

COMPANY ANNOUNCEMENT

Notice of Annual General Meeting

Date of Announcement: 18 April 2024
Reference No: APSB62

The following is a Company Announcement issued by APS Bank plc pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Quote

Further to Company Announcement [APSB60](#) of 11 March, 2024, notice is hereby given in terms of article 63 of the articles of association (the “Articles”) of APS Bank plc (the “Company”) that the Company’s annual general meeting (the “Meeting”) shall be convened at The Westin Dragonara Resort, St Julians, Malta on Thursday 9 May 2024 at 1800 hours.

The agenda for the Meeting shall be as set out below.

Agenda Item 1: Appointment of Chairman and Opening of the Meeting

Agenda Item 2: Quorum

ORDINARY BUSINESS - ORDINARY RESOLUTIONS

Agenda Item 3: Approval of the audited financial statements for the financial year ended 31 December 2023

Proposal: The Board proposes that the audited financial statements for the financial year ended 31 December 2023, together with the report of the directors and the report of the auditors thereon be received and approved.

Agenda Item 4: Declaration of Dividend

Proposal: The Board recommends that the Meeting declares a gross final dividend of €0.022 per ordinary share, totalling €8,500,000 (which amounts to a final net dividend of €0.015 per ordinary share, or €5,500,000), for the year ended 31 December 2023, which dividend shall be paid (i) either in cash or (ii) in scrip by the issue of new shares, in each case at the option of each individual Member.

Note: Kindly refer to section 3A of the [Circular](#) for more information.

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Agenda Item 5: Appointment and remuneration of Auditors

Proposal: The Board, in line with the recommendation of the Company's Audit Committee, proposes that 'Deloitte Audit Limited' be reappointed as the Company's auditors until the end of the annual general meeting to be held in 2025. The Board further proposes that it be authorised to fix the remuneration of the Company's auditors.

Agenda Item 6: Appointment of Directors

In accordance with article 109 of the Articles, the term of office of each of the directors will end at the conclusion of the Meeting. Although all retiring directors are eligible for re-appointment, Mr Victor E Agius will stand down from the Board at the conclusion of the Meeting and will not offer himself for re-appointment.

In this regard, the Board wishes to inform Members that Mr Martin Scicluna, Prof Juanito Camilleri, Dr Laragh Cassar, Mr Michael Pace Ross, Mr Joseph Rapa, and Dr Joseph C Attard, all being eligible for appointment, have signified their willingness to be re-appointed as directors of the Company and have so all been re-appointed until the end of the annual general meeting to be held in 2025 in terms of articles 103 and 104 of the Articles. The re-appointments were made by Qualifying Shareholders, as defined in the Articles, and were notified to the Company Secretary by letter. In terms of the said Articles, the Qualifying Shareholders also notified the Company Secretary by letter that they were appointing Ms Leslie Janet Stephenson as director of the Company in lieu of Mr Victor E Agius. Ms Stephenson was deemed by the Company's Nominations and Remuneration Committee to be fit and proper to act as director. Regulatory approval from the Malta Financial Services Authority is in the process of being obtained.

In addition, following a call for nominations issued by the Company for persons to be appointed as directors in terms of the Articles, two nominations were received from the incumbent directors Mr Noel Mizzi and Ms Marisa Xuereb. Given that the total number of nominations received equals the number of vacancies created, Mr Mizzi and Ms Xuereb will automatically be re-appointed as directors until the end of the annual general meeting to be held in 2025.

Accordingly, no election of directors at the Meeting will take place since the maximum number of Board members in terms of clause 9(a) of the Company's memorandum of association will have been satisfied.

Note: Kindly refer to the Bio Note in the Annex [below](#) for more information.

Agenda Item 7: Emoluments of Directors

Proposal: The Board proposes that the maximum aggregate emoluments that may be paid to the directors of the Company in any financial year shall be fixed at €700,000.

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SPECIAL BUSINESS – ORDINARY RESOLUTIONS

Agenda Item 8: Remuneration policy

Proposal: That the remuneration policy as set out in the Circular be hereby received and approved.

