

COST PROPOSAL NARRATIVE

REBATE INCENTIVE

J.P. Morgan is pleased to offer a volume rebate based on annual Total Charge Volume and Settlement Terms for your programs. The Settlement Terms in your contract determine the volume rebate rate we apply to the annual Net Charge Volume for your programs, according to the schedule below. Settlement Terms of 30 & 25 means your billing cycle has 30 calendar days and you have 25 calendar days after the cycle ends to make a payment.

Example: When total combined consortium volume is \$85MM and State of IN. achieves \$12.5MM in spend, the standard rate is 2.01%.

Annual Combined Total Charge Volume	Individual Entity / Participant Charge Volume										
	\$1-\$99,999	\$100,000-\$499,999	\$500,000-\$999,999	\$1MM-\$2.49MM	\$2.5MM-\$4.99MM	\$5MM-\$7.49MM	\$7.5-\$9.99MM	\$10MM-\$12.49MM	\$12.5MM-\$14.99MM	\$15MM-\$17.49MM	\$17.5MM-\$10.99MM
\$10,000,000	0%	0%	0.82%	1.18%	1.22%	1.32%	1.33%	1.62%	1.65%	1.69%	1.70%
\$15,000,000	0%	0%	0.83%	1.19%	1.23%	1.33%	1.34%	1.63%	1.66%	1.70%	1.74%
\$20,000,000	0%	0.44%	0.84%	1.20%	1.24%	1.34%	1.35%	1.64%	1.67%	1.70%	1.75%
\$25,000,000	0%	0.45%	0.85%	1.21%	1.25%	1.35%	1.36%	1.65%	1.70%	1.72%	1.76%
\$30,000,000	0%	0.50%	0.90%	1.26%	1.30%	1.40%	1.41%	1.70%	1.75%	1.77%	1.81%
\$35,000,000	0%	0.55%	0.95%	1.31%	1.35%	1.45%	1.46%	1.75%	1.80%	1.82%	1.86%
\$40,000,000	0%	0.62%	1.02%	1.38%	1.42%	1.52%	1.53%	1.82%	1.85%	1.89%	1.93%
\$45,000,000	0%	0.63%	1.03%	1.39%	1.43%	1.53%	1.54%	1.83%	1.89%	1.90%	1.94%
\$50,000,000	0%	0.64%	1.04%	1.40%	1.44%	1.54%	1.55%	1.84%	1.90%	1.91%	1.95%
\$55,000,000	0%	0.65%	1.05%	1.41%	1.45%	1.55%	1.56%	1.85%	1.91%	1.95%	1.98%
\$60,000,000	0%	0.70%	1.10%	1.46%	1.50%	1.60%	1.61%	1.90%	1.96%	2.00%	2.03%
\$65,000,000	0%	0.71%	1.11%	1.47%	1.51%	1.61%	1.62%	1.91%	1.97%	2.01%	2.04%
\$70,000,000	0%	0.72%	1.12%	1.48%	1.52%	1.62%	1.63%	1.92%	1.98%	2.02%	2.06%
\$75,000,000	0%	0.73%	1.13%	1.49%	1.53%	1.63%	1.64%	1.93%	1.99%	2.03%	2.07%
\$80,000,000	0%	0.74%	1.14%	1.50%	1.54%	1.64%	1.65%	1.94%	2.00%	2.04%	2.09%
\$85,000,000	0%	0.75%	1.15%	1.51%	1.55%	1.65%	1.66%	1.95%	2.01%	2.05%	2.10%
\$90,000,000	0%	0.75%	1.15%	1.51%	1.55%	1.65%	1.66%	1.95%	2.01%	2.05%	2.10%
\$95,000,000	0%	0.76%	1.16%	1.52%	1.56%	1.66%	1.67%	1.96%	2.02%	2.06%	2.11%
\$100,000,000	0%	0.76%	1.16%	1.52%	1.56%	1.66%	1.67%	1.96%	2.02%	2.06%	2.11%
\$105,000,000	0%	0.77%	1.17%	1.53%	1.57%	1.67%	1.68%	1.97%	2.03%	2.07%	2.12%
\$110,000,000	0%	0.78%	1.18%	1.54%	1.58%	1.68%	1.69%	1.98%	2.03%	2.07%	2.12%
\$115,000,000	0%	0.79%	1.19%	1.55%	1.59%	1.69%	1.70%	1.99%	2.04%	2.08%	2.13%
\$120,000,000	0%	0.80%	1.20%	1.56%	1.60%	1.70%	1.71%	2.00%	2.04%	2.08%	2.13%
\$125,000,000	0%	0.81%	1.21%	1.57%	1.61%	1.71%	1.72%	2.01%	2.05%	2.09%	2.14%
\$130,000,000	0%	0.82%	1.22%	1.58%	1.62%	1.72%	1.73%	2.02%	2.05%	2.09%	2.14%
\$135,000,000	0%	0.83%	1.23%	1.59%	1.63%	1.73%	1.74%	2.03%	2.06%	2.10%	2.15%
\$140,000,000	0%	0.84%	1.24%	1.60%	1.64%	1.74%	1.75%	2.04%	2.06%	2.10%	2.15%
\$145,000,000	0%	0.85%	1.25%	1.61%	1.65%	1.75%	1.76%	2.05%	2.07%	2.11%	2.16%
\$150,000,000+	0%	0.85%	1.25%	1.61%	1.65%	1.75%	1.76%	2.05%	2.07%	2.11%	2.16%

