



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE ARKANSAS LOTTERY

Post Office Box 3238
Little Rock, Arkansas 72203-3238
Phone: (501) 683-2000
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<http://myarkansaslottery.com>

May 1, 2015

The Honorable Jimmy Hickey, Co-Chair
The Honorable Chris Richey, Co-Chair
Arkansas Legislative Council Lottery Oversight Subcommittee
One Capitol Mall, Room R-501
Little Rock, AR 72201

RE: Request for Review of Instant Ticket Supply Agreement

Gentlemen:

Please find enclosed for your review a proposed Agreement between the Office of the Arkansas Lottery (OAL) and Pollard Banknote Limited (Pollard) which engages Pollard to be a non-exclusive provider of certain scratch-off lottery tickets to OAL.

By way of background: On January 21, 2015, the former Arkansas Lottery Commission approved this Agreement for Pollard to print up to two instant ticket games, subject to review by the LOC (the agreement was not sent to the LOC in January because the legislative session had just begun). This Agreement was negotiated pursuant to a provision in OAL's instant ticket contract with Scientific Games (SGI). Per that contract, the OAL may print games with other instant ticket print vendors if SGI does not have the proprietary product rights or have the capacity to print them.

On October 24, 2014, the OAL notified SGI of its intent to exercise its contractual option to obtain printing services from Pollard (Attachment A). SGI did not subsequently notify OAL that it had the capacity or proprietary product rights to provide the printing services referenced in the notification. Accordingly, OAL began to negotiate this Agreement with Pollard. Both of the games that Pollard will print for OAL meet the criteria for OAL to print with another vendor: Pollard has the trademarks and patents for these games and they are the only printer in the world with the ability to print the two games. Upon your review, the OAL will execute the Agreement and hopes to print and release one or both of the Pollard games sometime in the upcoming fiscal year (FY 2016).

The OAL initiated this process last year at the same time it began contract renegotiations with SGI and evaluating the top selling instant tickets on the market nationally. In doing so, the OAL intended to encourage SGI to be more competitive in its pricing and to put SGI on notice that OAL was prepared to increase competition and its sales by contracting with non-SGI vendors.

Key information pertaining to the Agreement follows:

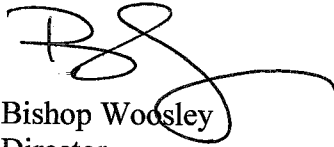
1. Date of Agreement: The Agreement will be executed upon approval of the Arkansas Legislative Council Lottery Oversight Subcommittee.

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2. Term of Agreement: The term commences upon execution of the agreement and shall continue until it expires on September 16, 2016.
3. Vendor or other parties to the Agreement: Pollard Banknote Limited.
4. Value (cost) projected for the Agreement: Pricing will depend on instant ticket product ordered. See Agreement.

I respectfully request that the Arkansas Legislative Council Lottery Oversight Subcommittee place this contract on its agenda for review at its earliest convenience. Please contact me if you have any questions or need additional information.

Respectfully submitted,



Bishop Woodsley
Director

Enclosures

cc: The Honorable Asa Hutchinson, Governor of Arkansas
Larry Walther, Director, Arkansas Department of Finance and Administration



**STATE OF ARKANSAS
ARKANSAS LOTTERY COMMISSION**

Post Office Box 3238
Little Rock, Arkansas 72203-3238
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<http://myarkansaslottery.com>

October 24, 2014

Phillip J. Bauer
VP - Corporate Counsel
Scientific Games International, Inc.
1500 Bluegrass Lakes Parkway
Alpharetta, GA 30004

*Delivered via U.S. Mail & Electronic
Mail to: Phil.Bauer@scientificgames.com*


Dear Phil:

In accordance with Paragraph C.2. of the *First Amendment to the Agreement for Contractual Services for Instant Ticket Lottery Game Services*, this letter serves as notice of the Arkansas Lottery Commission's (ALC) intent to exercise its option to obtain printing services from a third party. ALC anticipates that it will enter into an agreement with Pollard Banknote for the following printing services:

Product:	Scratch FX®
Product Description:	Scratch FX®, a patented process exclusive to Pollard Banknote, provides a sparkle and shine to instant tickets that exceeds that of foil, holographic foil and metallic inks.
Product:	The Pollard PlayBook®
Product Description:	The Pollard PlayBook® is a patented product exclusive to Pollard Banknote which combines multiple games into a booklet format.

Please advise ALC within fourteen (14) days whether SGI has the capacity or legal ability to provide the aforementioned printing services.

Sincerely,


Bishop Wossley
Director

cc: John C. Campbell III, Chairman, Arkansas Lottery Commission

Attachment A

INSTANT TICKET SUPPLY AGREEMENT

THIS INSTANT TICKET SUPPLY AGREEMENT ("Agreement") made and entered into effective as of January _____, 2015, by and between Pollard Banknote Limited, with offices at 1499 Buffalo Place, Winnipeg, MB Canada R3T 1L7 ("Pollard") and the Arkansas Lottery Commission, with offices at 124 West Capitol Avenue, Suite 1400, Little Rock, AR USA 72201 ("Lottery") (each a "Party" and collectively the "Parties") which sets out the terms pursuant to which Pollard will design, manufacture and deliver to Lottery a range of lottery tickets for onward sale to the public.

In consideration of the mutual covenants contained in this Agreement, the receipt and sufficiency of which is acknowledged, the Parties intending to be legally bound, agree as follows:

1. SUPPLY OF PRODUCTS

- 1.1 Subject to the terms and conditions of this Agreement, Lottery hereby engages Pollard as its non-exclusive provider of such Tickets as Lottery may request from time to time, and Pollard accepts such appointment.
- 1.2 Working Papers shall be agreed and executed by the Parties in respect of each order of Tickets by Lottery and shall be incorporated into this Agreement by reference as if written concurrently with the execution of this Agreement. Any inconsistency between the Working Papers and the terms of this Agreement shall be resolved by first giving effect to the terms of the Working Papers.

2. PRODUCT DETAILS AND PRODUCTION

- 2.1 The Tickets to be provided pursuant to the terms of this Agreement by Pollard are scratch-off, instant win lottery tickets to be manufactured in accordance with the technical specifications described in the Working Papers executed by the Parties from time to time.
- 2.2 In the absence of a detailed specification in respect of the supply of any Tickets or for the performance of any portion of this Agreement, the Parties agree that the applicable specification shall be the generally accepted industry standard for the manufacture of Tickets and related services.
- 2.3 Subject to Lottery's obligations under Section 9, Lottery shall be entitled, upon reasonable notice in writing to Pollard, to inspect the production of the Tickets at Pollard's manufacturing premises.

3. THE SERVICES

- 3.1 Pollard will perform the Services:
 - (a) in accordance with the Working Papers and the technical specifications specified therein which, for each order of Tickets, shall be substantially in the form attached as Appendix A;
 - (b) with reasonable skill and care;
 - (c) in compliance with all Applicable Laws;

- (d) in accordance with Lottery's reasonable instructions given in accordance with this Agreement;
 - (e) using the proprietary algorithm licensed for use by the Lottery and sublicensed for use by Pollard;
 - (f) performing the agreed upon procedures (AUP) on every game printed and will provide an independent accountant's report on applying the AUP substantially in the form attached as Appendix B; and
 - (g) by performing a trademark search for every game ordered from Pollard and providing a trademark search and clearance letter in a form acceptable to the Lottery.
- 3.2 Pollard will ensure that those Services to be performed by personnel are performed by sufficient numbers of its staff who are:
- (a) appropriately qualified and skilled; and
 - (b) employees of Pollard.

4. PRICING

- 4.1 The pricing matrix for the Tickets shall be as set forth in Appendix C and the pricing for each batch of Tickets shall be as confirmed in each applicable set of Working Papers.
- 4.2 Pollard shall invoice the Lottery upon delivery of the Tickets to the Lottery's premises. Payment for each batch of Tickets shall be made within thirty (30) days from the invoice issue date. If Lottery fails to pay when due any amount payable under this Agreement, Lottery shall pay to Pollard on demand interest on such unpaid amount from the date such amount was due, both before and after demand and judgment, until paid in full, at a rate equal to 3% per month, calculated daily and compounded monthly. The Lottery's obligation to pay in full all amounts due pursuant to this Agreement is absolute and unconditional under all circumstances and is not and shall not be subject to any claim, defence, set off, deduction, withholding or counterclaim for any reason whatsoever.

