



State of Wisconsin
Department of Employee Trust Funds
4822 Madison Yards Way
Madison, WI 53705-9100
P. O. Box 7931
Madison, WI 53707-7931

Contract by Authorized Board

Commodity or Service:

FDIC-Insured Investment Option

Contract No./Request for Proposal No:

ETJ0050 Amendment #1 dated March 18, 2021


Authorized Board: Deferred Compensation Board

Contract Period: From the Effective Date and will remain in effect until terminated by the Board or Johnson Bank

1. This Contract is entered into by the State of Wisconsin Department of Employee Trust Funds (Department) on behalf of the State of Wisconsin Deferred Compensation Board (Board), and Johnson Bank (Contractor). Contractor's address and principal officer appear below. The Department is the sole point of contact for this Contract.
2. Whereby the Department agrees to direct the purchase and Contractor agrees to supply the Contract requirements in accordance with the documents specified in the order of precedence below, which are hereby made a part of this Contract by reference.
3. By executing this Contract Amendment #1 the Department and Contractor hereby agree that interest rates set for the Deposit Accounts under the terms of this Contract are generally subject to a guaranteed interest rate floor equal to the current applicable rate for the 30-day U.S. Treasury bill from the US Department of Treasury website, two business days prior to the end of the month, less a spread of 5 basis points, but at no time will the rate be less than 15 basis points (0.15%). This agreed upon change is reflected in the revised version of the attached Exhibit A.
4. For purposes of administering this Contract, the order of precedence is:
 - (a) This Contract Amendment #1 dated March 18, 2021;
 - (b) The Contract dated July 4, 2020;
 - (c) Exhibit A, Contract Changes and Clarifications;
 - (d) Department Terms and Conditions Rev. Date: 05-01-2019 ETJ0050;
 - (e) Public Deposits Control Agreement and Public Deposits Security Agreement;
 - (f) Request for Proposal (RFP) ETJ0050 dated March 27, 2020; and,
 - (g) Contractor's proposal dated April 30, 2020.

Contract Number & Service: ETJ0050 FDIC-Insured Investment Option Issued by the State of Wisconsin Department of Employee Trust Funds on behalf of the Deferred Compensation Board

This Contract shall become effective upon the date of last signature below (the "Effective Date").

State of Wisconsin Department of Employee Trust Funds
By Authorized Board: Deferred Compensation Board
By (Name/Title) Gail Hanson, Chair State of Wisconsin Deferred Compensation Board
Signature: <small>DocuSigned by:</small>  <small>E1A2FB07FE9844E...</small>
Phone 608.266.9854

Date (MM/DD/CCYY) 3/22/2021

Contractor
Legal Company Name Johnson Bank
Trade Name Johnson Bank
Company Address (City, State, Zip) 555 Main St., Suite 460 Racine, WI 53403
Name/Title David Adam, Senior Vice President – Finance & Treasurer
Signature: <small>DocuSigned by:</small> 
Signature <small>0ED0F2F2BD674C9</small>
Date (MM/DD/CCYY) <small>3</small> /18/2021
Phone 262-619-2776

Exhibit A

Contract Changes and Clarifications

1) Delete RFP Section 9.2 Piggyback Clause

The Department reserves the right to extend the terms, conditions and prices of the Contract to other institutions (such as state, local and/or public agencies) who express an interest in participating in any Contract that results from this RFP. Each of the piggyback institutions will issue their own purchasing documents for purchasing of the goods. Proposer agrees that the Department shall bear no responsibility or liability for any agreements between Proposer and other institution(s) who desire to exercise this option.

Add RFP Section 9.2 Piggyback Clause

The Department reserves the right, with the prior written consent of the Contractor, to extend the terms, conditions and prices of the Contract to other institutions (such as state, local and/or public agencies) who express an interest in participating in this Contract. Any such other institution will issue their own purchasing documents for purchasing of the goods. Contractor agrees neither the Board nor the Department shall bear any responsibility or liability for any agreements between the Contractor and other institution who desires to exercise this option.

2) Add to the Department Terms and Conditions Section 6.1

If Contractor does not have a SOC 2, Type 2 Report, Contractor will provide an attestation that Contractor has an information security plan in place that adheres to a standard such as the IS/IEC 27000-series, NIST800-53, CIS Critical Security Controls for Effective Cyber Defense or HIPAAA Security Rule – 45 CFR Part 160 as described in these Department Terms and Conditions, Section 24.0(e).

