

Vistra Jersey

Frequently asked questions about our Treasury Service

1. What is the Treasury Service?

The Treasury Service is a service offered by Vistra Jersey which administers Client Money as agent and holds that Client Money as trustee on behalf of Clients.

Client Money is placed on deposit in Pooled Accounts (which hold the money of multiple Clients) at Banks chosen by Vistra Jersey.

2. Is the Treasury Service same as a bank account?

No. The Treasury Service is not a bank account, but instead involves Client Money being placed by Vistra Jersey into several pooled bank accounts with different maturity periods at the Banks.

3. What are the benefits of the Treasury Service?

Financial administration to maintain and optimise returns on cash deposits and other assets is one of the main responsibilities of a fiduciary or company director and is therefore an important part of Vistra Jersey's service offering. Vistra Jersey has developed its cash management policy towards managing cash for clients on a pooled basis whilst keeping client monies segregated. This approach ensures enhanced returns, better accessibility of the monies and a much improved risk diversification for our clients.

4. What are the risks associated with the Treasury Service?

The risks associated with the Treasury Service are set out in the Risk Disclosure document. Please contact Vistra Jersey if you require a copy of this Risk Disclosure document.

5. In what currencies does the Treasury Service operate?

Client Money can be placed into the Treasury Service in GBP, USD and EUR.

6. Is there a minimum balance requirement?

No. There is no requirement to maintain a minimum balance.

7. Can Client Money be placed on fixed term deposit, without being pooled with the money of other clients?

No, this is not part of the Treasury Service. It can, however, be arranged by Vistra Jersey separately.

8. Can interest and capital be maintained separately as part of the Treasury Service?

No. Income and capital will be pooled together.

9. Are overdrafts permissible?

No, overdrafts are not permitted under any circumstances.

The Banks

10. What is Bank A and what does it do?

Bank A is currently RBSI (The Royal Bank of Scotland International Limited) but Vistra Jersey can change Bank A or add an additional Bank A should the necessity arise.

Bank A will collect Client information and full documentation for CDD purposes. Bank A will also provide the Client Designated Account into which all Client Money is paid, pending completion of CDD. Except in the event of Bank A's insolvency, Bank A is also the bank through which all payments to or from the panel banks and repayments to the Client Designated Account are processed.

11. What are Bank Bs and what do they do?

Bank Bs are all of the Banks selected by Vistra Jersey from time to time and the names of Bank Bs are available on request.

The Pooled Accounts are opened at both Bank A and the Bank Bs to hold Pooled Money.

Each of the Bank Bs has received an undertaking from Vistra Jersey for Vistra Jersey to provide copies of Client information and full documentation for CDD purposes upon request.

12. Which Banks does Vistra Jersey use to provide bank accounts for the Treasury Service?

The names of the Banks selected by Vistra Jersey may change from time to time are available on request.

13. How many Banks will Client Money be spread between?

The minimum number of Banks that will be used by Vistra Jersey to provide bank accounts to hold Client Money is currently 3 for each of the currencies.

Pooled Accounts will also be held at the Bank Bs to enable any credit interest to be applied during the quarter. At the end of each quarter, the interest will be remitted back to Bank A in order for it to be distributed to the Clients.

14. Can Vistra Jersey change the Banks, or the number of Banks?

Yes. Vistra Jersey can change the Banks or the minimum number of Banks at any time and such changes will be effective immediately.

Please note that changes to the minimum number of Banks can result in variations to the Treasury Limits.

15. How does Vistra Jersey select the Banks?

In establishing its panel of Banks, Vistra Jersey will take reasonable care to obtain what it, in its absolute discretion, regards as competitive interest rates in relation to each Pooled Account, taking into consideration (i) the size and type of the transaction concerned; (ii) the interest rates or prices quoted by the Banks; (iii) the credit rating of each Bank; and (iv) the Treasury Limits.

All of the Banks are registered with the Jersey Financial Services Commission for the conduct of deposit taking business in the Island. In establishing its panel of Banks, Vistra Jersey also takes account of credit ratings.

