital gains are not subject to any final withholding tax.

At retirement, the Member may opt to receive up to 30% of the assets value as a tax-free lump sum with any remaining assets value used to provide an income which is subject to applicable income tax at that time.

Future changes in law and taxation could affect the treatment of the Scheme and the amount of tax payable and all references to taxation are based on our understanding of current taxation law and practice as of the date of this document. In order to establish their own individual tax status, prospective and current Scheme Members should seek professional tax advice.

Conflicts of Interest

The Scheme's functionaries and officers and directors thereof may be involved in professional activities which, in the course of their business, will or may give rise to a potential conflict of interest. Such persons shall remain at liberty to undertake such business independently of their involvement with the RSA or the Scheme. Furthermore, the Scheme's investments may be made in products belonging to and/or managed by the APS Group. In such circumstances, such persons will have appropriate regard to their respective obligations at law or under the agreements appointing them to act in the best interests of Members and Beneficiaries when potential conflicts of interests may arise. Moreover, the RSA, APS Bank plc and ReAPS have adopted strict policies and procedures for the prevention of conflicts of interests and to ensure that the entire investment activity in respect of the Scheme is carried out in the best interests of Members and Beneficiaries.

Scheme Functionaries

Retirement Scheme Administrator, Trustee and Custodian

Trireme Pension Services (Malta) Limited (“Trireme”) is licensed by the MFSA to act as a retirement scheme administrator and custodian in terms of the RPA. Trireme forms part of the PraxisIFM Group, one of the largest independent financial services groups headquartered in the Channel Islands, with offices in 19 jurisdictions. The Group provides administration services to more than 300,000 pension members worldwide.

Investment Manager

ReAPS forms part of the APS financial services group and is licensed by the MFSA to provide investment management services in terms of the RPA and the Investment Services Act (Chapter 370 of the Laws of Malta).

Bank

APS Bank plc is licensed by the MFSA to act as a credit institution and to provide investment management services in terms of the Investment Services Act (Chapter 370 of the Laws of Malta). APS Bank plc was established since 1910, with majority shareholding held by the Archdiocese of Malta and Gozo. APS Bank is well known for its ethical banking tradition and exemplary corporate social responsibility practices supporting Maltese culture, art and various charitable causes.

Auditors

Deloitte Audit Limited is duly approved by the MFSA to audit financial statements of retirement pension schemes.

Legal Advisors

DF Advocates is a Malta based law firm servicing local and international clients in setting up and operating their business activities as well as advising on local and cross border transactions involving complex issues spanning various industries, with a specific focus on corporate law and financial services.

Additional information concerning the Plan

This document constitutes the Scheme Particulars in relation to the Scheme in accordance with the Pension Rules issued by the MFSA.

The Scheme is subject to each Member’s individual circumstances and the Scheme Particulars are intended as a summary only. Prospective Contributors and Members should seek professional and independent investment, legal and tax advice before deciding to contribute to the Scheme.

Should you have any concerns or issues over the services being provided to you through the Scheme, we are happy to help resolve this issue with the involvement of the RSA. However, if a particular matter is not resolved to your satisfaction, the RSA operates an internal dispute resolution which conforms to MFSA guidelines. In such case, you are kindly requested to contact the RSA’s Operations Manager by using the following contact details:

The Operations Manager
Trireme Pension Services (Malta) Limited
First Floor, Orange Point
Dun Karm Street, Birkirkara By-Pass
Birkirkara BKR9037
Malta
or by emailing APS@triremepensions.com
or by telephone at +356 22 193 800

The full complaints procedure may also be obtained by contacting the RSA using the above contact details.

Additional information concerning the Scheme, including the Scheme Document, may be obtained by contacting APS Bank plc on +356 21 226 644 or info@apsbank.com.mt, or downloaded from www.apsbank.com.mt.

Annex I

Investment Restrictions

The Scheme (through the investment manager) shall apply the following restrictions in relation to the assets of the Scheme:

- (a) not more than five percent (5%) of the Scheme's assets shall be invested in the sponsoring undertaking, and where the sponsoring undertaking belongs to a group, investment in undertakings belonging to that group shall not be more than ten percent (10%) of the Scheme's assets: Provided that the said limits shall not apply to investment in government bonds;

- (b) not more than thirty percent (30%) of the Scheme's assets shall be invested in assets which are not traded in or dealt on a market which is regulated, operates regularly, is recognised and is open to the public, and has adequate liquidity and adequate arrangements in respect of the transmission of income and capital. The investment manager shall determine the mix of assets within the thirty percent (30%) limit, subject to the following:
 - (i) investments in such assets shall always be carried out on an arms' length basis;

 - (ii) the Scheme's assets may be directly or indirectly invested in commercial or residential immovable property, subject that:
 - a. direct investments in commercial or residential immovable property shall be effected as follows:
 - not more than ten percent (10%) of the Scheme's assets shall be invested in a single property;
 - before a property is acquired, it shall be valued by at least one (1) independent qualified valuer¹;
 - the property must be acquired within six (6) months from the date of the report and at a price which is within five percent (5%) of the valuation price;
 - not more than five percent (5%) of the Scheme's assets should be invested in residential property;
 - any residential property acquired by the Scheme shall not be for the direct or indirect use of Members, Contributors or Beneficiaries;

 - b. indirect investments in commercial or residential immovable property shall be effected as follows:
 - may be effected through the purchase of property related assets²;

¹ A person who holds a warrant to practise as a building professional (architect) granted under the Periti Act (Chapter 390 of the Laws of Malta) and, where the qualified valuer is a person whose country of domicile is a country outside Malta, a person who is duly qualified and authorised in the country of his domicile to practise as a building professional (equivalent to an architect) under the laws of the country of his domicile governing architecture and civil engineering professionals acceptable to the MFSA.