5. OVER REDEMPTIONS

- 5.1 The Parties agree that over redemption occurs any time Lottery pays or reimburses licensees, prize winners or any other persons or entities for prizes arising from sale of the Tickets which were not anticipated and approved in advance by Lottery in the Working Papers as a result of Pollard's error or an error of a third party or individual working on behalf of Pollard.
- 5.2 If over redemption occurs, Pollard agrees to reimburse Lottery for all liabilities incurred which are attributable to over redemption and to indemnify Lottery for all liabilities, damages, losses, claims, suits or actions, costs, expenses, and attorney's fees, arising from the over redemption.
- 5.3 If the Lottery interrupts a game due to over redemption as defined above, Pollard shall reimburse the Lottery for the aggregate of Lottery's purchase price from Pollard of any Tickets not sold by Lottery due to the interruption of the game and the direct expenses of Lottery associated with the recall of the game together with a

proportionate share of any expenses incurred in advertising or promoting the game for which Lottery did not receive full value due to the interruption of the game.

- 5.4 Pollard shall reimburse Lottery's expenses on a proportionate basis which reflects the relationship which the number of Tickets unsold has to the number of Tickets ordered in the game. In determining the percentage of Tickets sold and unsold, the total delivered quantity delivered to Lottery shall be used, unless all deliveries have not yet been made, in which case, the ordered quantity shall be used. In either case, Lottery shall pay only for Tickets actually sold to the public.
- 5.5 If a game is interrupted as a result of over redemption, Pollard shall take all reasonable steps, including the payment of overtime, to ensure that the Lottery obtains replacement Tickets in the shortest possible time. Pollard shall not charge the Lottery for any additional expenses incurred to facilitate the expedited delivery of replacement Tickets.

6. WARRANTIES AND REPRESENTATIONS

6.1 Pollard hereby warrants and represents to Lottery that:

- (a) it has the power and authority and all necessary licences, permits and consents to supply the Services under and in the manner contemplated by this Agreement and each set of Working Papers and to grant the rights and perform its obligations herein;
- (b) the Services will be performed in accordance with Good Industry Practice and each set of Working Papers in a timely, efficient and safe manner;
- (c) the Tickets shall be manufactured and delivered to Lottery in all material respects in accordance with the requirements of the Working Papers and will be safe for the use for which they were intended;
- (d) the Tickets will be compiled and supplied with reasonable skill and care and will be accurate in all material respects;
- (e) the Services will be performed in accordance with all Applicable Laws including without limitation all product liability and safety related laws;
- (f) neither (i) any Tickets nor (ii) its performance of the terms of this Agreement and the Working Papers will infringe the rights (including Intellectual Property Rights) of any third party; and
- (g) it will not do anything which could reasonably be considered to bring Lottery, any Lottery Affiliate or any of Lottery's (or its Affiliate's) brands into disrepute or damage the goodwill attached to them.

7. WARRANTY CLAIMS AND OBLIGATIONS

Pollard, at Pollard's expense and at Lottery's option, shall deliver replacement Tickets or applicable portions thereof which are or become defective during the warranty period to Lottery's premises within a reasonable period of time after Pollard's receipt of the rejected item(s). The warranty period with respect to each batch of Tickets shall two (2) years from the date of receipt by Lottery of such batch of Tickets.

8. INTELLECTUAL PROPERTY OWNERSHIP

8.1 Except as expressly agreed by the Parties in this Agreement, or in a formal written amendment to this Agreement signed by duly authorized officers of each Party:

- (a) Pollard shall be the Owning Party of all rights (including all Intellectual Property Rights) arising out of the processes, procedures and requirements related to the manufacture of the Tickets, (including without limitation, design, equipment, production techniques and technological processes) expressly excluding all rights in any Input Material.
- (b) except as expressly provided herein, nothing in this Agreement shall operate to create or transfer an ownership, license or other proprietary interest in any Proprietary Information, nor require the Disclosure by an Owning Party of any of its Proprietary Information, nor restrict, inhibit or encumber any Owning Party's right or ability to Dispose of, use, distribute, Disclose or disseminate in any way its own Proprietary Information or to release or modify by further agreement the obligations of the other Party or Others with respect to such Owning Party's Proprietary Information.
- (c) Lottery grants to Pollard a non-exclusive, revocable, non-transferrable, non-sublicensable licence to use the Input Materials for the sole purpose of providing the Services and developing and delivering the Tickets in accordance with this Agreement and any Working Papers, and provided that Pollard shall not make any alteration to or modification of any of the Input Materials without the prior written consent of Lottery and shall comply at all times with any brand guidelines provided by Lottery to Pollard from time to time.
- (d) Lottery trademarks, including game names, trade names and service marks furnished by Lottery to Pollard and used on materials produced pursuant to this Agreement shall remain the sole property of Lottery. Pollard shall not use these marks or names on products sold to any person or entity other than Lottery. Lottery's marks and specifications concerning the marks shall be provided to Pollard by Lottery. Lottery's marks and names shall be reproduced exactly as specified by Lottery and only in the quantity specified.

8.2 Pollard represents and warrants that its performance under this Agreement will not knowingly infringe any patent, copyright, trademark, service mark, or other Intellectual Property Rights of any other person or entity and that it will not constitute the unauthorized use or disclosure of any trade secret of any other person or entity.

8.3 Pollard, at its sole expense, will conduct trademark and service mark searches for all game names ordered from Pollard during the term of this Agreement. Pollard will provide Lottery's Legal Counsel or Gaming Director with a trademark clearance letter once it determines that a trademark or service mark is cleared for use. New trademarks and service marks developed for the exclusive use of the Lottery will be registered by Lottery Legal Counsel in the name of the Lottery for its sole use.

9. PERFORMANCE SECURITY

9.1 In order to assure full performance of all obligations imposed on Pollard by contracting with the Lottery, Pollard will be required to provide performance security in an amount of two percent (2%) of the total Agreement price submitted by Pollard within ten (10) working days from the date of the Lottery's execution of this

Agreement. The form of security required shall be a performance bond such as is usually and customarily written and issued by surety companies licensed and authorized to do business in Arkansas or a cashier's/certified check. An irrevocable letter of credit from an Arkansas bank is also acceptable. The performance security should be made out to the Arkansas Lottery Commission and will be on file at the Lottery.

9.2 In the event of a breach of this Agreement, either through quality problems, late delivery, substitutions, non-performance, or other areas within the control of Pollard, the Lottery will notify Pollard in writing of the default and may assess reasonable charges against Pollard's performance security. If, after notification of default, Pollard fails to remedy Lottery's damages within ten (10) working days, Lottery may initiate procedures for collection against Pollard's performance security.

9.3 The performance security will be released at the end of the Agreement.

10. CONFIDENTIALITY

10.1 A Party that receives Proprietary Information of the other Party (the "Receiving Party") shall, with respect to that Proprietary Information:

(a) Not use Proprietary Information disclosed to it pursuant to this Agreement for any purposes other than those permitted by this Agreement; and

(b) Not disclose Proprietary Information disclosed to it pursuant to this Agreement to any third Party other than someone assisting Pollard to complete its obligations under this Agreement.

10.2 Except as otherwise provided in this Agreement, the Disclosure of Proprietary Information shall not be construed as granting the Receiving Party any rights with respect to the other Party's Proprietary Information or any license under any patents, patent applications, copyrights and/or other intellectual property rights to which the Party that discloses its Proprietary Information (the "Disclosing Party") may then or thereafter own or hold licensing rights.