16. What happens if one or more of the Banks gets into financial difficulties?

Client Money placed into the Treasury Service by a Client is divided proportionately between each of the Pooled Accounts at each of the Banks. The Client is therefore exposed to a credit risk in respect of those Banks.

Consequently, if a Bank becomes insolvent, a portion of Client Money will not be recoverable. The exact sum exposed to the credit risk of each Bank will change on a live basis but Vistra Jersey manages the Pooled Accounts so that the percentage of Client Money exposed to any one of the Banks always remains within pre-determined

Treasury Limits. These Treasury Limits are available on request.

Ultimately, if all Banks which provide Pooled Accounts for the Treasury Service become insolvent, then all or part of the capital, paid interest and accrued interest could be unrecoverable.

17. If the Banks become insolvent, can the Client get its money back from Vistra Jersey?

No. Vistra Jersey does not give any guarantee or take any other responsibility for the repayment of deposits made with the Banks. The Client is accordingly exposed to a credit risk in respect of the relevant Banks only.

If a Bank fails such that a Client loses money that was held at that Bank, Vistra Jersey is not responsible for repaying such money to the Client. Vistra Jersey is responsible as trustee to pay to the Client whatever sum of money it recovers from the relevant Bank, but no more than that.

Client Money

18. Is Client Money covered by the Jersey Depositors Compensation Scheme?

No. The Jersey Depositors Compensation Scheme does not cover deposits made by corporations, partnerships or trusts so the Pooled Accounts opened by Vistra Jersey as trustees on behalf of its Clients are not covered by the Jersey Depositors Compensation Scheme.

19. How is the money of one Client segregated from the money of other Clients?

Client Money is held in Pooled Accounts which each hold the money of multiple Clients. Vistra Jersey maintains Client Records to separately identify the balance of Client Money held on behalf of each Client in the Pooled Accounts. The balance shown in each of these Client Records is reconciled with the Pooled Accounts so that it is always possible for Vistra Jersey to confirm the balance held for each Client in the Pooled Accounts.

20. What is a “Client Record”?

A Client Record is a record of Pooled Money maintained by Vistra Jersey for each Client using the Treasury Service. A separate Client Record is created to record the balance held for each Client in the Pooled Accounts. In addition, if a Client uses the Treasury Service for money in multiple currencies, a separate Client Record is created for the Client’s Pooled Money in each currency.

21. How is Client Money reconciled and on what frequency?

Vistra Jersey reconciles each Client's balance shown in their Client Record against the Pooled Accounts on a daily basis.

22. Are copies of the Client Records available for Client review?

Yes. A Client can request a copy of their Client Record by making a request to the Client's usual point of contact within Vistra Jersey.

23. Do Clients share the capital or interest held in the Pooled Accounts?

No. A Client does not have any entitlement to any money in the Pooled Accounts other than its own Client Money and the interest earned on it.

Although a Client's money is pooled with the money of other Clients, the Treasury Service does not provide for capital or interest earned on Pooled Money to be shared.

Each Client is only entitled to the return of their own money and the interest earned on that amount.

Vistra Jersey manages the Treasury Service so that the amounts earned by each Client are recorded separately in the Client Record. The Treasury Service does not involve any element of collective investment or collective participation in the Pooled Accounts or any interest earned thereon.

24. Who holds the Client Money?

Client Money placed into the Treasury Service is placed on deposit at all times at some or all of the Banks. Vistra Jersey will determine the appropriate division of money to be deposited at each Bank from time to time. The Pooled Accounts established with the Banks are in Vistra Jersey's name as trustee on behalf of each of its Clients. Vistra Jersey does not hold Client Money for itself at any time. The Client is accordingly exposed to a credit risk only in respect of the relevant Banks, not in relation to Vistra Jersey.

Interest

25. Who pays interest?

Interest payments on Client Money will be made by the Banks into the Paid Interest Account. Vistra Jersey is not responsible for paying any interest earned in respect of Client Money.

