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OKLAHOMA
Office of Management
& Enterprise Services

STATE OF OKLAHOMA CONTRACT WITH ASHTON POTTER USA LTD.

This State of Oklahoma Contract is entered into between the State of Oklahoma by and through the Office of Management and Enterprise (OMES) for the benefit of the Oklahoma Tax Commission (OTC) and Ashton Potter USA Ltd. ("Supplier") and is effective as of the effective date set forth on a properly issued purchase order or, if no effective date is listed, the date of last signature ("Effective date"). The term of the Contract is one (1) year with four (4) one year options to renew the contract.

Purpose

The State is awarding the Contract to Supplier for the provision of cigarette tax stamps, as more particularly described in certain Contract Documents.This Contract Document memorializes the agreement of the parties with respect to terms of the Contract that is being awarded to Supplier.

Now, therefore, in consideration of the foregoing and the mutual promises set forth herein, the receipt and sufficiency of which are hereby acknowledged the parties agree as follows:

1. The parties agree that Supplier has not yet begun performance of work under the Contract. Issuance of a purchase order is required prior to payment to a Supplier.

2. The following Contract Documents are attached hereto and incorporated herein:

    2.1. Solicitation EV00000876, Attachment A;
    2.2. State of Oklahoma General Terms, Attachment B;
    2.3. Reserved, Attachment C;
    2.4. Response to Specification, Attachment E;
    2.5. Pricing, Attachment E-1

3. The parties additionally agree:

    3.1. Except for information deemed confidential by the State pursuant to applicable law, rule, regulation or policy, the parties agree Contract terms and information are not confidential and are disclosable without further approval of or notice to Supplier.

    3.2. To the extent any term or condition in any Contract Document, including via a hyperlink or uniform resource locator, conflicts with an applicable Oklahoma and/or United States law or regulation, such term or condition is void and unenforceable. By executing any Contract Document which contains a conflicting term or condition, the State or Customer makes no representation or warranty regarding the enforce ability of such term or condition and the

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State or Customer does not waive the applicable Oklahoma and/or United States law or regulation which conflicts with the term or condition.

4. Payment obligations rest solely with the Oklahoma Tax Commission. Please send invoices and billing inquiries to:

Oklahoma Tax Commission
300 North Broadway Avenue,
Oklahoma City, Oklahoma 73102,
Email:otcaccountspayable@tax.ok.gov

5. The undersigned Agency hereby attests that any required terms and conditions based on a Federal Award applicable to this Contract are included herein.

6. Any reference to a Contract Document refers to such Contract Document as it may have been amended. If and to the extent any provision is in multiple documents and addresses the same or substantially the same subject matter but does not create an actual conflict, the more recent provision is deemed to supersede earlier versions.

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SIGNATURES

The undersigned represent and warrant that they are authorized, as representatives of the party on whose behalf they are signing, to sign this Agreement and to bind their respective party thereto.

STATE OF OKLAHOMA
by and through the OKLAHOMA TAX COMMISSION :

By: Signed by: Doug Linehan 3035E0468DF8404...

Name: Doug Linehan

Title: Executive Director

Date: 7/24/2026

ASHTON POTTER USA LTD.

By: Signed by: Jill Evans Benham 7834BAAD2EE5437...

Name: Jill Evans Benham

Title: Director of Contracts and Administration

Date: 7/24/2026

The State Purchasing Director is signing solely to ensure state agency compliance with provisions of the Oklahoma Central Purchasing Act pursuant to 74 O.S., 85.5 concerning acquisitions by state agencies.

By: Signed by: Amanda Otis 869CCBBCE8C942E...

Name: Amanda Otis

Title: State Purchasing Director

Date: 7/27/2026

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OKLAHOMA
Office of Management & Enterprise Services

Attachment A

AGENCY SOLICITATIONS
SOLICITATION NO. EV00000876

This solicitation is a contract document and is a request for proposal in connection with the contract awarded on behalf of the Oklahoma Tax Commission by the Office of Management and Enterprise Services as more particularly described below. Any defined term used herein but not defined herein shall have the meaning ascribed in the General Terms or other contract document.