10.3 Disclosure of any Proprietary Information by a Receiving Party hereunder shall not be precluded if such Disclosure is (a) in response to a valid and legally enforceable order of a court or other government body or any political subdivision thereof; or (b) otherwise required by law, provided, however, that the Receiving Party before making such Disclosure must first (i) immediately upon receipt of such order notify the Disclosing Party of such order; and (ii) make and cooperate with the Disclosing Party in making, if available under applicable law, a good faith effort to obtain a protective order or other appropriate determination against or limiting disclosure or use of the Proprietary Information.

10.4 The obligations and restrictions provided in this Section 9 shall survive expiration or termination of this Agreement and shall, unless the Parties otherwise expressly agree in writing, apply to any other purchase and sale of Tickets on the same or different terms and conditions. It is further acknowledged that the obligations and restrictions in this Section 9 have applied and shall continue to apply to any and all information, material and goods provided by Pollard to Lottery prior to the date of this Agreement.

11. **[Intentionally Deleted]**

12. INSURANCE

Pollard shall, at its own expense, maintain errors and omissions, over redemption and product liability insurance for not less than \$1,000,000 per occurrence, during the term of this Agreement and for two (2) years thereafter. Such insurance shall list the Lottery as an additional insured to the extent of Pollard's liability. Such insurance may not be cancelled or altered so as to affect the interest of the Lottery and shall continue throughout the entire period of this Agreement's validity and efficiency. Promptly following execution of this Agreement, Pollard shall deliver satisfactory evidence of such insurance coverage.

13. INDEMNIFICATION

13.1 Subject to Section 13.3, Pollard agrees to defend, indemnify and hold Lottery, its employees, agents, Commission members, appointed officials and elected officials, harmless from any and all liabilities, damages, loss, claims, suits or actions, settlements, judgments, costs and expenses, related to or arising from:

- (a) any violation or breach of any of the warranties, representations or undertakings it provides pursuant to Section 6 of this Agreement;
- (b) any negligent acts or omissions of Pollard, its officers, employees, agents, contractors or subcontractors employed or engaged by Pollard in the performance of this Agreement; or
- (c) any event in which a third party asserts that Lottery's use (or use by a third party on Lottery's behalf) of a Ticket, Ticket design, and use or sale of Tickets provided by Pollard to Lottery is a violation of such party's rights (including any Intellectual Property Rights); provided, however, that Pollard's indemnification hereunder shall not extend to claims which relate directly to Input Material furnished to Pollard by Lottery.

13.2 Lottery will cooperate with Pollard in the defense of any action or claim brought against Pollard seeking damages or relief and will promptly give Pollard written notice of any such claim or threatened or actual suit or action, setting out, to the extent reasonably feasible, particulars thereof.

13.3 The parties agree that any and all disputes which may arise from this Agreement shall be governed and resolved under the Arkansas Lottery Commission Rules for Claims in Contracts or Torts.

14. TERM AND TERMINATION

14.1 This Agreement shall commence as of October 1, 2014 and shall continue until it expires on September 16, 2016.

14.2 Notwithstanding Section 14.1, this Agreement may be terminated for convenience at any time by either Party, upon providing the other Party with thirty (30) days prior written notice.

14.3 Either Party may terminate this Agreement by service on the other Party of:

- (a) notice in writing having effect forthwith, if the other Party will become insolvent or have an administrator or administrative receiver appointed over the whole or any part of its assets or go into liquidation (whether compulsory or voluntary) otherwise than for the purposes of a bona fide amalgamation or

reconstruction or will make any agreement with its creditors or have any form of execution or distress levied upon its assets or cease to carry on business; or

- (b) not less than thirty (30) days' notice in writing specifying a material or persistent breach by the other Party of a material obligation and requiring that the breach is remedied, provided that the breach is not remedied during such notice period; or
- (c) notice in writing having effect forthwith specifying a material breach by the other Party of a material obligation which is not capable of remedy; or
- (d) notice in writing thirty (30) days prior to cancellations, that the Lottery no longer needs or desires the services or commodity specified in the contract or purchase order due to program changes, changes in laws, rules, or regulations, relocation of offices, or lack of appropriate funding.

14.4 Lottery may terminate this Agreement on written notice to Pollard if required by the State of Arkansas.

14.5 Effect of Termination and Notice of Termination

- (a) Neither the expiration nor termination of this Agreement shall relieve either Party of any obligation previously accrued, nor any obligation accruing or arising thereafter under the provisions of this Agreement.
- (b) Upon any termination, Pollard shall complete the production of any Tickets not then yet completed by the time of notice of such termination and shall deliver such completed Tickets to Lottery in accordance with this Agreement and Lottery shall pay for such Tickets (provided they pass the relevant Acceptance Test Criteria).

14.6 On termination of this Agreement howsoever arising:

- (a) Pollard will immediately return to Lottery all Input Material;
- (b) at the other Party's request, a Party will deliver up to the other all of the other Party's confidential information (including their Proprietary Information) and copies thereof in their possession, power, custody or control at that time.

15. SUITABILITY

If Lottery, acting in good faith and in accordance with industry practice, determines Pollard to be Unsuitable (a "Determination"), Lottery shall give notice to Pollard of its Determination with sufficient detail to allow Pollard to understand the basis for the Determination and the evidence on which the Determination was based, thereafter Lottery may terminate this Agreement and any associated Working Papers immediately by giving written notice to Pollard.

16. GENERAL

16.1 Minority-Owned and Female-Owned Business Policy.

Participation by minority-owned and female-owned businesses is encouraged in this and all other procurements by Arkansas' state agencies. "Member of a Minority" is

defined at Arkansas Code Annotated § 23-115-103(15) as "a lawful permanent resident of this state who is: (a) African American; (b) Hispanic American; (c) American Indian; (d) Asian American; or (e) Pacific Islander American". "Minority-Owned Business" is defined at Arkansas Code Annotated § 23-115-103(16) as "a business that is owned by: (a) an individual who is a member of a minority who reports as his or her personal income for Arkansas income tax purposes the income of the business; (b) a partnership in which a majority of the ownership interest is owned by one (1) or more members of a minority who report as their personal income for Arkansas income tax purposes more than fifty percent (50%) of the income of the partnership; or (c) a corporation organized under the laws of this state in which a majority of the common stock is owned by one (1) or more members of a minority who report as their personal income for Arkansas income tax purposes more than fifty percent (50%) of the distributed earnings of the corporation". The Arkansas Economic Development Commission conducts a certification process for minority businesses. Vendors unable to include minority-owned business as subcontractors "may explain the circumstances preventing minority inclusion".

16.2 Equal Opportunity Policy.

In compliance with section 5 of the Lottery Major Procurement Rules, Pollard agrees to provide the Office of State Procurement of the Arkansas Department of Finance and Administration with a copy of Pollard's Equal Opportunity policy (its "EO policy") in electronic format to the following email address: camber.thompson@dfa.arkansas.gov or as a hard copy within thirty (30) days of executing the Agreement. The Office of State Procurement and the Lottery will maintain Pollard's EO policy on file. The submission is a onetime requirement but Pollard is responsible for providing updates or changes to their respective policies and for supplying EO policies upon request to other state agencies that must also comply with this statute.

16.3 Act 157 of 2007 Employment of Illegal Immigrants.

Pursuant to Act 157 of 2007 (Arkansas Code Annotated § 19-11-105), all Vendors must certify prior to award of a contract or agreement that they do not employ or contract with any illegal immigrants in its contract with the State. Vendors shall certify online at: http://www.arkansas.gov/dfa/procurement/pro_index.html

Any subcontractors used by Pollard at the time of Pollard's certification shall also certify that they do not employ or contract with any illegal immigrant. Certification by the subcontractors shall be submitted within thirty (30) days of executing the Agreement.

16.4 Arkansas Lottery Commission Major Procurement Rules.

Pollard is subject to all requirements of the Lottery Major Procurement Rules whether such requirements are specifically set forth in this agreement or not.

16.5 EO-98-04 Governor's Executive Order.

Pollard shall complete the disclosure forms located at www.state.ar.us/dfa/procurement/pro_eo9804.html in accordance with Governor's Executive Order EO-98-04 as a condition of obtaining, extending, amending, or renewing a contract, lease, purchase agreement, or grant award with any Arkansas state agency.