² Securities issued by property management companies and/or property financing companies and/or property development companies and/or other companies including collective investment schemes, whose main objective is to own or invest in immovable property.

- not more than ten percent (10%) of a Scheme's assets shall be invested in a single issuer or a single issue of property related assets;
 - in the case of investment in bonds issued by property management or financing companies or property owning companies, reasonable steps shall be taken to ensure to the extent possible, that the issuer has made sufficient provision for the repayment of the bond at maturity;
- c. The Scheme's percentage (direct or indirect) investment in immovable property is subject to reporting to the MFSA in the annual audited financial statements to ensure that the immovable property exposure limit is satisfied on an on-going basis;
- (iii) any investments in unlisted alternative assets (e.g. hedge funds) shall be permitted, subject that not more than ten percent (10%) of the Scheme's assets is invested in any single asset of this type;
- (iv) investments in tangible movable assets are not permissible;
- (c) the assets of the Scheme shall be invested in derivative instruments only insofar as they contribute to a reduction of investment risks or facilitate efficient portfolio management. They shall be valued on a prudent basis, taking into account the underlying asset, and included in the valuation of the Scheme's assets. Excessive risk exposure to a single counterparty and to other derivative operations shall be avoided. The Scheme shall not be leveraged or geared in any way through the use of futures, options or other derivatives;
- (d) in particular, the Scheme assets shall be invested as follows:
- (i) not more than ten percent (10%) of assets shall be invested in securities issued by the same body;
 - (ii) not more than ten percent (10%) of the assets shall be kept on deposit with any one body. This limit may be increased to thirty percent (30%) in respect of money deposited with a credit institution licensed in Malta or in any other Member State or EEA State, or with any other credit institution which has been approved by the MFSA;
 - (iii) the Scheme shall not hold more than ten percent (10%) of any class of security issued by any single issuer:
 - (iv) Provided that the above limits may not apply to investment in government bonds.
- (e) subject to the provisions of the Scheme Document, the Scheme may borrow as long as the borrowings do not exceed ten percent (10%) of the value of the Scheme and provided such borrowing is temporary and for liquidity purposes;
- (f) the Scheme shall not grant loans or act as guarantor on behalf of a third party. This is without prejudice to the right of the Scheme to acquire debt securities;
- (g) the Scheme may invest up to one hundred percent (100%) of its assets in a retirement

fund licensed under the Act or an equivalent arrangement overseas or in a single insurance policy. In the case where the retirement fund is managed or advised by the same Investment Manager or by an associate thereof, arrangements shall be made to eliminate more than one set of charges on acquisition or disposal and more than one set of management charges;

- (h) the Scheme may acquire the units of collective investment schemes adequately regulated subject to the following:
 - (i) where the Scheme invests in the units of a collective investment scheme managed or advised by the same Investment Manager or by an associate thereof, arrangements shall be made to eliminate more than one set of charges on acquisition or disposal and more than one set of management charges;
 - (ii) where commission is received by the Investment Manager by virtue of an investment in the units of a collective investment scheme, that commission shall be paid into the property of the Scheme;
 - (iii) any underlying collective investment scheme must be properly diversified and predominantly invested in regulated markets (except for collective investment schemes investing in immovable property);
 - (iv) the Scheme shall not invest in a feeder fund or, without MFSA approval, in a fund of funds;
 - (v) not more than twenty percent (20%) of the Scheme's assets shall be invested in total in any one collective investment scheme which is properly diversified and predominantly invested in regulated markets;
- (i) the Scheme and the Investment Manager, taking into account the Scheme and other collective investment schemes which the latter manages, shall not acquire sufficient instruments to give it the right to exercise control over twenty percent (20%) or more of the share capital or votes of a company, or sufficient instruments to enable it to exercise significant influence over the management of the issuer.

Approved and issued by APS Bank plc, APS Centre, Tower Street, B'Kara BKR 4012. APS Bank plc is regulated by the Malta Financial Services Authority as a Credit Institution under the Banking Act 1994 and to carry out Investment Services activities under the Investment Services Act 1994. The APS Occupational Pension Scheme is licensed and regulated as an occupational retirement scheme by the Malta Financial Services Authority in terms of the Retirement Pensions Act (Chapter 514 of the Laws of Malta). This document has been prepared and approved by Trireme Pension Services (Malta) Limited (as the retirement scheme administrator) and APS Bank plc (as distributor of the scheme).