



Scheme Particulars

APS Personal Pension Plan

The Plan

The APS Personal Pension Plan (the 'Plan') 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 Personal 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 Plan is to receive contributions from individuals (the 'Contributors') and to provide retirement benefits to individual members of the Plan (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 Plan has been set up for an indefinite period, and is administered by Tirreme Pension Services (Malta) Limited as trustee and retirement scheme administrator (the 'RSA').

The Plan is a Defined Contribution Scheme, meaning that the Plan 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.

Plan Eligibility

Any individual who is between the ages of 18 and 65 years and is domiciled and/or resident for tax purposes in Malta is eligible to become a Member of the Plan, 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 Plan 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 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 Plan are segregated and ring-fenced from those of the RSA, related third parties and other Contributors and Members.

Benefits

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

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

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 Plan 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.

Death Benefits

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

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

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 Plan 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, and Members' contributions will 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.

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A Member may also request to be provided with investment advice by APS Bank plc. In such case, a suitability test shall be performed in respect of that Member, in order to determine the most suitable investment strategy for the Member.

The Plan'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 Personal 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 Plan 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 Plan'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 Plan'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 Plan are valued on the basis of International Financial Reporting Standards with any contributions made to the Plan 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 Plan 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 Plan, 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 Plan is unable to satisfy the liabilities attributed to it. The registration of the Plan is not an endorsement by the MFSA of the Plan's performance and the MFSA shall not be liable for the performance or default of the Plan.

Plan Risks

All investments carry a degree of risk and the value of the Member's assets in the Plan 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 Plan 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 Plan, 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 Plan'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 Plan or becoming a Member. A list of the general risk factors associated with the Plan 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 Plan.

Tax

The Plan is a 'Qualifying Scheme' in terms of the Personal Retirement Scheme Rules (SL 123.163), meaning that individuals contributing to the Plan 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

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.

The Plan 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 Plan 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 Plan Members should seek professional tax advice.

Conflicts of Interest

The Plan'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 Plan. Furthermore, the Plan'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 Plan is carried out in the best interests of Members and Beneficiaries.

PLAN 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 Plan in accordance with the Pension Rules issued by the MFSA.

The Plan 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 Plan.

Should you have any concerns or issues over the services being provided to you through the Plan, 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
Tirreme Pension Services (Malta) Limited
First Floor, Orange Point
Dun Karm Street, Birkirkara By-Pass
Birkirkara BKR9037
Malta
or by emailing APS@tirremepension.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.

If you are still not satisfied with the manner in which your complaint has been resolved, the complaint may be referred to the Office of the Arbiter for Financial Services as established under the Arbiter for Financial Services Act (Chapter 555 of the Laws of Malta).

Additional information concerning the Plan, including the Scheme Document, may be obtained by contacting APS Bank plc on +356 21226644 or info@apsbank.com.mt.

Annex I

Investment Restrictions

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

- a. the assets of the Plan shall be invested in the best interest of the Members and Beneficiaries. In the case of a potential conflict of interest, it must be ensured that the investment activity is carried out in the sole interest of the Members and Beneficiaries;
- b. the assets of the Plan shall be properly diversified in such a way as to avoid accumulations of risk in the portfolio as a whole;
- c. the assets of the Plan shall be sufficiently liquid and/or generate sufficient retirement income to ensure that retirement benefits payments can be met closer to Retirement Date for commencement of retirement benefits;
- d. subject to paragraph (f), the Plan shall not engage, directly or indirectly, in transactions with, or grant loans to, any of its Members or connected persons thereto;
- e. the Plan shall not engage, directly or indirectly, in borrowing in connection with property purchases on behalf of any of its Members or connected persons thereto, other than on fully commercial terms, provided that the Plan may borrow up to fifty percent (50%) of the amount of property purchased which must be valued by an independent qualified valuer¹;
- f. immovable property held by the Plan may be used by the Members or connected persons thereto provided that it is on fully commercial terms which must be valued by an independent qualified valuer;
- g. with the exception of the embedded derivative component within structured notes, the Plan shall not make use of derivative financial instruments for speculative purposes;
- h. where structured notes are included in the Plan's assets, these will be permitted up to a maximum of fifteen percent (15%) of the portfolio's total value, with no more than ten percent (10%) of the Plan's assets to be subject to the same issuer default risk;
- i. the assets of the Plan shall be invested in order to ensure the security, quality, liquidity and profitability of the portfolio as a whole.

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.