Note: *Kindly refer to section 3B of the [Circular](#) for more information.*

Agenda Item 9: Remuneration report

Proposal: That the remuneration report in terms of Chapter 12 of the Capital Markets Rules published by the Malta Financial Services Authority as set out in the Company's annual report for the financial year ended 31 December 2023 be hereby received and approved.

Note: *The remuneration report is being submitted to the Meeting for an advisory (non-binding) vote. Kindly refer to section 3C of the [Circular](#) for more information.*

Agenda Item 10: Rights Issue and Directors' Authority to issue Shares for the purpose of undertaking a Rights Issue

Purpose: The Company intends to access the capital markets through the issue and allotment to its members, and the general public, of new ordinary shares to raise in aggregate up to a maximum amount not exceeding 50% of the issued share capital in place at the time of the said issue, pursuant to one or more rights issues over a period of one (1) year from the date of this Annual General Meeting (the "Rights Issue"). Once issued, the new ordinary shares will be admitted to listing on the Official List of the Malta Stock Exchange and shall form part of the existing class of ordinary shares having equal rights and ranking *pari passu* with the existing shares. Further information on the Rights Issue will be announced in due course.

The Board is therefore proposing that the Company in General Meeting authorises the Board to issue new ordinary shares up to a maximum amount not exceeding 50% of the issued share capital in place at the time of the relative Rights Issue. This authority is to remain valid until the end of the annual general meeting of the Company to be held in 2025. In order to permit the undertaking of a Rights Issue, the Board is therefore also seeking the approval of Members to increase the authorised share capital of the Company in terms of the resolution contained in Agenda Item 13 below.

The Board therefore proposes that the Meeting adopts the following ordinary resolution:

- Proposal: *“(1) That, subject to receiving all necessary regulatory approvals, the Board of Directors (with full powers of delegation) be authorised to carry out one or more rights issues on such terms and at such times as it deems fit, and to:*
- a) issue and allot such number of new ordinary shares at such price, and on such terms as the Board may determine, up to a maximum amount not exceeding 50% of the issued share capital in place at the time of the relative rights issue;*
 - b) determine the allocation policy in respect of any new ordinary shares not subscribed for by eligible members participating in the rights issue/s;*
 - c) carry out all such actions and execute all such documents as may be required in order to give effect to the rights issue/s and subsequent issue and allotment of new ordinary shares as set out in paragraphs (a) and (b) above;*
- (2) That the authorisation set out in (1) above be valid from the date of the adoption of this resolution until the end of the Company’s annual general meeting to be held in 2025 and that this authorisation shall be without prejudice (i) to the authority given to the Board to issue any number of shares permitted by the Company’s executive share incentive plan rules up to the value of the authorised share capital in accordance with a resolution of the general meeting of the 28 April 2022; and (ii) subject to the approval of the resolution contained in agenda item 11, the authority given to the Board until the end of the Company’s Annual General Meeting to be held in 2025 to issue shares for the purpose of implementing a decision to pay a scrip dividend; and*
- (3) That the company secretary be authorised to issue a certified extract of the minutes kept at the Meeting (including, inter alia the immediately preceding resolution) and to file same with the Malta Business Registry as required.”*

Note: *Kindly refer to section 3D of the [Circular](#) for more information.*

SPECIAL BUSINESS - EXTRAORDINARY RESOLUTIONS

Agenda Item 11: Directors’ authority to issue Shares limitedly for the purpose of implementing a decision to pay a scrip dividend, and to affect a capitalisation of profits

Purpose: In order to give flexibility to the Company to issue shares, following a decision to pay a scrip dividend, whereby a Member can elect to receive shares *in lieu* of all or part of a cash dividend, the Board proposes that the Members authorise it to issue Shares solely for the said purpose, which authorisation shall remain in place until the end of the Company’s 2025 annual general meeting.