I. PURPOSE

The Office of Management and Enterprise Services (OMES) Central Purchasing division is seeking responses on behalf of the Oklahoma Tax Commission from potential suppliers to provide a contract to produce cigarette tax stamps. These stamps are required by state law for wholesalers to affix to cigarette packages distributed within Oklahoma for tax collection purposes. For informational purposes, the grand total for all Oklahoma cigarette stamps ordered in calendar year 2025 was 128,608,500 stamps. This was distributed in 3,307 Oklahoma tax paid rolls, 280 Oklahoma tax paid sheets, 872 Unity rate rolls, and 216 Tax Free rolls and sheets. A contract resulting from this solicitation may be designated for use as a statewide contract. *See* 74 O.S. § 85.5(G)(3).

The contract is awarded on behalf of the Oklahoma Tax Commission (OTC) for potential suppliers to produce cigarette tax stamps.

1. Contract Term and Renewal Options

1.1 The initial contract term, which begins on the effective date of this contract, is one year, and there are four (4) one-year options to renew the contract.

2. Solicitation Criterion

2.1 The bid will be evaluated using a best-value criterion, based on the following:

2.1.1 Ability to supply the products and meet or exceed specifications as outlined in Exhibit 1.

2.1.2 Past performance – A minimum of three (3) references. - Exhibit 4.

2.1.3 Security Measures – Exhibit 1

2.1.4 Experience- Exhibit 3

2.1.5 Quality of sample paper and stamps – Provide a sample of paper to be used (3 sets) including the name of the manufacturer. Provide three (3) sets of cancelled stamps samples bidder has produced for machine application. Each set should include stamp samples affixed to a surface similar to the cellophane material used by cigarette manufacturers. A minimum of five (5) stamps must be affixed to each of the three (3) separate sheets, for a total of fifteen (15) stamp samples. Exhibit 1

2.1.6 Price – Exhibit 2

3. Scope and description

3.1 The bid response must reflect for each requirement on Exhibit 01 whether the requirement is met by an out-of-the-box solution or whether it necessitates customization to the bidder's proposed solution.

3.2 The bid response shall show the ability of the bidder to meet or exceed the following mandatory specifications: See Exhibit 1 - Contract Specifications.

4. Pricing

4.1 Pricing shall be proposed for the initial year plus four (4) renewal years. (total of 5 years as five separate pricing options as follows): A total firm, fixed price that includes all information concerning fees, shipping, other costs and any other information relevant to the total cost.

4.1.1 A fixed price per thousand for roll stamps manufactured according to specifications for each stamp design.

4. 1.2. A fixed price per thousand for sheet stamps manufactured according to specifications for each stamp design

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4. 1.3. A fixed price per thousand stamps for the direct shipment service to purchasers of stamps
4.1.4. A fixed price for additional stamp designs that may be required due to future legislation

5. **Executive Summary and company information.** Located in Exhibit 3: Executive Summary and Company Information.
6. **All technical Specifications.** Located in Exhibit 1
7. **The response to pricing** shall be proposed using Exhibit 2: Price Template.
8. **Value-added products and/or services within scope of the acquisition** are Not applicable.
9. **Business references** are to be included in Exhibit 04: Bidder Reference Worksheet.
10. **Third-party vendor information is** Not applicable.

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ATTACHMENT B

OKLAHOMA
Office of Management
& Enterprise Services

STATE OF OKLAHOMA
GENERAL TERMS

This State of Oklahoma General Terms ("General Terms") is a contract document in connection with the contract awarded by the State of Oklahoma by and through the Office of Management and Enterprise Services.

In addition to other terms contained in an applicable contract document, supplier and state agree to the following General Terms:

1 Scope and Contract Renewal

1.1 Supplier may not add products or services to its offerings under the contract without the state's prior written approval. Such request may require a competitive bid of the additional products or services. If the need arises for goods or services outside the scope of the contract, supplier shall contact the state.

1.2 At no time during the performance of the contract shall the supplier have the authority to obligate any customer for payment for any products or services (a) when a corresponding encumbering document is not signed or (b) over and above an awarded contract amount. Likewise, supplier is not entitled to compensation for a product or service provided by or on behalf of supplier that is neither requested nor accepted as satisfactory.