16.6 Force Majeure.

Neither Party shall be liable to the other Party if the performance of any of its obligations under this Agreement is prevented or delayed because of causes beyond its reasonable control including, without limitation, fire, strike, war, insurrection, act of God, law, regulation and embargo of government agency, riot, or any other cause beyond its reasonable control and not due to such Party's own fault or negligence (an "Excusable Delay"). A Party shall be excused from its performance to the extent caused by such Excusable Delay; provided that such Party (i) gives notice of the Excusable Delay to the other Party promptly after its occurrence, (ii) uses its reasonable efforts (including executing any disaster plan) to overcome, mitigate and remove the cause of the event preventing or delaying performance, (iii) continues the performance of all its obligations under this Agreement that are not prevented or delayed and (iv) upon cessation of the Excusable Delay, promptly performs or completes performance of the obligations which were prevented or delayed. If an Excusable Delay continues for more than 30 days, either Party may terminate this Agreement upon providing written notice to the other Party.

16.7 Assignment; Binding Effect.

Neither Party shall assign or transfer this Agreement or any rights and obligations hereunder including without limitation, subcontracting of obligations, except to an Affiliate, without the other Party's prior written consent, which consent may be refused in such Party's absolute discretion. This Agreement and the transactions and other instruments provided for herein shall be binding upon and inure to the benefit of the parties, their legal representatives, successors, and permitted assignees.

16.8 Governing Law and Legal Actions.

This Agreement and any Working Papers entered into by the parties, including any claim, action, proceedings or dispute arising out of or in connection with them, shall be governed by and construed in accordance with the laws of Arkansas. The parties agree that any and all disputes which may arise from this Contract shall be governed and resolved under the Arkansas Lottery Commission Rules for Claims in Contracts or Torts.

16.9 No Waiver.

Either Party's (i) waiver of any performance by the other, (ii) waiver of any condition of this Agreement, or (iii) consent to any breach of this Agreement by the other, shall (a) be effective only if expressly set forth in a writing signed by the Party alleged to have waived or consented, and (b) not constitute or require an ongoing waiver of such performance or condition, or consent to any previous, different or subsequent breach, regardless of whether such performance, condition or breach is similar, identical or related, and regardless of the course of dealing which develops or has developed between the Parties.

16.10 Notices.

All notices, requests and other communications permitted or required to be given pursuant to this Agreement shall be in writing and shall be personally delivered, or sent by recognized delivery service, facsimile, electronic transmission or certified or registered mail with return receipt requested and with all postage prepaid, to the recipient Party at its address set forth below:

If to Pollard, at:

Pollard Banknote Limited
1499 Buffalo Place
Winnipeg, Manitoba
R3T 1L7
Fax No.: 204.453.1375
E-mail: jwestbury@pbl.ca
Attention: Jennifer Westbury, Executive Vice President,
Sales & Customer Development

If to Lottery, at:

Arkansas Lottery Commission
123 West Capitol Avenue, Suite 1400
Little Rock, AR 72203
Attention: Chief Legal Counsel

- 16.11 A facsimile or electronic transmission shall be deemed received on the date of transmission when transmitted to the facsimile number or e-mail address shown herein, provided such transmission is received prior to 5:00 p.m. on a business day and otherwise on the next business day. A delivered notice shall be deemed made three (3) business days after prepaid deposit, in the mail, or one (1) business day if by courier. Either Party may, by notice given in compliance with the provisions of this Section 16.10, designate another address for receipt of notice.

16.12 Entire Agreement.

This Agreement, together with its attached Appendix A, B and C and the contract elements ("Contract Elements"), which are incorporated by reference, constitute the entire agreement of the Parties respecting its subject matter. The Contract Elements order of priority shall be as follows: (a) this Instant Ticket Supply Agreement; (b) Any Certificates of Insurance or Bonds required pursuant to this agreement; Arkansas Lottery Commission Rules for Claims in Contracts or Torts; Arkansas Lottery Commission Procurement Contract and Vendor Rules; and (d) any future addenda, modifications or amendments to the contract which may be agreed to in writing between the parties. This supersedes all prior and contemporaneous communications and understandings and agreements, written or oral, between the parties relative to its subject matter and merges all discussions between them. Furthermore, in the event of any conflict or inconsistency between the provision of this Agreement and the provisions of the Working Papers, the provisions of the Working Papers shall govern. This Agreement may only be amended by subsequent written agreement duly executed by the Parties.

16.13 Severability

If any provision of this Agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall, if possible, be construed as though more narrowly drawn, if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining provisions of this Agreement shall remain in effect provided, however, that the court shall have authority and jurisdiction to add to this Agreement a provision as similar in terms and intended effect to such

severed provision as may be possible and be legal, valid, and enforceable. If, as a result of the foregoing, a party's material benefits under this Agreement that would have existed but for the operation of the preceding sentence are materially impaired, such party may at such party's election thereafter terminate this Agreement on not less than three (3) months advance written notice to the other Party.

16.14 Construction

The Parties acknowledge and agree that both Parties have participated in the drafting and negotiation of all provisions of this Agreement, and each Party hereby waives and agrees not to assert that any ambiguity should be construed for or against either Party. Except where the context clearly requires to the contrary, "including" shall mean "including, without limitation".

16.15 Nature of Relationship

For the purposes of this Agreement, the Parties are deemed to be independent contractors. It is expressly agreed that this Agreement and the relationship between the parties hereby established do not constitute a partnership, joint venture, agency or contract of employment. Neither Party shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other, except as authorized in writing by the Party to be bound. Neither Party shall bind nor attempt to bind the other to any contract or to the performance of any obligation, nor represent to third parties that it has any right to enter into any obligation on the other's behalf.

17. DEFINITIONS

In addition to the definitions appearing elsewhere in this Agreement, the following words and phrases shall have the meanings indicated:

"Acceptance Test Criteria" shall have the meaning set out in the applicable Working Papers.

"Affiliate" shall mean any entity directly or indirectly controlling, controlled by or under common control with that party where control means the ownership or control, directly or indirectly, of more than fifty percent (50%) of all of the voting powers of the shares (or other securities or rights) entitled to vote for the election of directors or other governing authority or otherwise having power to control such entity's general activities, but only for so long as such ownership or control shall continue.

"Applicable Laws" means all applicable statute, ordinance, law, treaty, rule, regulation, code, judicial precedent or order of any court or any governmental or regulatory entity, or other power, department, agency, authority, or officer whether at local, national or supra national level.

"Create" when used with reference to Proprietary Information means to conceive, make, develop, reduce to practice, author, or otherwise materially and substantially contribute to the existence of such Proprietary Information, such that the Proprietary Information that results can be fairly and reasonably attributed in whole or in material part to such contribution. Other forms of the word "Create" (e.g., Created, Creation, etc.) shall have substantially the same meaning as required by the context.

"Derivative" shall mean (i) for copyrightable or copyrighted material, any translation, abridgment, revision or other form in which an existing work may be recast, transformed or

adapted; (ii) for patentable or patented material, any improvement thereon; and (iii) for material which is protected by or is a Trade Secret or is otherwise Proprietary Information, any new material derived from such existing Trade Secret material or Proprietary Information, including but not limited to new material which may be protected by copyright, patent or Trade Secret.

"Disclose" shall mean to use, deliver, communicate or provide, or to use or benefit in any way or form including, by way of example and without limitation, in writing; electronically; in machine readable form; by demonstration; in tangible form; by access to plans, diagrams or equipment; or orally. Other forms of the word "Disclose" (e.g., Disclosure, Discloses, etc.) shall have substantially the same meaning as required by the context.

"Dispose" shall mean to practice, make, have made, use, license, grant rights to sublicense, lease, sell, Disclose, assign, encumber, dispose or otherwise exercise an incident of ownership. Other forms of the word "Dispose" (e.g., Disposition, Disposal, etc.) shall have substantially the same meaning as required by the context.

