



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 Issued by the State of Wisconsin Department of Employee Trust Funds on behalf of the Deferred Compensation Board

Contract Number: ETI0041

Amendment #1 dated March 14, 2019

Authorized Board: Deferred Compensation

Contract Period:

December 18, 2018 and will remain in effect until terminated by the Board or Johnson Bank

1. This Contract, entered into by and between the State of Wisconsin Deferred Compensation Board hereinafter referred to as the "Board" and State of Wisconsin, Department of Employee Trust Funds hereinafter referred to as the "Department", and Johnson Bank, a Wisconsin State chartered bank organized under the laws of the State of Wisconsin, hereinafter referred to as the "Bank" or "Contractor," is for the provision of a FDIC-insured liquid deposit option in the State of Wisconsin Deferred Compensation Program ("Program"), as further defined in the "SCOPE OF SERVICES." Johnson Bank and the State of Wisconsin Deferred Compensation Board may be referred to collectively as "the Parties."
2. Whereby the Department of Employee Trust Funds agrees to direct the purchase and the Contractor agrees to supply the contract requirements cited above in accordance with the terms and conditions of the Request for Proposal number ETC0014 ("RFP"), which is hereby made a part of this Contract;
3. In connection with the performance of work under this Contract, the Contractor agrees not to discriminate against any employees or applicants for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the contractor further agrees to take affirmative action to ensure equal employment opportunities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempt from this requirement.
Contractor shall provide the plan to the Department within fifteen (15) business days of the Department's request for such plan after the award of the Contract.
5. In Contract Amendment #1, the Department and Contractor agree to amend Contract Article A.2. to calculate interest rates set for the Deposit Accounts monthly.
6. For purposes of administering the Contract, the Order of Precedence is:
 - A. This Contract Amendment #1;
 - B. The Contract signed by the Board on December 17, 2018;
 - C. Public Deposits Control Agreement and Public Deposits Security Agreement; and
 - D. RFP ETC0014 issued April 4, 2013 including Department's revisions, addendum, and supplements.
7. The Bank is a for-profit corporation.

A. SCOPE OF SERVICES:

 - A.1. The Bank shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.
 - A.2. Bank 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. Bank will work directly with the Board's designated entity(s) that provides recordkeeping and trustee services for the Program.

Bank 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 90-day U.S. Treasury bill from the US Department of Treasury website, two business days prior to the end of the ~~calendar quarter~~ month, plus less a spread of 15 basis points, but at no time will the rate be less than 30 basis points (0.30%). The yield for the entire pool of FDIC-insured liquid deposits will change beginning on the first day of each ~~calendar quarter~~ month and the yield will remain in effect until the last day of that quarter 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.

Bank 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 Bank or affiliates of Bank.

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, Bank 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. In no event shall deposits total greater than \$150 million.

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning December 18, 2018. The Contract shall continue for consecutive terms unless either party to this Contract provides notice in accordance with the termination provisions of the Contract and/or the Contract is no longer enforceable as a matter of law.

C. STANDARD TERMS AND CONDITIONS:

- C.1. Required Approvals. The Board is not bound by this Contract until it is signed by the Contract parties and approved by appropriate officials in accordance with applicable Wisconsin laws and regulations.
- C.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the Contract and, depending upon the specifics of the Contract as amended, any additional officials required by Wisconsin laws and regulations (said officials may include, but are not limited to, State of Wisconsin Deferred Compensation Board Chair).
- C.3. Termination for Convenience. This Contract may be terminated by either party by giving written notice to the other, at least one hundred and eighty (180) days before the effective date of termination. Said termination shall not be deemed a breach of contract. Upon such termination, the Bank shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but neither party shall have a right to any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- C.4. Termination for Cause. If the Bank fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Bank violates any terms of this Contract, the Board shall have the right to immediately terminate the Contract and withhold payments equal to the fair compensation for completed services.
- C.5. Subcontracting. The Bank shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the Board. If such subcontracts are approved by the Board, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved sub banks, the Bank shall be the prime bank and shall be responsible for all work performed.
- C.6. Conflicts of Interest. The Bank warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Wisconsin as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, sub-Bank, or consultant to the Bank in connection with any work contemplated or performed relative to this Contract.
- C.7. Nondiscrimination. The Bank hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Bank on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Wisconsin State constitutional, or statutory law. The