1.3 If applicable, prior to any contract renewal, the state shall subjectively consider the value of the contract to the state, the supplier's performance under the contract, and shall review certain other factors, including but not limited to the: a) terms and conditions of contract documents to determine validity with current state and other applicable statutes and rules; b) current pricing and discounts offered by supplier; and c) current products, services and support offered by supplier. If the state determines changes to the contract are required as a condition precedent to renewal, the state and supplier will cooperate in good faith to evidence such required changes in an amendment. Further, supplier may request a price increase no more than once per contract year by submitting a request to OMES Central Purchasing (CP) at least 30 days prior to the end of the then current term. OMES CP will take requests to increase price into account up to but not exceeding the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) percentage change rates for the current calendar year in which the price increase request is made. OMES reserves the right to refuse such price increases at our sole discretion. A price increase will not be effective until approved in writing by the category manager.

1.4 The state may extend the contract for 90 days beyond a final renewal term at the contract compensation rate for the extended period. If the state exercises such option to extend 90 days, the state shall notify the supplier in writing prior to contract end date. The state, at its sole option and to the extent allowable by law, may choose to exercise subsequent 90-day extensions at the contract pricing rate, to facilitate the finalization of related terms and conditions of a new award or as needed for transition to a new supplier.

1.5 Supplier understands that supplier registration expires annually and, pursuant to OAC 260:115-3-3, supplier shall maintain its supplier registration with the state as a precondition to renewal of the contract.

2 Contract Effectiveness and Order of Priority

2.1 Unless specifically agreed in writing otherwise, the contract is effective upon the date last signed by the parties. Supplier shall not commence work, commit funds, incur costs, or in any way act to obligate the state until the contract is effective.

2.2 Contract documents shall be read to be consistent and complementary. Any conflict among the contract documents shall be resolved by giving priority to contract documents in the following order of precedence:

A. Any amendment.

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B. Terms contained in this contract document.

C. Any contract-specific state terms that include, without limitation, information technology terms and terms specific to a statewide contract or a state agency contract.

D. Any applicable solicitation.

E. Any successful bid as may be amended through negotiation and to the extent the bid does not otherwise conflict with the solicitation or applicable law.

F. Any statement of work, work order or other mutually agreed contract documents.

2.3 If there is a conflict between the terms contained in this contract document or in contract-specific terms and an agreement provided by or on behalf of supplier including but not limited to linked or supplemental documents which alter or diminish the rights of customer or the state, the conflicting terms provided by supplier shall not take priority over this contract document or acquisition-specific terms. In no event will any linked document alter or override such referenced terms except as specifically agreed in an amendment.

2.4 Any contract document shall be legibly written in ink or typed. All contract transactions, and any contract document related thereto, may be conducted by electronic means pursuant to the Oklahoma Uniform Electronic Transactions Act.

3 Modification of contract Terms and contract documents

3.1 The contract may only be modified, amended, or expanded by an amendment. Any change to the contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials made unilaterally by the supplier, is a material breach of the contract. Unless otherwise specified by applicable law or rules, such changes, including without limitation, any unauthorized written contract modification, shall be void and without effect and the supplier shall not be entitled to any claim under the contract based on those changes. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the contract.

3.2 Any additional terms on an ordering document provided by supplier are of no effect and are void unless mutually executed. OMES bears no liability for performance, payment or failure thereof by the supplier or by a customer other than OMES in connection with an acquisition.

3.3 Except for information deemed confidential by the state pursuant to applicable law, rule, regulation, or policy, the parties agree contract terms and information are not confidential and are disclosable without further approval of or notice to supplier.

3.4 Unless mutually agreed to in writing by the State of Oklahoma by and through the Office of Management and Enterprise Services, no contract document or other terms and conditions or clauses, including via a hyperlink or uniform resource locator, shall supersede or conflict with the terms of this contract or expand the state's or customer's liability or reduce the rights of customer or the state. If supplier is acting as a reseller, any third-party terms provided are also subject to the foregoing.

3.5 To the extent any term or condition in any contract document, including via a hyperlink or uniform resource locator, conflicts with an applicable Oklahoma and/or United states law or regulation, such term or condition is void and unenforceable. By executing any contract document which contains a conflicting term or condition, the state or customer makes no representation or warranty regarding the enforceability of such term or condition and the state or customer does not waive the applicable Oklahoma and/or United states law or regulation which conflicts with the term or condition.

