

Nomination Information Document

Nomination for the Election of Non-Executive Directors of APS Bank plc (or the “Bank”) pursuant to Article 111 of the Bank’s Articles of Association.

This document is a supplement to the Nomination Form. This document assists the Nominee and Proposer in completing the Nomination Form correctly and accurately.

Please take time to familiarise yourself with the Nomination Form and with this supplementary document. For any further clarifications, you are kindly requested to contact the Bank’s Company Secretariat Office via email on companysecretariat@apsbank.com.mt or by calling (+356) 25603161.

This document is divided as follows:

Part A: Background on APS Bank plc

Part B: Information on Holding a Directorship Role

Part C: Important information on the nomination and appointment process

Part D: Glossary of Terms

This Nomination Form, together with the annexed declarations and documents must be lodged with the Company Secretariat Office of APS Bank plc, at APS Centre, Tower Street, Birkirkara, BKR 4012, Malta, or via email on companysecretariat@apsbank.com.mt by not later than noon of 6 February 2024. Any soft copy submission of the Form is to be followed by a physical, original copy within three (3) working days of submission date.

Part A: Background on APS Bank plc

The Community Bank

APS Bank is one of the oldest banks on the Maltese Islands and is a leading provider of financial services, offering personal, business and investments solutions. APS Bank is licensed as an investment services firm, registered as a Tied Insurance Intermediary.

The Bank's distribution channels consist of a network of [branches and ATMs](#) complemented by a versatile electronic banking platform which serves the retail and commercial customer base. Being a pillar of community banking for over a century, APS Bank is committed as ever to the economic and social development of its marketplace. APS Bank is one of the most exciting and enterprising banks with an agenda of modernization, and growth, helped in no small way by its young, qualified and highly-talented workforce.

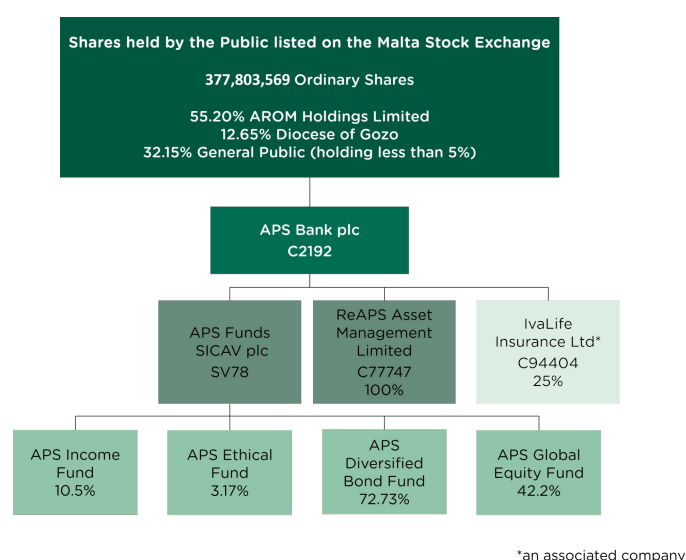
Values

The Bank is committed to the economic, environmental and social development of its workplace. The Bank's key principles of caring and connectedness have endured the test of time and have been its key guiding principles throughout its history.

The interest of the Bank's customers are at the heart of the decisions that are taken day-in and day-out about the running the business and shaping it for the future. In doing so, the Bank owns a set of core values which are relevant to today's realities and which form the fabric that keeps the Bank's many teams together. These values are:

- EXCELLENCE: Get it right first time;
- AUTHENTICITY: Always do the right thing;
- PASSION: Do what you love, care about the others;
- INCLUSIVENESS: Build on differences and break the silos; and
- CONTEMPORARY: Be relevant to today's world.

Group Organisational Structure



Products & Services

The Bank predominantly operates within the Maltese market with some diversification on the international scene mainly relating to retail deposits raised through European online platforms, syndicated loan participations, trade finance facilities, debt securities and other financial statements. The Bank offers a comprehensive suite of products and services, covering retail, commercial, lending, transactional banking, and investment services, serving a wide range of customers from retail clients and small businesses to medium-sized enterprises and larger local corporates.

The Board of Directors

The Board plays a salient role in setting the strategy of the Bank by providing leadership, integrity and judgement, upholding the highest standards of corporate governance. In doing so, the Board establishes the required focus on the value-added deliverables, promoting the Bank's culture, values and ethics, aiming to safeguard the interests of the institution, shareholders, employees and customers alike. The Board is committed to continually improve its practices and capabilities so that it can discharge its role and responsibilities effectively.