Bank shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- C.8. Records. The Bank shall maintain documentation for all charges under this Contract. The books, records, and documents of the Bank, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the Board, Department of Employee Trust Funds, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- C.9. Monitoring. The Bank's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the Board, Department of Employee Trust Funds, or their duly appointed representatives. The right to audit and monitor does not include the right to perform regulatory examinations of the Bank.
- C.10. Progress Reports. The Bank shall provide brief, periodic progress reports as requested by the Board or the Department of Employee Trust Funds.
- C.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties hereto.
- C.12. Independent Bank. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Bank, being an independent Bank and not an employee of the Board, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Bank's employees, and to pay all applicable taxes incident to this Contract.
- C.13. State and Federal Compliance. The Bank shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- C.14. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Wisconsin. The Parties agree that they will be subject to the exclusive jurisdiction of the courts of the State of Wisconsin for disputes that may arise under this Contract. The Parties acknowledge and agree that any rights or claims against the Bank or the Board or their employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under the Wisconsin State Statutes.
- C.15. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- C.16. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

D. SPECIAL TERMS AND CONDITIONS:

- D.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The Board:

Shelly Schueller, Deferred Compensation Director
Department of Employee Trust Funds
4822 Madison Yards Way, PO Box 7931
Madison, WI 53707-7931
Shelly.Schueller@etf.wi.gov
Telephone: 608.266.6611
FAX: 608.267.0633

The Bank:

David W. Adam, SVP Finance & Treasurer
Johnson Financial Group
555 Main Street, Suite 460
Racine, WI 53403
Treasury@johnsonfinancialgroup.com
Telephone: 262.619.2776

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- D.3. Deposit Posting. Funds received by the Bank prior to the close of business (which, unless the Bank 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 Bank after the close of business, the funds shall be deemed delivered to the Bank on the following Business Day. For the purpose of this Agreement, a "**Business Day**" shall mean a day on which the Bank is open to receive Federal wire transfers of funds, which as of the date hereof means Monday through Friday, other than bank designated holidays.
- D.4. 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 Bank with at least 24 hours' prior notice before the effective time thereof and the Bank 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 Bank 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 Bank to another Bank, the Board shall give the Bank 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 Bank a statement of the final dollar amount to be withdrawn from the Deposit Accounts.

- D.5. Liability for Record Discrepancies. The Bank shall have no liability for a discrepancy between its Deposit Account records and the records of the Board or the Board's record keeper and/or plan administrator whose source cannot be ascertained, or whose source is anything other than (i) miscalculation of the stated interest rate by the Bank or (ii) errors that are due to mishandling by the Bank.
- D.6. Disclosures and Marketing Materials. The Board represents and warrants that it will disclose the terms and conditions of the Deposit Account with its record keeper and Participants. The Bank will not use or disclose Personal Information it creates for or receives from the Board and the Department or from the record keeper of the Board, except as authorized or required by this Contract or as required by law, including, without limitation, marketing and solicitation of business outside the underlying Contract and disclosure of such information to third-parties. The Bank agrees to provide marketing materials related to the Deposit Account for review and approval and shall not use any such materials unless the Board, via the Department, approves them in writing, provided that

if Bank shall not have received an approval or disapproval from the Board within 10 business days, the Board shall be deemed to have approved the materials.

The Bank may market and/or furnish materials regarding additional bank products or services to individual plan participants of the FDIC plan, with approval of the Board. The Bank will provide reasonable notice to the Board prior to furnishing materials and/or information to plan participants.

D.7. Other Disclosures. The Bank may, from time to time, furnish to the Board forms of disclosures to be distributed by the Bank or Board's record keeper to Participants established pursuant to this Contract. The Bank shall provide the Board or Board's record keeper with advance notice that any such disclosures are to be so furnished, together with information regarding the timing required for completing and distributing them. Board or Board's record keeper shall not have responsibility for any omission on the Bank's part to notify Board, or for any delay of notification, of any disclosure which is required to be distributed by the Bank to holders of Deposit Accounts at the time of, or subsequent to, the date of this Contract. Board or Board's record keeper shall distribute all such disclosures to all Participants, who establish Deposit Accounts.

Board may furnish to Participants a descriptive fact sheet which describes Deposit Accounts generally and does not mention the Bank by name. Board expressly accepts responsibility for the accuracy of any such document and its contents. Notwithstanding any prior review of such document by the Bank, the Bank shall have no responsibility for curing any inaccurate or misleading statements in any such descriptive fact sheet not identifying the Bank by name, including, without limitation, any information contained therein concerning (i) general investment considerations for depositors of Deposit Accounts and (ii) federal deposit insurance coverage for depositors of Deposit Accounts.

Prior to using any descriptive materials which actually identify the Bank by name and which are not intended solely for internal use by Board, Board via the Department, will submit such materials to the Bank for review and approval, and shall not use any such materials unless the Bank approves them in writing, provided that if the Department shall not have received an approval or a disapproval from the Bank within 10 days, the Bank shall be deemed to have approved the materials.