4 Definitions

In addition to any defined terms set forth elsewhere in the contract, the Oklahoma Central Purchasing Act and OAC Title 260, the parties agree that, when used in the contract, the following terms are defined as set forth below and may be used in the singular or plural form:

4.1 **Acquisition** means items, products, materials, supplies, services and equipment acquired by purchase, lease purchase, lease with option to purchase, value provided or rental under the contract.

4.2 **Amendment** means a mutually executed, written modification to a contract document.

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4.3 **Bid** means an offer a bidder submits in response to the solicitation.

4.4 **Bidder** means an individual or business entity that submits a bid in response to the solicitation.

4.5 **Contract** means the written, mutually agreed and binding legal relationship resulting from the contract documents and an appropriate encumbering document as may be amended from time to time, which evidences the final agreement between the parties with respect to the subject matter of the contract.

4.6 **Customer** means the governmental entity receiving goods or services contemplated by the contract.

4.7 **Debarment** means action taken by a debarring official under federal or state law or regulations to exclude any business entity from inclusion on the supplier list; bidding; offering to bid; providing a quote; receiving an award of contract with the state and may also result in cancellation of existing contracts with the state.

4.8 **Destination** means delivered to the receiving dock or other point specified in the applicable contract document.

4.9 **Governmental entity** means any governmental entity specified as a political subdivision of the state pursuant to the Governmental Tort Claim Act including any associated institution, instrumentality, board, commission, committee, department, or other entity designated to act on behalf of the state.

4.10 **Indemnified parties** means the state and customer and/or its officers, directors, agents, employees, representatives, contractors, assignees and designees thereof.

4.11 **Inspection** means examining and testing an acquisition (including, when appropriate, raw materials, components, and intermediate assemblies) to determine whether the acquisition meets contract requirements.

4.12 **Moral rights** means any and all rights of paternity or integrity of the work product and the right to object to any modification, translation or use of the work product and any similar rights existing under the judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.

4.13 **OAC** means the Oklahoma Administrative Code.

4.14 **OMES** means the Office of Management and Enterprise Services.

4.15 **Solicitation** means the document inviting bids for the acquisition referenced in the contract and any amendments thereto.

4.16 **State** means the government of the State of Oklahoma, its employees and authorized representatives, including without limitation any department, agency or other unit of the government of the State of Oklahoma.

4.17 **Supplier** means the bidder with whom the state enters into the contract awarded pursuant to the solicitation or the business entity or individual that is a party to the contract with the state.

4.18 **Suspension** means action taken by a suspending official under federal or state law or regulations to suspend a supplier from inclusion on the supplier list; be eligible to submit bids to state agencies and be awarded a contract by a state agency subject to the Oklahoma Central Purchasing Act.

4.19 **Supplier confidential information** means certain confidential and proprietary information of supplier that is clearly marked as confidential and agreed by the state purchasing director or customer, as applicable, but does not include information excluded from confidentiality in provisions of the contract or the Oklahoma Open Records Act.

4.20 **Work product** means any and all deliverables produced by supplier under a statement of work or similar contract document issued pursuant to this contract, including any and all tangible or intangible items or things that have been or will be prepared, created, developed, invented or conceived at any time following the contract effective date including but not limited to any (i) works of authorship (such as manuals, instructions, printed material, graphics, artwork, images, illustrations, photographs, computer programs, computer software, scripts, object code, source code or other programming code, HTML code, flow charts, notes, outlines, lists, compilations, manuscripts, writings, pictorial materials, schematics, formulae, processes, algorithms, data, information, multimedia files, text web pages or web

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sites, other written or machine readable expression of such works fixed in any tangible media, and all other copyrightable works); (ii) trademarks, service marks, trade dress, trade names, logos or other indicia of source or origin; (iii) ideas, designs, concepts, personality rights, methods, processes, techniques, apparatuses, inventions, formulas, discoveries, or improvements, including any patents, trade secrets and know-how; (iv) domain names; (v) any copies and similar or derivative works to any of the foregoing; (vi) all documentation and materials related to any of the foregoing; (vii) all other goods, services or deliverables to be provided by or on behalf of supplier under the contract; and (vii) all intellectual property rights in any of the foregoing that are or were created, prepared, developed, invented or conceived for the use of benefit of customer in connection with this contract or with funds appropriated by or for customer or customer's benefit (a) by any supplier personnel or customer personnel or (b) any customer personnel who then became personnel to supplier or any of its affiliates or subcontractors, where, although creation or reduction-to-practice is completed while the person is affiliated with supplier or its personnel, any portion of same was created, invented or conceived by such person while affiliated with customer.