"Gaming Approvals" means any and all required approvals, authorisations, licences, permits, consents, findings of suitability, registrations, clearances, exemptions and waivers of or from any Gaming Authority, including those relating to the offering or conduct of lotteries, gaming and gambling activities.

"Gaming Authority" means collectively, those international, federal, state, local, foreign and other governmental, regulatory and administrative authorities, agencies, commissions, boards, bodies and officials responsible for or involved in the regulation of lotteries, gaming or gaming activities.

"Good Industry Practice" means using standards, practices, methods and procedures conforming to the law and exercising that degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person engaged in a similar type of undertaking under the same or similar circumstances;

"Input Material" means any content, materials, data, branding, trade marks, mathematical models, audio and audio-visual material, graphics, animation elements, and any other materials or information provided by Lottery to Pollard in accordance with this Agreement and/or any relevant Working Papers.

"Intellectual Property Rights" means all copyright, design rights, patents, trade marks, service marks, trade names, database rights, domain names, rights in know how, goodwill, and other rights of a similar nature enforceable anywhere throughout the world in all cases whether registered or unregistered and including applications for the grant of any such rights for the full unexpired period of any such rights and any extensions or renewals thereof.

"Invention" shall mean any invention, discovery, process, art, method (including mathematical algorithms), machine, manufacture, composition of matter, or improvement thereof, whether or not patented or patentable, to the extent that it is or is qualified to be the subject of an intellectual property right or intellectual property protection under the laws of any applicable jurisdiction under any applicable legal theory, including but not limited to rights or protections under patent, trade secret, or copyright laws or principles.

"Made Known" shall mean made known, received, developed, possessed or communicated, at any time before or after the date of this Agreement. **"Rightfully Made Known"** shall mean Made Known without, and **"Wrongfully Made Known"** shall mean Made Known with, any violation of any legally protectable and/or enforceable express or implied right, title, duty or

obligation of the owner of such Proprietary Information or third Parties from, by or through whom such knowledge passed.

"Owning Party" shall mean a Party to the extent that such Party has an ownership interest in any Proprietary Information.

"Proprietary Information" shall mean information or material relating to the existing or prospective business of a Party to this Agreement, as applicable, any information contained therein or Created therefrom, and any Derivatives thereof, including, by way of example and without limitation, technical, and/or business information such as processes, methods, techniques, systems, subroutines, source code, object code, documentation, diagrams and flow charts, analyses (including computer simulations), results, reports and information of all kinds Disclosed by the Disclosing Party to the Receiving Party. "Proprietary Information" shall also include Inventions, Works and Trade Secrets. Proprietary Information shall not include any information or material to the extent that the Receiving Party proves by a preponderance of the evidence that such information or material has been or becomes:

- (a) Rightfully Made Known to the Receiving Party without obligation of confidence; or
- (b) Rightfully Made Known to third parties who are neither under obligation of confidence nor who treat such Proprietary Information confidentially.

"Proprietary Rights" shall mean, in any country, (i) the right to file patent applications and any rights under patent applications; (ii) rights under a grant of letters patent or any similar form of statutory protection for inventions, such as utility model protection and industrial design protection; (iii) rights under copyright, trade secret, mask work or trademark law; and (iv) any other protectable intellectual property rights.

"Services" means the services to be performed by Pollard, as set out in this Agreement and as more particularly described in each set of Working Papers.

"State of Arkansas" means collectively, those state regulatory and administrative authorities, commissions, bodies and officials responsible for or involved in the regulation of lotteries, gaming or gaming activities in the State of Arkansas.

"Tickets" shall have the meaning set out in Section 2.1.

"Trade Secret" shall mean information Made Known to either Party, that is maintained by a Party in reasonable confidence such that it is not generally known and used in the Party's industry, and which gives or may give the Party a competitive, technical or other business advantage over the other Party, or third parties, who do not possess, know or use it.

"Unsuitable" means when Pollard: (i) is denied or disqualified from eligibility for any Gaming Approval or determined by a Gaming Authority to be unsuitable to be affiliated, associated or connected with any entity that holds a Gaming Approval; (ii) has an affiliation, association, connection or relationship with a third party which causes Lottery (or any of Lottery's Affiliates) to lose or have suspended, revoked, not renewed or denied, or be threatened by any Gaming Authority with the loss, suspension, revocation, non-renewal or denial of, a Gaming Approval; or (iii) is likely to preclude or materially delay, impede or impair, or jeopardize or threaten the loss, suspension, revocation, non-renewal or denial of a Gaming Approval of Lottery (or any of Lottery's Affiliates) or any such entity's application for, or right to the use of, entitlement to or ability to obtain or retain any Gaming Approval required for the operation of its business in any jurisdiction,

"Work" shall mean a work of authorship protectable under the copyright laws of an applicable jurisdiction, or a mask work protectable under the semiconductor chip protection laws of any applicable jurisdiction.

"Working Papers" shall mean each and every set of technical specifications for each order of Tickets, which for each order of Tickets, shall be substantially in the form attached as Appendix A and as and when executed by the Parties, be incorporated into this Agreement by this reference as an integral part hereof.

WITH INTENT TO BE BOUND, Lottery and Pollard have executed this Agreement as of the date first indicated above.

POLLARD BANKNOTE LIMITED

Per:

Douglas Pollard
Co-Chief Executive Officer

ARKANSAS LOTTERY COMMISSION

Per:

Bishop Woosley
Director

APPENDIX A – FORM OF WORKING PAPERS



ARKANSAS LOTTERY COMMISSION

**GAME SPECIFICATIONS
INSTANT GAME AR**

EXECUTED

VERSION 1

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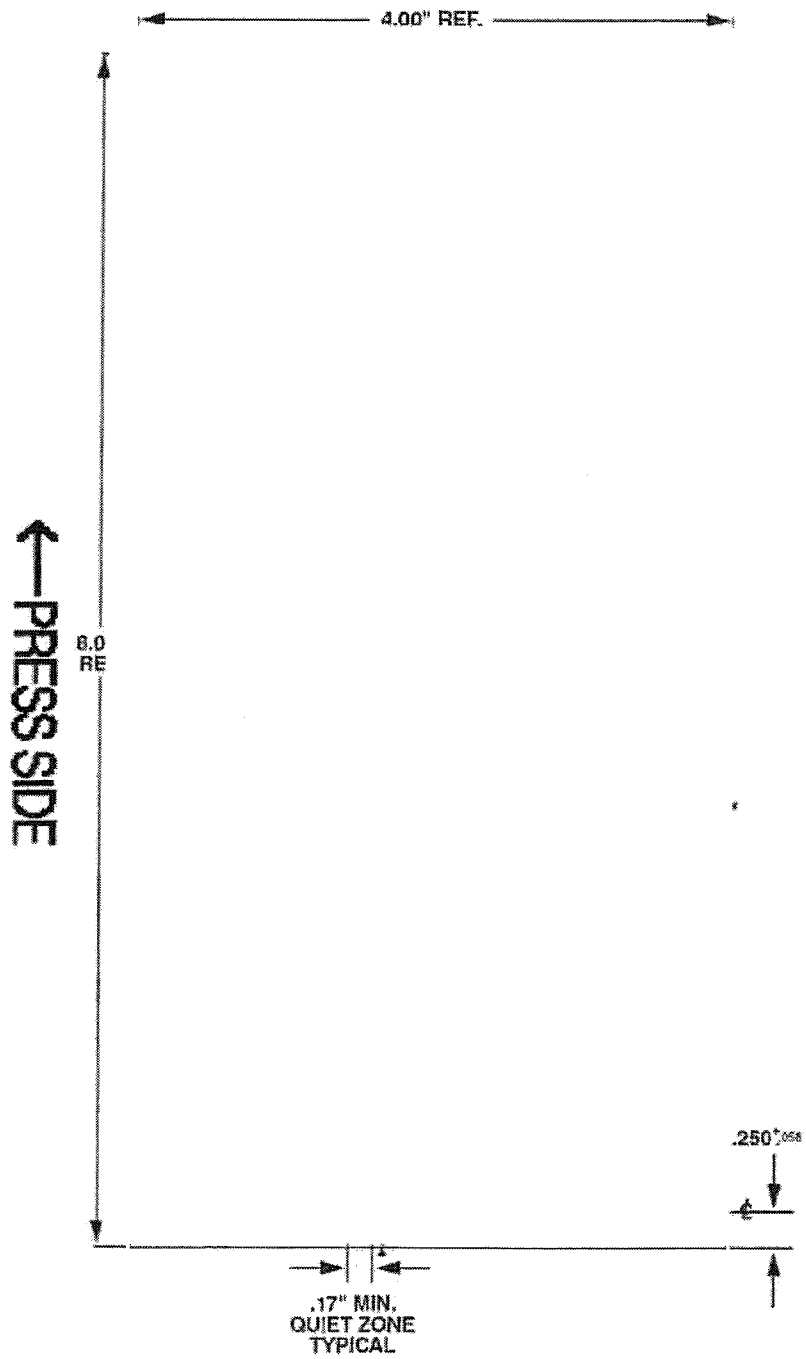
Front of Ticket	3
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Front of Ticket