As at the date of this document, the Board is composed of nine Non-Executive Directors, including the Chairman, Martin Scicluna. There is a range of relevant skills on the Board, gained in diverse business environments and different sectors, making the Board suitable to articulate perspectives, entertain debates on a wide range of issues, ensuring effective and efficient decision making.

Website

The Bank boasts of an informative and up-to-date website. Of particular interest for this process is the Investor Relations page apsbank.com.mt/investor-relations. Nominees and Proposers may access this page to gain insight on bios of the current Directors and senior management team, get an overview of the Bank's Committee structure, obtain information on the Bank's financials and related market briefings delivered, and access a library of the Bank's issued Company Announcements.

Part B: Information on Holding a Directorship Role

The Responsibilities of the Board

In its primary responsibility, in setting the 'tone at the top', the Board is responsible for understanding and for advising management on the processes through which governance occurs and is accountable for the results of those processes, hence the Board ensures effective execution of its functions through clear articulation of the Bank's purpose and strategy, exercising stewardship and oversight of the institution. In doing so, the Board works closely with the senior management team, led by the Chief Executive Officer, and together establish a balance between oversight and strategy execution.

The Board actively oversees the affairs of the Bank by formulating policy in alignment with relevant laws, regulations, and code of practice. The Board is responsible to approve major projects, budgets, capital expenditures and financing, and oversees the adequacy of its corporate governance, transformation, internal controls systems, and risk management, including people's management.

The Board ensures that the Bank has appropriate policies and procedures in place to lead its employees to the highest standards of corporate conduct and to comply at all times with applicable laws, regulations, business and ethical standards.

Time Commitment

A Non-Executive Director is to be able to commit sufficient time to performing the functions and responsibilities including understanding the Bank's business, its main risks and the implications of the business and the risk strategy. All Directors are required to attend all meetings of the Board, the meetings of those Committees on which they serve, and the Annual General Meeting (AGM). All Directors are expected to devote sufficient time to the Bank's affairs to enable them to fulfil their duties as Directors, always exercising independent judgement.

The Bank anticipates that during a calendar year, no less than ten Board Meetings are held. The duration of each Board Meeting is approximately 5 hours. Ad hoc meetings and strategic planning meetings can be called and would require attendance. Board Packs require pre-reading and Directors must be contactable between meetings for urgent matters or for round-robin resolutions.

Resources

- Companies Act, Chapter 386 of the laws of Malta;
- Banking Act, Chapter 371 of the laws of Malta;
- Capital Markets Rules, particularly the "Code of Principles for Good Corporate Governance" (the "Code"), in Appendix 5.1 of the Capital Markets Rules
- Joint EBA & ESMA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU
- APS Bank plc - Memorandum and Articles of Association
(link: apsbank.com.mt/investor-relations)

Part C: Important Information on the Nominations and Appointment Process

Introduction

The Bank's Articles of Association provide that Directors shall hold office until the conclusion of the next Annual General Meeting, at which they may be eligible for re-appointment.

The Bank's Articles of Association provide that Directors shall hold office until the conclusion of the next Annual General Meeting, at which they may be eligible for re-appointment. Directors are either (i) appointed by letter by Qualifying Shareholders or (ii) nominated by a Proposer, seconded by one or more shareholders holding in the aggregate at least fifty thousand (50,000) shares. In the case of more nominations than vacancies, an election will be held at the Annual General Meeting. All nominations, upon receipt, shall be subject to approval by the Bank's Nomination and Remuneration Committee. The Committee ensures that the Nominee is a fit and proper person. No Nominee shall be eligible for appointment or election as a Director without prior approval of the said Committee. For this purpose, the Nomination and Remuneration Committee shall, prior to any such approval, also take into account the collective requirements of the Board from a legal and regulatory perspective.

Submitting a Nomination

A Proposer who would like to submit a nomination must complete the Nomination Form, and ensure:

- It is also completed by the Nominee
- It is seconded by one or more shareholders holding in the aggregate at least fifty thousand (50,000) shares, unless held in total by the Proposer, and the Proposer is not the Nominee
- All the relative documents are provided with the Form
- It is lodged with the Company Secretariat Office of APS Bank plc, at APS Centre, Tower Street, Birkirkara, BKR 4012, Malta, or via email on companysecretariat@apsbank.com.mt by not later than noon of 6 February 2024. Any soft copy submission of the Form is to be followed by a physical, original copy within three (3) working days of submission date.