The Board also proposes that in terms of article 155 of the Articles and solely for the said purpose of implementing a scrip dividend mechanism, it be authorised and empowered until the end of the 2025 annual general meeting, to capitalise any amount standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and issue shares to be allotted, distributed and credited as fully paid up to and amongst the Members of the Company.

Should this resolution be passed, and subject to the approval of Agenda Item 4 above, the authorisations granted to the Board pursuant to this resolution will be used in the first instance to capitalise up to €5,500,000 from the Company's profits for the purpose of issuing up to 10,000,000 fully paid up ordinary shares to those Members appearing on the Company's register of members maintained by the Central Securities Depository of the Malta Stock Exchange on 9 April 2024 who opt to receive their dividend entitlement in the form of scrip.

The Board therefore proposes that the Meeting adopts the following extraordinary resolution:

Proposal:

“(1) That, pursuant to article 85 of the Companies Act (Cap. 386, Laws of Malta), and in virtue of the powers vested in the Company by article 4(a) of the Company's Articles of Association (the “Articles”), the Board of Directors (with full powers of delegation) be hereby authorised to issue and allot such number of Shares (as defined in the Articles), for the time being unissued, as may be determined by the Board of Directors up to the value of the authorised share capital of the Company limitedly for the purpose of issuing shares following a decision to pay a scrip dividend whereby a Member can elect to receive shares in lieu of all or part of a cash dividend;

(2) That, limitedly for the said purpose and without prejudice to the relevant provisions of the Banking Act (Cap. 371, Laws of Malta), the Board of Directors (with full powers of delegation) be authorised and empowered for the purposes of article 155 of the Articles to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and that such sum be set free for paying up in full unissued Shares of the Company to be allotted, distributed and credited as fully paid up to and amongst such Members, as the Board may deem fit;

(3) That the authorisations set out in (1) and (2) above be valid from the date of the adoption of this resolution until the end of the Company's annual general meeting to be held in 2025 and that these authorisations shall be without prejudice to the authority given to the Board to issue any number of shares permitted by the Company's executive share incentive plan rules up to the value of the authorised share capital in accordance with a resolution of the general meeting of the 28 April 2022 and (ii) subject to the approval of resolution contained in agenda item 10,

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the authority given to the Board until the end of the Company's annual general meeting to be held in 2025 to issue and allot such number of Shares, for the time being unissued, up to a maximum amount not exceeding 50% of the issued share capital in place at the time of the relative rights issue limitedly for the purpose of the Company undertaking one or more rights issues; and

(4) That the company secretary be authorised to issue a certified extract of the minutes kept at the Meeting (including, inter alia the immediately preceding resolution) and to file same with the Malta Business Registry as required."

Note: Kindly refer to section 3E of the [Circular](#) for more information.

Agenda Item 12: Delegation to the Directors to issue debt securities

Purpose: To be able to support its capital and financial requirements, including where these arise from a regulatory determination, the Company may opt to raise finance by issuing debt securities to the public from time to time. To this end, during the 2023 annual general meeting of the Company, the Members authorised and empowered the Board to issue up to €150,000,000 in nominal value of bonds, debentures or other debt securities, and to apply for such bonds, debentures or other debt securities to be admitted to listing and/or trading on the Official List of the Malta Stock Exchange and/or any Regulated Market.

This authorisation was granted until, and will therefore expire at, the end of the Company's 2024 annual general meeting. During this period, the Company issued €50,000,000 in nominal value of bonds. The Board is therefore proposing that the Members renew the Board's authorisation to issue up to €100,000,000 in nominal value of bonds, debentures or other securities to the public and which authorisation is to be valid until the end of the Company's 2025 annual general meeting.