← **PRESS SIDE**

Front of Ticket (Uncovered)

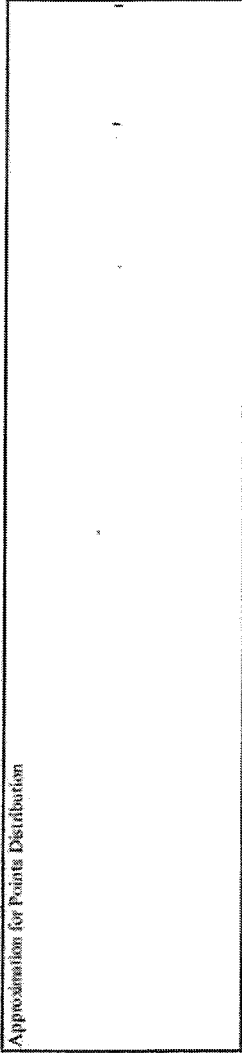
Back of Ticket



ARKANSAS LOTTERY COMMISSION

PRIZE STRUCTURE

Approximation for Points Distribution



* A mini-pool will be used in each book of 30 tickets. Mini-Pools A, B, C, D and E will each be utilized in approximately 1/5 of the books.

** Numbers are rounded.

*** Exact number of prizes delivered to lottery.

PRIZE

A

B

C

D

E

TOTAL

ARKANSAS LOTTERY COMMISSION

DATE

Game Order Information

Order Quantity:

Maximum Quantity:

Minimum Quantity:

Ticket Size:

Ticket Price:

Pool Size:

Pack Size:

Packs per Pool:

Play Instructions:

**Number of
Channels:**

Box Dot Color:

Packs per Box:

Front Colors:

Over-print Colors:

Back Colors:

Number of Scenes:

UPC Number:

Sure Jet Line:

Special Instructions: Call 1-800-522-4700 for problem gambling helpline." on the ticket back is 8-point type print.

This game will have PDF417 barcode.

To control the correct width of the tickets, an hourglass symbol will be printed on both sides of the ticket back.

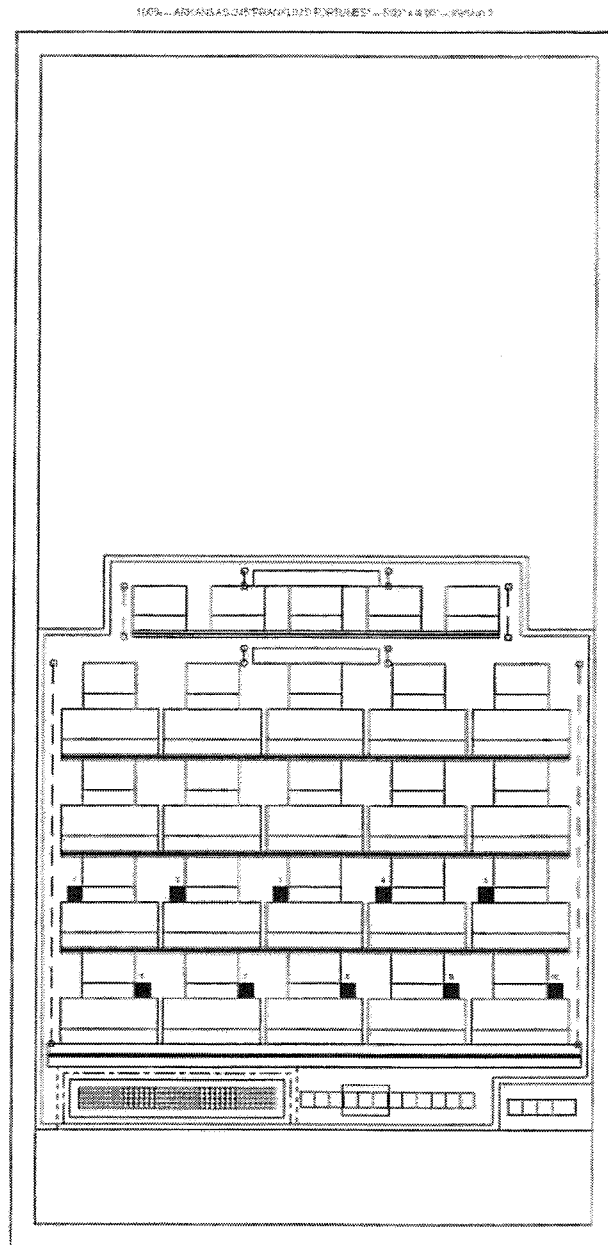
When possible, as a barcode registration tool, each recue document will have a full hourglass symbol printed by the imager.

Benday: There will be multiple benday patterns 25% screened Cyan and Magenta. The patterns will alternate and vary ticket to ticket with one (1) pattern using only horizontal lines and the next ticket down the web using only vertical lines.

Game Programming

Hash	Yes
Play It Again™	Yes
Points for Prizes® / See Prize Structure	Yes
2nd Chance Entries	No

PLAY AREA: The play area will be as shown below.



FLOAT: Yes

YOUR NUMBERS
PLAY SYMBOLS:

WINNING NUMBERS
PLAY SYMBOLS:

PRIZE
SYMBOLS:

LEGENDS:

Retailer Codes

RETAILER VALIDATION:

The chart below lists the Retailer Validation Codes standard for all Arkansas Lottery Commission (ALC) games. The Reserved Codes are not to be used in any order in this game. The Retailer Validation Codes will appear in a varying three (3) of all possible locations on each ticket as shown in the Image Layout in the Game Programming Section.

Winning tickets up to five hundred (\$500) use the required codes below. Non-winning tickets and winners above five hundred (\$500) use the letter in the required codes list in different combinations (all three letters in any required code will not appear together) with the following restrictions: vowels A, E, I, O, and U are not used.

PRIZE AMOUNT

RESERVED CODES

REQUIRED CODES

Retailer Codes (Cont.)

Retailer Codes (Cont.)

Programming Parameters

Estimated Schedule

ITEM	INDEXED DATES	CONTRACT DATES
Working papers signed and received by		
Start of Production		
Start of Sales Date		

Order/Price Confirmation

This letter constitutes the order of the ARKANSAS LOTTERY COMMISSION for
(±5%) tickets of Instant Game No.
as fully described in Version of the "Game Specifications" document dated
with Prize Structure Version dated

You are hereby authorized to proceed with the production of game tickets and performance of the associated services according to the specifications contained herein.

Options	Price
Barcode PDF-417 under overprint (equivalent to Failsafe)	No Charge
Full UV	No Charge
Total Price For Options (estimated)	No Charge

ACKNOWLEDGED AND ACCEPTED:

ACKNOWLEDGED AND ACCEPTED:

Arkansas Lottery Commission (Printed)

Arkansas Lottery Commission (Signature)

Date

Date

APPENDIX B – AGREED UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Management of Scientific Games:

We have performed the procedures enumerated in Appendix A, which were agreed to by the management of Scientific Games and the management of Arkansas Lottery Commission (specified users), solely to assist the specified users in evaluating management's assertion that Arkansas Instant Game No. 245 "FRANKLIN'S FORTUNES" was produced in accordance with the Prize Structure, the game programming parameters, and the game symbols specified in the final executed Working Papers dated April 24, 2014 and any post-executed changes to such Working Papers between Scientific Games and Arkansas Lottery Commission. The management of Scientific Games is responsible for compliance with that assertion. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in Appendix A either for the purpose for which this report has been requested or for any other purpose.