26. What is the interest rate applicable to the Treasury Service?

The interest rates on Pooled Accounts are determined by the relevant Bank and a range of different rates will apply to the Pooled Accounts.

The Client's usual contact at Vistra Jersey will be able to advise the daily rate of return on the Client Money and any fees and charges to be applied at any time.

27. When does the Client receive interest?

The Banks pay interest on Client Money in the Pooled Accounts in accordance with the terms and conditions applicable to each Pooled Account. Interest is paid into the Paid Interest Account.

The Accrued Interest Transfer Sum (namely Accrued Interest less (i) the fees and charges of Vistra Jersey, and (ii) any taxes which Vistra Jersey is obliged to deduct), is transferred out of the Paid Interest Account to the Client's balance in the Pooled Accounts on the Accrued Interest Transfer Date, being quarterly within the first 10 (ten) working days after the end of each quarter (interest payments therefore being made in January, April, July and October).

28. If the Client wants to make a withdrawal, how will the Client receive interest on Client Money in Pooled Accounts which have not yet matured?

Vistra Jersey calculates how much interest has accrued, whether or not it has yet been paid, in respect of Client Money and credits it to the Client Record on a daily basis.

On each Accrued Interest Transfer Date, Vistra Jersey transfers the Accrued Interest Transfer Sum to the Pooled Accounts.

All interest payments actually paid by the Banks are credited to the Paid Interest Account.

To the extent that Accrued Interest has not yet been paid by the Banks, this will be funded by the Accrued Interest Loan.

Once transferred to the Pooled Accounts, interest can be withdrawn (subject to the Treasury Limits).

29. How does Vistra Jersey work out how much of the interest paid by the Banks is to be transferred to each Client?

The interest accruing in respect of a Pooled Account on each day is apportioned between each of the Clients holding money in that account, in proportion to the total deposit of Client Money in that account.

Vistra Jersey carries out the calculation to determine the portion of interest generated in respect of each Client's money on a daily basis. Vistra Jersey's fees and charges are deducted from the Client's interest before it is transferred from the Paid Interest Account to the Pooled Accounts.

30. What is the "Accrued Interest Loan"?

In some circumstances, the balance of interest in the Paid Interest Account will not be sufficient to cover: (i) the fees and charges of Vistra Jersey, (ii) any taxes which Vistra Jersey is obliged to deduct, and (iii) the Accrued Interest Transfer Sum, on an Accrued Interest Transfer Date. When such a shortfall exists on an Accrued Interest Transfer Date, Vistra Jersey may make the Accrued Interest Loan from its own resources to a Client to make up the deficit.

This shortfall is likely to arise because Client Money will be in fixed term Pooled Accounts which have not matured on the Accrued Interest Transfer Date. Even though the Banks may not yet have paid interest on such Pooled Accounts, interest will have accrued on the Client Money in them.

If Vistra Jersey makes the Accrued Interest Loan, Vistra Jersey shall have the right to recover an equal sum from the Client in future. In normal circumstances, Vistra Jersey will recover the amount of the Accrued Interest Loan by setting off the Accrued Interest Loan against the interest subsequently paid by the Banks on Client Money in the relevant Pooled Account. If any Bank becomes unable to pay interest, Vistra Jersey is also entitled to recover the amount of the Accrued Interest Loan from the balance of Client Money.

31. Will interest accrue immediately upon monies being placed into the Treasury Service?

No interest accrues on Client Money whilst Bank A completes its CDD checks. Once Bank A's CDD checks have been completed, the Client Money is transferred into the Pooled Accounts and interest accrues.

32. If the Client is connected to other entities that also use the Treasury Service, will they all receive the same interest rate?