The Board therefore proposes that the Meeting adopts the following extraordinary resolution:

Proposal: *"(1) That, pursuant to articles 5 and 99(g) of the Company's Articles of Association (the "Articles"), the Board of Directors (the "Board") be hereby generally authorised to (i) issue up to €100,000,000 in nominal value of bonds, debentures or other debt securities (the "Debt Securities"), on such terms as the Board may, at its sole discretion, determine; and (ii) to apply for such Debt Securities to be admitted to listing and/or trading on the Official List of the Malta Stock Exchange and/or on any other Regulated Market;*

(2) That the Board shall be authorised and empowered to take any such action as may be required to give effect to the authorisation set out in (1); and

(3) That the authorisations set out in (1) and (2) above be valid until the end of the Company's annual general meeting to be held in 2025".

Note: Kindly refer to section 3F of the [Circular](#) for more information.

Agenda Item 13: Amendments to the Memorandum and Articles of Association of the Company

Purpose: The Board proposes the approval of certain amendments to its memorandum and articles of association (the "M&A"). The amendments mainly concern: (i) increasing the Company's authorised share capital to €250,000,000, divided into 1,000,000,000 ordinary shares having a nominal value of €0.25 per share; (ii) reducing the percentage shareholding constituting a 'Qualifying Shareholding' to 8%; and (iii) changes related to the composition of the Board of Directors, primarily: (a) an increase in the minimum and in the maximum number of directors on the Board; (b) the automatic appointment of the Chief Executive Officer of the Company as an executive director on the Board; and (c) the authority of the Board to co-opt a director in defined circumstances.

An updated version of the Company's memorandum and articles of association reflecting the proposed changes is available on the Company's website <https://www.apsbank.com.mt/general-meetings/>

Proposal: The Board therefore proposes that the Meeting adopts the following extraordinary resolution:

"(1) That all amendments proposed to be made to the Company's current memorandum and articles of association ("Current M&A") be approved; and that the Current M&A be substituted in their entirety by the new memorandum and articles of association in the form, or in substantially the same form, as uploaded on the Company's website on 18 April 2024 ("New M&A"); and

(2) To authorise the company secretary and/or any one director of the Company, acting singly, to (i) make any amendments to the New M&A as directed by the Malta Business Registry; (ii) sign the New M&A on behalf of the Company;

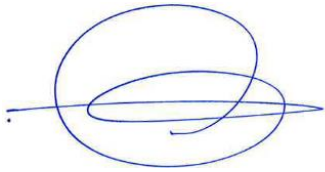
(iii) to issue a certified extract of this resolution; and (iv) file the New M&A and the aforementioned extract with the Malta Business Registry, and/or any other competent authority, as may be required in terms of law."

Note: Kindly refer to section 3G of the [Circular](#) for more information about the proposed amendments.

As at the date of this Notice, the Company has 377,803,569 ordinary shares in issue (one vote per share).

A copy of this Notice and Agenda, the Bio Note, the Circular, the Annual Report, and all other documentation pertinent to the Meeting, are available on the Company's website: <https://www.apsbank.com.mt/general-meetings/>

Unquote



Graziella Bray B.A., LL.D, FCG
Company Secretary

Annex overleaf

Annex
Bio Note
Leslie Janet Stephenson

Leslie Janet Stephenson is a senior executive with an accomplished track-record spanning more than 30 years in international financial services. Having spent over 15 years at HSBC in Asia-Pacific, the Middle East and the UK, she brings overarching expertise and proven experience at delivering large-scale transformational change in complex, highly regulated industries. Prior to joining HSBC, Ms Stephenson held various leadership roles in Canada and in the US, in the areas of distribution, operations and new product development at Manulife Financial and London Life Insurance Company. She is currently a non-executive director on the board of Trident Royalties plc.

Leslie Janet Stephenson holds a BA and an MBA from the University of Western Ontario, and is a Chartered Life Underwriter (CLU). She is also a fully qualified non-executive director.

Ms Stephenson is actively involved in the broader professional and public community, serving as Deputy Chair of The In & Out Club (Naval and Military Club), Chair of the Western University UK Foundation and former Vice Chair and current Board Observer of the Canada- UK Chamber of Commerce. She is a Liveryman of the Worshipful Company of International Bankers and is the past Treasurer of the HSBC Wayfoong Club Committee, a fellowship of serving and retired international managers.

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