As a result of applying the procedures described in Appendix A, we found no exceptions; however, these procedures do not constitute an examination and therefore we express no opinion on Management's assertion on the production of the game. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of Scientific Games and the management of Arkansas Lottery Commission, and is not intended to be and should not be used by anyone other than these specified users.

Windham Brannon, PC

Certified Public Accountants

June 10, 2014

Appendix A
Arkansas Lottery Commission
Instant Game No. 245 – “FRANKLIN'S FORTUNES”

Procedures A. through D. constitute our agreed-upon procedures and were performed using ticket information and programming results provided to us by Scientific Games in the form of reports.

Our procedures were as follows:

A. Analysis of the Prize Structure

Our procedures related to the prize structure used to produce this game were as follows:

1. Recalculated each prize tier of the prize structure as shown in the game specifications and any post-executed changes in the Executed Working Papers.
2. Compared the prize structure within the Executed Working Papers to the Prize Structure in the audit program reports and/or the end of production prize structure (EOPPS).

Results: We noted no exceptions.

B. Game Programming Parameter Analysis

Our procedures related to the game programming parameters used to produce this game were as follows:

1. Obtained the audit program reports and ticket testing reports from Scientific Games which resulted from execution of the audit program. Read the audit program reports and testing results and agreed the conformity of both to the Game Programming Parameters as specified in the Executed Working Papers.

Results: We noted no exceptions.

C. Review of Game Symbols

Our procedures related to the play symbols used in the production of this game were as follows:

1. Obtained the print image report from Scientific Games containing a non-winning ticket and each type of winning ticket and compared the appearance of each symbol used to the symbols specified within the Executed Working Papers.
2. Compared the characters in the ticket data record to characters printed in the print image reports in Step 1 above and agreed that each character is set to print.

Results: We noted no exceptions.

D. Review of Production CRC Stamps and File Sizes

Our procedures related to the review of Production CRC stamps and file sizes were as follows:

1. Obtained and compared the Production CRC stamps and file sizes of the Audit Program Files used to produce the game tickets to the final recorded Production CRC stamps and file sizes of the Audit Program at the end of production. In the event the Production CRC stamps and file sizes did not agree, we obtained additional evidence showing that the differences in the Production CRC stamps and file sizes were due to an authorized change.

Results: We noted no exceptions.

Scientific Games Management Assertion

This section represents the assertion that this game was produced in accordance with the final Executed Working Papers. We have made available to Windham Brannon, P.C. all material records relating to the assertion that the game in this report was produced in accordance with the final Executed Working Papers. In addition, the information provided to Windham Brannon, P.C. was from the same software used to produce the actual tickets and that information is complete and accurate.

We have designed a system of internal quality control for our game production process that involves executing quality control procedures designed to detect errors. The system includes, among other activities, procedures designed to give us evidence that the entire population of tickets in the game was produced as required by the Executed Working Papers. A description and the objective for each of the procedures noted in this appendix are as follows:

A. Analysis of the Prize Structure - These procedures were designed to demonstrate that the winning tickets were produced as required by the executed working papers. The audit program reports used in these procedures utilize content from the actual ticket data file that is used to produce the entire population of tickets in the game. The following is the final prize structure produced for this game:

END OF PRODUCTION PRIZE STRUCTURE
June 5, 2014 - (POOLS #1-13 Complete)

ARKANSAS LOTTERY COMMISSION FRANKLIN'S FORTUNES (INSTANT GAME NO. 245) PRIZE STRUCTURE							
1,217,250 \$10 TICKETS		\$12,172,500	REVENUE	\$	9,440,335	PRIZE FUND -	77.55%
Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win PRIZE shown. Get a "BILL" symbol, win 20 TIMES the prize shown. Get a "MONEYBAG" symbol, win 50 TIMES the prize shown!		APRIL 17, 2014 - VERSION B		\$	9,298,730		76.39%
				\$	9,048,730		74.34%
WITH PRIZE(S) OF:	WIN	ODDS OF 1 IN:	WINNERS IN 30 (PER BOOK*)	WINNERS IN 120,000 (PER POOL)	WINNERS IN 10,14 POOLS	PRIZE COST	PERCENT OF PRIZE FUND**
\$10	\$10	5.77	5.20	20,800	210,988	\$ 2,109,880	22.35%
\$15	\$15	15.00	2.00	8,000	81,150	\$ 1,217,250	12.89%
\$20	\$20	15.00	2.00	8,000	81,130	\$ 1,622,600	17.19%
\$10 x 3 = \$20	\$50	241.52	-	300	5,040	\$ 252,000	2.67%
\$50	\$50	299.45	-	400	4,065	\$ 203,250	2.13%
\$30 = \$20	\$50	301.08	-	400	4,043	\$ 202,150	2.14%
\$5 w/BILL	\$100	120.14	-	1,000	10,132	\$ 1,013,200	10.73%
\$50 x 2	\$100	342.60	-	330	3,553	\$ 355,300	3.76%
\$2 w/MONEYBAG	\$100	160.63	-	750	7,578	\$ 757,800	8.03%
\$10 x 20	\$200	1,194.55	-	100	1,019	\$ 203,800	2.16%
\$5 w/MONEYBAG	\$250	5,966.91	-	20	204	\$ 51,000	0.54%
\$10 w/MONEYBAG	\$500	19,954.92	-	6	61	\$ 30,500	0.32%
\$20 w/MONEYBAG	\$1,000	60,862.50	-	2	20 ***	\$ 20,000	0.21%
\$1,000	\$1,000	121,725.00	-	1	10 ***	\$ 10,000	0.11%
\$250,000	\$250,000	304,312.50	-	-	4 ***	\$ 1,000,000	10.59%
TOTAL		2.98	9.20	40,339	408,997	\$ 9,048,730	95.85%
Points for Prizes (1.5% of Prize Fund)						\$ 141,605	1.50%
Last Top Prize for Play It Again						\$ 250,000	2.65%
						\$ 9,440,335	100.00%

BILL= WIN 20 TIMES
MONEYBAG= WIN 50 TIMES

B. Game Programming Parameter Analysis - These procedures were designed to demonstrate that the tickets produced in this game were produced within the constraints of the game programming parameters as noted in the Executed Working Papers and post-executed changes. The final Executed Working Papers containing the game programming parameters used to produce the entire population of tickets in the game were as follows:

Game Programming Parameters

1. No adjacent non-winning tickets will contain identical play symbols in the same locations.
2. No consecutive string of non-winning tickets in a pack exceeds approximately 2.5 times the overall odds of the prize structure (7).
3. The WINNING NUMBERS play symbol will be approximately evenly distributed among their possible locations.
4. The YOUR NUMBERS play symbol will be approximately evenly distributed among their possible locations.
5. Each Prize symbol will be approximately evenly distributed among its possible locations.
6. There will be no duplicate non-winning YOUR NUMBERS play symbols on a ticket.
7. There will be no duplicate WINNING NUMBERS play symbols on a ticket.
8. There will be no five (5) or more like non-winning prize symbols on a ticket.
9. The "BILL" symbol will only appear on winning tickets as stated by the prize structure.
10. The "MONEYBAG" symbol will only appear on winning tickets as stated by the prize structure.
11. The \$2 and \$5 prize symbols will only appear on winning tickets and only when they contribute to a win.
12. There will be at least one (1) \$250,000 prize symbol showing on each ticket, except as required by other constraints or the prize structure.