Discount Interchange Rate

Should the Participant achieve the minimum annual Combined Total Charge Volume required to earn a Volume Rebate as stated above, Bank will pay the Participant a rebate based on annual Discount Interchange Rate Transaction Volume associated with each Program. The rebate will be calculated as the Discount Interchange Rebate Rate (with categories as determined according to the following schedule) multiplied by the annual Discount Interchange Rate Transaction Volume for each respective category associated with each Program, subject to the rebate adjustments below.

	Individual Entity / Participant Charge Volume										
	\$1-\$99,999	\$100,000-\$499,999	\$500,000-\$999,999	\$1MM-\$2.49MM	\$2.5MM-\$4.99MM	\$5MM-\$7.49MM	\$7.5-\$9.99MM	\$10MM-\$12.49MM	\$12.5MM-\$14.99MM	\$15MM-\$17.49MM	\$17.5MM-\$10.99MM
Category 1 (1-1.99% Interchange)	0%	0.65%	0.65%	0.65%	0.75%	0.75%	0.95%	0.95%	1.00%	1.00%	1.00%
Category 2 (0-0.99% interchange)	0%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

**NOTE: PLEASE REFER TO FINANCIAL PROPOSAL FOR ALL DETAILS OF THE REBATES AND FEES ASSOCIATED WITH THIS RESPONSE

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Average File Turn Adjustment

The Volume Rebate Rate and Discounted Interchange Rebate Rate will be adjusted based upon the difference between the actual Average File Turn for your program(s) and the Assumed Average File Turn ("AFT") value. AFT is based upon the assumption that a client spends proportionately throughout each billing cycle, and payment is made on the due date specified for the Program's elected Settlement Terms. For example, a program with Settlement Terms of 30 & 25 will have an AFT of 40 if client spends proportionately throughout the 30 day billing cycle and payment is made 25 days following the end of the billing cycle. For each day the State of Indiana pays faster or slower than 40, there will be a +/- 0.0075% adjustment to the rebate.

FEES

STANDARD SERVICES AND FEES		
	U.S. Purchasing Card, U.S. Corporate Card and U.S. Virtual Card	U.S One Card Program
Late payment charge	Central bill: 1% of full amount past due (Waived for the State of Indiana Only) Individual bill: 1% of full amount past due	Central bill: None Individual bill: \$15 late fee at the end of the first cycle (Waived for the State of Indiana only)
International transaction	1.5% of the US Dollar amount charged	1% surcharge
Standard card	\$0.00	\$0.00
ADDITIONAL SERVICES AND FEES		
Cash advances	2.5% of amount advanced (\$2.50 minimum with no maximum)	2.0% of amount advanced (\$3.00 minimum with no maximum)
Convenience check	2% of check amount (\$1.50 minimum with no maximum)	N/A
Executive card	\$75 annual fee per card	\$75 annual fee per card
Corporate card rewards	A rewards program annual fee of \$75 will be assessed to each Cardholder's commercial card account.	A rewards program annual fee of \$75 will be assessed to each Cardholder's commercial card account.

VALUE ADDED BENEFITS

J.P. Morgan is pleased to offer the State of Indiana additional incentives below as part of the extension of our commercial card relationship:

- **SIGNING BONUS:** A one-time \$100,000 signing bonus will be paid to the State of Indiana with no claw backs or contingencies.
- **GROWTH BONUS:** When the consortium achieves \$125MM in total combined charge volume, the State of Indiana will receive a one-time, \$50,000 growth bonus with no contingencies or claw backs.
- **COST OF CHANGE:** As a current J.P. Morgan client, the State of Indiana will not need to use resources to transition the program. It is estimated that the State and its participants will save ~\$364,000 in combined savings.
- **JOINT AND SEVERAL LIABILITY:** In addition to corporate liability, State of Indiana and the consortium participants will have the ability to take advantage of joint and several liability. In this type of program, both the client organization and cardholder are jointly and severally liable for transactions.
- **EXTENDED GRACE TERMS:** State of Indiana will be able to take advantage of extended grace terms of 30/55. This term allows the State of Indiana to pay the monthly statement up 55 days after the monthly statement cycle date.
- **CONSORTIUM CONFERENCE:** JPMorgan would like to host an annual State of Indiana Consortium conference as an opportunity to provide participants with industry insights and best practices, platform tips and tricks, as well as peer to peer round table discussions on relevant topics. This value add would be of no cost to the State of Indiana. We hope to launch the inaugural event in 2022.

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