Each of the connected entities will (other than on withdrawal) have money divided proportionately between all of the Pooled Accounts. The Banks will set the interest rate applicable to each Pooled Account. Accordingly, the interest rates applicable to the Pooled Accounts will be the same for all Clients on any given day. However, the amount of interest transferred to each entity on an Accrued

Interest Transfer Date might vary because Vistra Jersey may deduct taxes (if appropriate) and will deduct its fees and charges from the interest paid by the Banks before transferring the remaining interest to each entity. Vistra Jersey's fees and charges may be different for each entity, for example, depending on the size of the balance on each entity's Client Record.

Information on Treasury Service Fees is available upon request.

Withdrawals

33. Is Client Money available for withdrawal upon demand?

Client Money should usually be available on demand, subject to the Treasury Limits and assuming normal market conditions. Please note, however, that Banks may refuse to allow a deposit to be broken or to reduce its term, in which case a withdrawal will not be permitted until it can be paid in accordance with the Treasury Limits.

In other circumstances, the Bank may accept a Break Fee in order to facilitate withdrawal of Client Money on demand.

34. Does a withdrawal by one Client affect the interest earned by other Clients?

There is no collective investment element to the Treasury Service, so the interest payable by the Banks is not affected by the withdrawal of one Client's money (except to the extent that a larger pool of Pooled Money may be able to attract higher interest rates from the Banks). The Client only earns interest on their own money, but the rate of interest may be higher where that money is pooled together with other Clients' money.

In some circumstances, immediately after a Client has made a withdrawal that required a fixed term or notice period Pooled Account to be broken or reduced in term, the amount of Pooled Money held on fixed or notice deposits will have been reduced so the combined interest rate earned on all Pooled Money may therefore be reduced until Vistra Jersey re-balances the liquidity profile of the Pooled Money.

In normal market conditions, it is not expected that the effect of a withdrawal on interest rates will be significant.

35. Does a withdrawal by one Client affect the liquidity of other Client Money?

A withdrawal of Client Money, by one Client, from the Pooled Accounts could affect the liquidity of Pooled Money generally.

Client Money is held in Pooled Accounts with varying liquidity profiles from call accounts to 12 month fixed term and notice period accounts. The balance on each Client Record is divided proportionately between each of the Pooled Accounts (except when a Client instructs a withdrawal, in which case the Client Money to be withdrawn is transferred to a Pooled Account on call).

When one Client makes a withdrawal from the Pooled Accounts, all remaining Pooled Money is re-allocated across all Pooled Accounts so that each Client continues to have a proportionate amount in each Pooled Account. Upon payment of the withdrawal to one Client and re-allocation of other Client Money across the Pooled Accounts, there may be less money immediately available to pay subsequent withdrawals.

Vistra Jersey manages this liquidity risk by establishing maturity thresholds for all Pooled Money (known as Treasury Limits), so that at least 60% of Pooled Money must be invested in assets of up to a maximum of 91 days maturity. The remainder of the Pooled Money may be invested for longer periods up to but not in excess of 365 days (as a percentage of the total balance on all Pooled Accounts per currency).

A withdrawal will only be paid if the profile of all Pooled Money, after it is paid, will not have breached any of the Treasury Limits, which may require a Break Fee to be paid, if permitted by the relevant Bank(s).

In some circumstances, if a Client has made a withdrawal that required a fixed term or notice period Pooled Account to be broken, the liquidity profile of Pooled Money could be increased rather than decreased.

Details of the current Treasury Limits are available on request.

36. When will a Break Fee be charged?

In normal market conditions, it is not expected that it will be necessary to break any notice or fixed term Pooled Accounts to pay a withdrawal. However, in some circumstances, increased stress in the financial markets could cause a greater demand for withdrawals. If a withdrawal would cause a breach of a Treasury Limit, a suitable fixed term or notice period Pooled Account will, if the relevant Bank(s) agree, be broken or the term will be reduced (on payment of a Break Fee by the Client, if required) to create sufficient liquidity to pay the withdrawal whilst maintaining all of the required Treasury Limits.

If the relevant Bank(s) do not agree to break or reduce the term of a suitable deposit, then the withdrawal payment will not be paid until there is sufficient liquidity to pay the withdrawal whilst maintaining all of the required Treasury Limits.