3) The Parties agree the attached Contractor Equal Employment Opportunity statement satisfies Section 2.0 of the Department Terms and Conditions.

4) As stated in Contractor's proposal dated April 30, 2020,

Contractor will provide an FDIC-insured liquid deposit alternative ("Deposit Account") for the benefit of participants in the Program. The funds will be held in two (2) omnibus Deposit Accounts: one (1) Pension Now omnibus transaction account and one (1) Liquid Savings omnibus account, both titled for the benefit of the Program's participants that provide pass through FDIC insurance coverage for each participant. Contractor will work directly with the Board's designated entity(s) that provides recordkeeping and trustee services for the Program.

Contractor agrees that interest rates set for the Deposit Accounts under the terms of this Contract are generally subject to a guaranteed interest rate floor equal to the current applicable rate for the 30-day U.S. Treasury bill from the US Department of Treasury website, two business days prior to the end of the month, less a spread of 5 basis points, but at no time will the rate be less than ~~30~~ **15** basis points (~~0.30%~~) **(0.15%)**. The yield for the entire pool of FDIC-insured liquid deposits will change beginning on the first Calendar Day of each month and the yield will remain in effect until the last day of that month. Interest will be accrued daily using the 365/365 method and be credited on the last day of each month. During leap year, interest will be credited for a total of 366 days.

Contractor will work with the Board's record keeper to act upon the net daily withdrawal or deposit instructions.

Individual Deposit Account balances will be insured under the existing FDIC coverage levels. The FDIC coverage levels may change and are not set by the Contractor or affiliates of Contractor.

Upon 30-day written notice from the Board, or its record keeper, of the aggregate total of individual participants' Deposit Accounts that exceed the maximum applicable FDIC insurance coverage, Contractor shall collateralize, with U.S. Government-backed securities such as, but not limited to, Treasury Bills, Treasury Notes, Fannie Maes and/or Freddie Macs, at a rate of 110% of such amounts. Contractor reserves the right to cap the total deposits held in Deposit Accounts by Contractor at \$200 million. If at any time, the total deposits held in Deposit Accounts exceeds \$200 million, Contractor and Board agree to negotiate in good faith changes to this Contract's terms to appropriately manage the risk of additional deposits. Based on such negotiations, and in Contractor's sole and absolute discretion, Contractor may allow additional deposits.

Deposit Posting. Funds received by the Contractor prior to the close of business (which, unless the Contractor shall have notified Board otherwise, shall mean 5:00 p.m. Eastern time), shall be deemed to be delivered that business day. In the event the funds are delivered to the Contractor after the close of business, the funds shall be deemed delivered to the Contractor on the following Business Day. For the purpose of this Agreement, a "Business Day" shall mean a day on which the Contractor is open to receive Federal wire transfers of funds, which as of the date hereof means Monday through Friday, other than Contractor designated holidays.

Withdrawal Requests. If a withdrawal requested by the Board or its record keeper of any amount due falls on a day which is not a Business Day, the withdrawal will be made on the Business Day immediately following such day and will include interest accrued at the applicable stated rate to, but not including, the day on which the withdrawal was originally due; such withdrawal will not include interest to the Business Day on which the withdrawal is made. Notwithstanding the foregoing, in the case of withdrawals in an amount in excess of \$10,000,000, the Board will use its best efforts to provide the Contractor with at least 24 hours' prior notice before the effective time thereof and the Contractor shall not be required to comply with such requests as to which less than 24 hours' prior notice is given, or as to which the Contractor shall require at least seven (7) days notice for such a withdrawal. Notwithstanding the foregoing, in the case of a total withdrawal or series of withdrawals, this is for the purpose of effecting a transfer of the Board's entire assets held by Contractor to another bank, the Board shall give the Contractor the following prior notice before the effective date of the withdrawal:

- Up to \$10 million requires 24 hour notice,
- \$10,000,001 to \$25 million requires 20 business days notice,
- Over \$25 million requires 30 business days notice.

In the case of a withdrawal that constitutes a complete withdrawal of the Board's entire assets, Board shall furnish to the Contractor a statement of the final dollar amount to be withdrawn from the Deposit Accounts.