5 Pricing

5.1 Pursuant to 68 O.S. §§ 1352, 1356 and 1404, state agencies are exempt from the assessment of state sales, use, and excise taxes. Further, state agencies and political subdivisions of the state are exempt from federal excise taxes pursuant to Title 26 of the United States Code. Any taxes of any nature whatsoever payable by the supplier shall not be reimbursed.

5.2 Pursuant to 74 0. S. § 85.40, all travel expenses of supplier must be included in the total acquisition price.

5.3 The price of a product offered under the contract shall include and supplier shall prepay all shipping, packaging, delivery and handling fees. All product deliveries will be free on-board customer's destination. No additional fees shall be charged by supplier for standard shipping and handling. If customer requests expedited or special delivery, customer may be responsible for any charges for expedited or special delivery.

6 Ordering, Inspection and Acceptance

6.1 Any product or service furnished under the contract shall be ordered by issuance of a valid purchase order or other appropriate payment mechanism, including a pre-encumbrance, or by use of a valid purchase card. All orders and transactions are governed by the terms and conditions of the contract. Any purchase order or other applicable payment mechanism dated prior to termination or expiration of the contract shall be performed unless mutually agreed in writing otherwise.

6.2 Services will be performed in accordance with industry best practices and are subject to acceptance by the customer. Notwithstanding any other provision in the contract, deemed acceptance of a service or associated deliverable shall not apply automatically upon receipt of a deliverable or upon provision of a service. Supplier warrants and represents that a product or deliverable furnished by or through the supplier shall individually, and where specified by supplier to perform as a system, be substantially uninterrupted and error-free in operation and guaranteed against faulty material and workmanship for a warranty period of the greater of 90 days from the date of acceptance or the maximum allowed by the manufacturer. A defect in a product or deliverable furnished by or through the supplier shall be repaired or replaced by supplier at no additional cost or expense to the customer if such defect occurs during the warranty period.

Any product to be delivered pursuant to the contract shall be subject to final inspection and acceptance by the customer at destination. The customer assumes no responsibility for a product until accepted by the customer. Title and risk of loss or damage to a product shall be the responsibility of the supplier until accepted. The supplier shall be responsible for filing, processing and collecting any and all damage claims accruing prior to acceptance.

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Pursuant to OAC 260:115-9-1, payment for an acquisition does not constitute final acceptance of the acquisition. If subsequent inspection affirms that the acquisition does not meet or exceed the specifications of the order or that the acquisition has a latent defect, the supplier shall be notified as soon as is reasonably practicable. The supplier shall retrieve and replace the acquisition at supplier's expense or, if unable to replace, shall issue a refund to customer. Refund under this section shall not be an exclusive remedy.

6.3 Supplier shall deliver products and services on or before the required date specified in a contract document. Failure to deliver timely may result in liquidated damages as set forth in the applicable contract document. Deviations, substitutions, or changes in a product or service, including changes of personnel directly providing services, shall not be made unless expressly authorized in writing by the customer. Any substitution of personnel directly providing services shall be a person of comparable or greater skills, education and experience for performing the services as the person being replaced. Additionally, supplier shall provide staff who are sufficiently experienced and able to perform with respect to any transitional services provided by supplier in connection with termination or expiration of the contract.

6.4 Product warranty and return policies and terms provided under any contract document will not be more restrictive or more costly than warranty and return policies and terms for other similarly situated customers for a like product.

7 Invoices and Payment

7.1 Supplier shall be paid upon submission of a proper invoice(s) at the prices stipulated in the contract in accordance with 74 O.S. § 85.44B, which requires that payment be made only after products have been provided and accepted or services rendered and accepted.

The following terms additionally apply:

A. An invoice shall contain the purchase order number, description of products or services provided and the dates of such provision.

B. Failure to provide a timely and proper invoice may result in delay of processing the invoice for payment. Proper invoice is defined at OAC 260:10-1-2.

C. Payment of all fees under the contract shall be due net 45 days. Payment and interest on late payments are governed by 62 O.S. § 34.72. Such interest is the sole and exclusive remedy for late payments by a state agency and no other late fees are authorized to be assessed pursuant to Oklahoma law.