The Board's record keeper will be responsible for a nonpartisan presentation of all options under the Program and will also make certain that all information contained therein complies with applicable laws and regulatory requirements under Section 457 of the Internal Revenue Code. The Bank will obtain the Board's prior written approval for any advertising material purporting to explain the Program and savings option under that Program. Any such material shall be forwarded to the Board, through the Department. The Bank agrees to provide the Board's record keeper with the necessary information needed to prepare promotional materials for the Program and any other information in its usual and customary format then requested by the record keeper in order to support the plan administration responsibilities.

Bank shall be permitted, in its unrelated advertising to the public, to mention that it provides the Board's FDIC savings option for the Program, provided Bank receives the Board's prior approval utilizing the same procedure outlined above for approval of plan related advertising materials.

D.8. Representations, Warranties and Covenants of the Board. Board represents, warrants and covenants to the Bank as follows:

- A. Board has full corporate power to execute, deliver and perform this Agreement.
- B. To the extent permitted by law, and with no representation as to such extent, this Agreement constitutes a legal, valid and binding obligation of Board enforceable against Board in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, liquidation or other similar laws generally affecting the enforcement of creditors' rights.
- C. Board agrees to comply with any federal tax reporting requirements applicable to the Bank in connection with Deposit Accounts held by Board (including such federal income tax withholding provisions as may be required by the Internal Revenue Code).
- D. Board agrees to comply with all federal and state laws and regulations, including all securities laws and regulations, applicable to its performance hereunder.
- E. Board agrees to maintain records of the Deposit Accounts established hereunder, including names, addresses, tax identification numbers and dollar amounts of Deposit Accounts beneficially owned by each Participant through its record keeper.

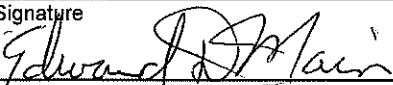
- F. Board is not and will not become a deposit broker with respect to any Plan, Trustee, Custodian or Beneficial Holder.
- G. Board agrees to not use Johnson Bank or Johnson trademarks, service marks or other Johnson Bank or Johnson Bank intellectual property in advertising, press releases or other materials without the express written consent of Johnson Bank.

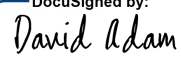
D.9. Representations, Warranties and Covenants of Bank. Bank represents, warrants and covenants to the Board as follows:

- A. The Bank is a state chartered bank duly organized, validly existing and in good standing under the laws of the State of Wisconsin.
- B. The Bank has full corporate power to execute, deliver and perform this Agreement and to issue and perform its obligations with respect to the Deposit Accounts.
- C. To the extent permitted by law, and with no representation as to such extent, this Agreement constitutes a legal, valid and binding obligation of the Bank enforceable against the Bank in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, liquidation or other similar laws generally affecting the enforcement of creditors' rights.
- D. Each Deposit Account issued as contemplated hereby will not be subject to any right, charge, security interest, lien or claim of any kind against Board in favor of the Bank or any person claiming through the Bank.
- E. Each Deposit Account issued as contemplated hereby will be entitled to deposit insurance of the FDIC subject to the maximum limits on such insurance otherwise afforded to a depositor and further subject to the Board and/or its designated record-keeper being able to satisfy applicable rules and regulations with respect to the identities of Beneficial Holders of Deposit Accounts and the total dollar amount of the Deposit Accounts.
- F. Prior to offering the Deposit Accounts as contemplated hereby, the Bank will be either (i) "well capitalized" or (ii) "adequately capitalized," as such terms are defined in 12 C.F.R. §337.6(a)(3).
- G. The Bank shall notify Board, within the time required by applicable regulation, if the Bank determines, based on information available to it, that the deposits under the Accounts are not eligible for "pass-through" insurance coverage under applicable law and FDIC regulations. In this determination, the Bank may assume without independent investigation that Board maintains records of the beneficial interests of Beneficial Holders in accordance with this Agreement.
- H. In the event a federal bank regulator and/or federal regulatory body determine that the Bank is not adequately capitalized in accordance with regulatory requirements, Bank agrees to immediately notify the Board of such determination.

Contract Number & Service: ETI0041 Amendment #1

FDIC-Insured Investment Option Issued by the State of Wisconsin Department of Employee Trust Funds on behalf of the Deferred Compensation Board

State of Wisconsin Department of Employee Trust Funds	
By Authorized Board (Name) Deferred Compensation Board	
By (Name) Edward D. Main	
Signature	
Title Chair State of Wisconsin Deferred Compensation Board	
Phone 608.266.9854	
Date (MM/DD/CCYY) 4/18/19	

To be Completed by Contractor	
Legal Company Name Johnson Bank	
Trade Name Johnson Bank	
Taxpayer Identification Number 39-1141446	
Company Address (City, State, Zip) 555 Main St., Suite 460 Racine, WI 53403	
By (Name) David Adam	
Signature	DocuSigned by: 
Title 0ED0F2F2BD674C9... Senior Vice President – Finance & Treasurer	
Phone 262-619-2776	
Date (MM/DD/CCYY) 4/22/2019	