C. Review of Game Symbols - These procedures were designed to demonstrate that the symbols programmed to print for the entire population of tickets in this game are consistent with those symbols that appear within the Executed Working Papers. The print image reports for execution of this procedure are images of actual tickets produced for the entire population of tickets in the game.

D. Review of Production CRC Stamps and File Sizes - These procedures were designed to demonstrate that no unauthorized changes were made between the version of software used in the execution of procedures A. through D. and actual ticket production.

APPENDIX C – PRICING

Play Book

Price Point	\$20
Ticket Size	3.9 x 8 Finished Size
Book Size	15
Order Quantity	Price /1,000 Tickets
960,000	\$ 452.66
1,200,000	\$ 431.82
1,440,000	\$ 417.94
1,680,000	\$ 408.01
1,920,000	\$ 400.57
2,160,000	\$ 394.79
2,400,000	\$ 390.16
2,640,000	\$ 386.37
2,880,000	\$ 383.21

Ticket Specifications

Ticket graphic and technical art

Four page booklet containing 8 panels, featuring 6 separate instant ticket games

4 color process front covers

4 color process base graphics on the inside panels

4 color overprints on the inside panels

1 color (black) ticket backs with barcode

Black ticket game data

Printed on 100lb paper stock

Game prizes balances by omitting select ticket books

Packaged in books of 15 playbooks

5,000 regular void samples

Flood varnish entire ticket (panels included)

2 additional base colors on play area panels

2 additional overprint colors on play area panels

FOB Winnipeg

Pricing in USD

Scratch FX

Price Point	\$20	\$10	\$5
Ticket Size	8 x 4	8 x 4	6 x 4
Book Size	15	30	60
Order Quantity	Price /1,000 Tickets	Price /1,000 Tickets	Price /1,000 Tickets
960,000	\$ 114.50	\$ 107.83	\$ 86.50
1,200,000	\$ 108.67	\$ 102.00	\$ 80.67
1,440,000	\$ 104.78	\$ 98.11	\$ 76.78
1,680,000	\$ 102.00	\$ 95.33	\$ 74.00
1,920,000	\$ 99.92	\$ 93.25	\$ 71.92
2,160,000	\$ 98.30	\$ 91.63	\$ 70.30
2,400,000	\$ 97.00	\$ 90.33	\$ 69.00
2,640,000	\$ 95.94	\$ 89.27	\$ 67.94
2,880,000	\$ 95.06	\$ 88.39	\$ 67.06
3,120,000	\$ 94.31	\$ 87.64	\$ 66.31

Ticket Specifications

Ticket graphic and technical art

8pt coated on one side card stock

4 color process base graphics

4 color overprints

Holographic Scratch FX on ticket front

Black ticket game data

1 color (black) ticket backs with barcode

Fan folded tickets with the back of a ticket facing out on both sides

Game prizes balances by omitting select ticket books

5,000 regular void samples

Order quantity delivered +/- 10%

FOB Winnipeg

Pricing in USD

Option	Price
Foil stock (8pt) C1S	\$0.25 per square inch of ticket, per 1,000 tickets
Foil stock (10pt) C1S	\$0.30 per square inch of ticket, per 1,000 tickets
Additional base colour on front	\$0.05 per square inch of ticket, per 1,000 tickets
Additional base colour on back	\$0.05 per square inch of ticket, per 1,000 tickets
Four colour process / Spectrum base graphics	\$0.25 per square inch of ticket, per 1,000 tickets
Fluorescent / Neon Ink	\$0.12 per square inch of ticket, per 1,000 tickets
Additional overprint colour on front	\$0.05 per square inch of ticket, per 1,000 tickets
Four colour process / Spectrum overprints	\$0.25 per square inch of ticket, per 1,000 tickets
Integrated overprints	\$0.25 per square inch of ticket, per 1,000 tickets
Translucent marking system	\$0.15 per square inch of ticket, per 1,000 tickets
Spot UV varnish	\$0.04 per square inch of ticket, per 1,000 tickets
Flood UV varnish on ticket front	\$0.09 per square inch of ticket, per 1,000 tickets
One colour imaging other than black	\$5,000 per game plus \$0.10 per square inch of ticket, per 1,000 tickets
Dual colour imaging	\$5,000 per game plus \$0.30 per square inch of ticket, per 1,000 tickets
Three colour imaging	\$7,500 per game plus \$0.50 per square inch of ticket, per 1,000 tickets
Four colour imaging	\$7,500 per game plus \$0.70 per square inch of ticket, per 1,000 tickets
Multi colour imaging	\$10,000 per game plus \$1.25 per square inch of ticket, per 1,000 tickets
Complex programming	\$150 per hour
Unmatched / Generic Inserts	\$0.07 per book, per 1,000 tickets
Matching inserts to pack / book	\$0.15 per book, per 1,000 tickets
External audit	\$2,500 per game
Patented and Additional Options	
Additional scene within a book	
Pulse	
<p>Plate changes</p> <p>Cost applies if a client requested feature requires plates to be changed during game production to meet customer specifications that affect the ticket colours or design.</p> <p>For Example TEL orders a pulsed Crossword game. The first pulse has a green background (base graphics) and an orange transparent overprint, and the second pulse has a yellow background and a blue transparent overprint. The colour changes required for the second pulse would result in two plate changes on press. One plate change is included with the pulse fee, and the second plate change is covered under this fee.</p> <p>Total cost for this example would be 1x pulse fee + 1x plate change fee.</p>	\$1,500 per plate per game
Test games	\$5,000 per test game
Test games are printed on 8.5" x 11" paper	
Additional regular sized samples	Same as the final per thousand tickets price per game

Pollard Banknote Limited

Options and Pricing List

Option	Price
Foil stock (8pt) C15	\$0.25 per square inch of ticket, per 1,000 tickets
Foil stock (10pt) C15	\$0.30 per square inch of ticket, per 1,000 tickets
Additional base colour on front	\$0.05 per square inch of ticket, per 1,000 tickets
Additional base colour on back	\$0.05 per square inch of ticket, per 1,000 tickets
Four colour process / Spectrum base graphics	\$0.25 per square inch of ticket, per 1,000 tickets
Fluorescent / Neon ink	\$0.12 per square inch of ticket, per 1,000 tickets
Additional overprint colour on front	\$0.05 per square inch of ticket, per 1,000 tickets
Four colour process / Spectrum overprints	\$0.25 per square inch of ticket, per 1,000 tickets
Integrated overprints	\$0.25 per square inch of ticket, per 1,000 tickets
Translucent marking system	\$0.15 per square inch of ticket, per 1,000 tickets
Spot UV varnish	\$0.04 per square inch of ticket, per 1,000 tickets
Flood UV varnish on ticket front	\$0.09 per square inch of ticket, per 1,000 tickets
One colour imaging other than black	\$5,000 per game plus \$0.10 per square inch of ticket, per 1,000 tickets
Dual colour Imaging	\$5,000 per game plus \$0.30 per square inch of ticket, per 1,000 tickets
Three colour imaging	\$7,500 per game plus \$0.50 per square inch of ticket, per 1,000 tickets
Four colour imaging	\$7,500 per game plus \$0.70 per square inch of ticket, per 1,000 tickets
Multi colour imaging	\$10,000 per game plus \$1.25 per square inch of ticket, per 1,000 tickets
Complex programming	\$150 per hour
Unmatched / Generic Inserts	\$0.07 per book, per 1,000 tickets
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Pulse	
<p>Plate changes</p> <p>Cost applies if a client requested feature requires plates to be changed during game production to meet customer specifications that affect the ticket colours or design.</p> <p>For Example TEL orders a pulsed Crossword game. The first pulse has a green background (base graphics) and an orange transparent overprint, and the second pulse has a yellow background and a blue transparent overprint. The colour changes required for the second pulse would result in two plate changes on press. One plate change is included with the pulse fee, and the second plate change is covered under this fee.</p> <p>Total cost for this example would be 1x pulse fee + 1x plate change fee.</p>	\$1,500 per plate per game
Test games	
Test games are printed on 8.5" x 11" paper	\$5,000 per test game
Additional regular sized samples	Same as the final per thousand tickets price per game