If a Bank charges a Break Fee to break a fixed term or notice period Pooled Account, that Break Fee will be charged to the Client or Clients making the withdrawal.

37. How much is the Break Fee for making a withdrawal?

If a withdrawal would cause a breach of a Treasury Limit, such that it is necessary to break or reduce the term of a fixed term or notice period Pooled Account and the Bank(s) agree to such a break or reduction, Vistra Jersey will advise the Client if a Break Fee is payable and, if so, the amount of that Break Fee before making any withdrawal.

As the Break Fee will be charged by the Bank to break the fixed term or notice period Pooled Account, which will be holding the money of multiple Clients, the amount of the Break Fee will not be calculated by reference to the amount of the individual Client's withdrawal.

38. Can the Pooled Accounts accommodate automated standing order or direct debit payments?

No. Pooled Money will be held in multiple Pooled Accounts so it will not be possible to set up a direct debit or standing order from the Pooled Accounts. However monies will be transferred automatically on a daily basis from the Pooled Accounts to cover any payments, CHAPS, TT's, BACS, cheques, standing orders and direct debits from the Client Designated Accounts.

Treasury limits

39. What are the "Treasury Limits"?

The thresholds determined by Vistra Jersey for (i) the maximum exposure of Pooled Money to each Bank, and (ii) the maturity profile of Pooled Money, being the minimum and/or maximum percentage of Pooled Money to be held on call or different fixed term or notice period Pooled Accounts with all Banks.

Details of the Treasury Limits set by Vistra Jersey from time to time are available on request.

40. How is exposure to the Banks managed?

The maximum exposure of Pooled Money to each Bank is set as a percentage of the total balance on all Pooled Accounts. These limits are set for each currency and monitored by Vistra Jersey using BankClarity software.

Details of the maximum exposure to each Bank set by Vistra Jersey from time to time are available on request.

41. How is the liquidity profile of the Pooled Accounts managed?

Maximum exposure of Pooled Money to call accounts and accounts with a maturity period of 1-91 days and 92-365 days is set as a percentage of the total balance on all Pooled Accounts. These Treasury Limits are monitored by Vistra Jersey using BankClarity software.

The maximum exposure to accounts for each maturity period set by Vistra Jersey from time to time are available on request.

44. How are the fees and charges for the Treasury Service paid?

Vistra Jersey fees and charges are deducted from the Accrued Interest credited to the Client Record on a daily basis. Vistra Jersey will pay its fees and charges out of the Paid Interest Account on each Accrued Interest Transfer Date. This means that the fees and charges are deducted from Accrued Interest before it is credited to the Client's balance.

45. Can Vistra Jersey change the fees and charges for the Treasury Service?

Yes. Vistra Jersey reserves the right to amend the Treasury Service Fees and Charges Schedule at any time, by giving the Client 30 days' written notice.

46. Can Client Money be set off against Vistra Jersey's liabilities?

No, each of the Banks has provided an undertaking that Client Money is recognised to be held in trust on behalf of Clients and therefore can't be set off against Vistra Jersey's liabilities.

Fees and Charges

42. What fees and charges does Vistra Jersey charge for the Treasury Service?

The fees and charges for the Treasury Service are set out in the Treasury Service Fees and Charges Schedule.

Occasionally, the Client may be subject to fees and charges which are not covered by the Treasury Service Fees and Charges Schedule. In such circumstances, Vistra Jersey will notify the Client of these fees and charges before they are incurred, if at all possible.

43. Are there any other costs for the Treasury Service?

The Banks may also charge fees for the services which they provide in connection with the Pooled Accounts. These fees will be debited to each Client Record on a proportionate basis (other than any break fees on a withdrawal, which will be charged proportionately only to the Client or Clients making a withdrawal).

Vistra Jersey is also entitled to recover from the Client any other amounts which Vistra Jersey has incurred on the Client's behalf, as and when such sums arise.

The Client may also be subject to (and responsible for) additional taxes or costs that are applied by law.