Any Form which is submitted to the Company Secretariat Office which does not strictly comply with the above terms shall be considered non-compliant and accordingly invalid. This includes any late submissions.

Eligibility Assessment

Upon closing date, nominations will be presented to the Nominations and Remuneration Committee for an individual and collective suitability assessment of each nomination to be carried out. This assessment takes into consideration the Nominee's qualifications, experience, and skills to undertake the role of a Non-Executive Director.

In considering its assessment, the Committee considers the following non-exhaustive list of criteria required from the Nominee:

- An understanding of, and demonstrated commitment to the Bank's mission and values;
- Sufficient competence, knowledge, skills and experience to perform the role as a Director;
- The ability to understand the Bank's business and its regulatory risks, including the identification, monitoring and mitigation of risks, including AML and CFT risks;
- Financial literacy;
- The capacity and willingness to prepare and contribute to Board meetings, having the sufficient time commitment to actively fulfil the role;
- The capacity and willingness to undertake continuous professional development and learning;
- The ability to listen, evaluate and form conclusions independently; and
- Having the ability function effectively, in a collegial way respecting the dynamics of the Board of Directors.

Furthermore, the Committee considers the collective suitability of the Board, that is, that once the Nominee is appointed, the Board, as a whole, presents a mix of experience and expertise in areas relating to banking, financial services and other areas that can in general be considered relevant for the banking sector.

The Nominations and Remuneration Committee reserves the right to request further information from the Nominee. Nominees may be invited to attend an interview, in person or via videoconferencing facilities, with the Nominations and Remuneration Committee Chair and/or members, or with other sources that the Committee may recommend, including external advisors.

Nominees who fail to make themselves available for an interview or do not provide sufficient and pertinent information will have their nomination rejected.

After making their assessment, the Nominations and Remuneration Committee will present those successful nominations to the Board of Directors for their final approval. An Involvement Suitability Assessment will be drawn up.

The Nominations and Remuneration Committee will communicate the outcome of assessment to the Proposers and Nominees. Further details will not be disclosed.

Should there be as many successful nominations as there are vacancies, or less, no election will take place and those Nominees will be immediately requested to complete a Personal Questionnaire and submit it to the MFSA for regulatory approval. Upon regulatory approval having been obtained, the Nominee will be appointed to the Board.

Election

Should there be more successful nominations than there are vacancies, then an election will take place at the Annual General Meeting.

The Nominee names will be provided in the Annual General Meeting pack submitted by mail to all eligible shareholders, at least 21 days prior to the Annual General Meeting date. This will also be provided on the Bank's website. The website will also include a photograph and the profile of each Nominee to enable shareholders to make an informed decision on their election. There is a strict limit of 200 words for the profile.

On the day of the Annual General Meeting, the names of the Nominees will be written on the ballot paper in Surname alphabetical order. Shareholders hold one vote for every share held. The Nominees obtaining the highest number of votes will be elected. The voting results will be rendered public at the Annual General Meeting.

The elected Nominees will be immediately requested to complete a Personal Questionnaire and submit it to the MFSA for regulatory approval. Upon regulatory approval having been obtained, the Nominee will be appointed to the Board.

Part D: Glossary of Terms

Key Function Holders	Employees of the Bank whose position gives them significant influence over the direction of the credit institution, but who are not members of the management body (Board of directors) and are not the CEO. Key function holders might include heads of significant business lines, EEA branches, third country subsidiaries, support, and internal control functions
Nominee	The person who is being nominated for the appointment of a Non-Executive Director on the Board of Directors of APS Bank plc
Regulated Entity	An entity subject to MFSA licensing or approval
Non-Regulated Entity	An entity not subject to MFSA licensing or approval
Politically Exposed Persons (PEP)	Individuals who are or have been entrusted with prominent public functions, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials. Nominees who are PEPs will be requested to provide the Bank and the MFSA with further information on their Source of Wealth and Source of Funds
Proposer	The shareholder submitting a Nomination
Seconders	The Bank's shareholder/s who in aggregate hold at least 50,000 shares in APS Bank plc, unless the 50,000 shareholding requirement is already fulfilled by the Proposer