D. The date from which an applicable early payment discount time is calculated shall be from the receipt date of a proper invoice. There is no obligation, however, to utilize an early payment discount.

E. If an overpayment or underpayment has been made to supplier any subsequent payments to supplier under the contract may be adjusted to correct the account. A written explanation of the adjustment will be issued to supplier.

F. Supplier shall have no right of set off.

G. Because funds are typically dedicated to a particular fiscal year, an invoice will be paid only when timely submitted, which shall in no instance be later than six months after the end of the fiscal year in which the goods are provided or services performed.

H. The supplier shall accept payment by purchase card as allowed by Oklahoma law.

8 Maintenance of Insurance, Payment of Taxes, and Workers' Compensation

8.1 As a condition of this contract, supplier shall procure at its own expense and provide proof of insurance coverage with the applicable liability limits set forth below, and any approved subcontractor of supplier shall procure and provide proof of the same coverage. The required insurance shall be underwritten by an insurance carrier with an A.M. Best rating of A- or better. Such proof of coverage shall additionally be provided to the customer if services will be provided by any of supplier's employees, agents or

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subcontractors at any customer premises and/or if employer vehicles will be used in connection with performance of supplier's obligations under the contract. Supplier may not commence performance hereunder until such proof has been provided. Additionally, supplier shall ensure each insurance policy includes a notice of cancellation and includes the state and its agencies as certificate holder and shall promptly provide proof to the state of any renewals, additions or changes to such insurance coverage. Supplier's obligation to maintain insurance coverage under the contract is a continuing obligation until supplier has no further obligation under the contract. Any combination of primary and excess or umbrella insurance may be used to satisfy the limits of coverage for commercial general liability, auto liability and employers' liability. Unless agreed between the parties and approved by the state purchasing director, the minimum acceptable insurance limits of liability are as follows:

A. Workers' compensation and employer's liability insurance in accordance with and to the extent required by applicable law.

B. Commercial general liability insurance covering the risks of personal injury, bodily injury (including death) and property damage, including coverage for contractual liability, with a limit of liability of not less than 2,000,000 per occurrence.

C. Automobile liability insurance with limits of liability of not less than $2,000,000 combined single limit each accident.

D. If the supplier will access, process or store state data, then security and privacy liability insurance, including coverage for failure to protect confidential information and failure of the security of supplier's computer systems that results in unauthorized access to customer data with a limit of not less than $5,000,000 per occurrence.

E. Additional coverage required in writing in connection with a particular acquisition.

8.2 Supplier shall be entirely responsible during the existence of the contract for the liability and payment of taxes payable by or assessed to supplier or supplier's employees, agents and subcontractors of whatever kind, in connection with the contract. Supplier further agrees to comply with all state and federal laws applicable to any such persons, including laws regarding wages, taxes, insurance and workers' compensation. Neither customer nor the state shall be liable to the supplier, supplier's employees, agents or others for the payment of taxes or the provision of unemployment insurance and/or Workers' Compensation or any benefit available to a state or customer employee.

8.3 Supplier agrees to indemnify customer, the state and its employees, agents, representatives, contractors and assignees for any and all liability, actions, claims, demands or suits, and all related costs and expenses (including without limitation reasonable attorneys' fees and costs required to establish the right to indemnification) relating to tax liability, unemployment insurance and/or workers' compensation in connection with its performance under the contract.

9 Compliance With Applicable Laws

9.1 As long as supplier has an obligation under the terms of the contract and in connection with performance of its obligations, the supplier represents its present compliance, and shall have an ongoing obligation to comply, with all applicable federal, state and local laws, rules, regulations, ordinances and orders, as amended, including but not limited to the following:

A. Drug-Free Workplace Act of 1988 set forth at 41 U.S.C. § 81.

B. Section 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738, and Environmental Protection Agency Regulations which prohibit the use of facilities included on the EPA List of Violating Facilities under nonexempt federal contracts, grants or loans.

C. Prospective participant requirements set at 2 CFR part 376 in connection with Debarment, Suspension and other responsibility matters.

D. 1964 Civil Rights Act, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and Americans with Disabilities Act of 1990.

E. Anti-Lobbying Law set forth at 31 U.S.C. § 1352 and as implemented at 45 CFR Part 93.

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F. Requirements of IRS Publication 1075 regarding use, access and disclosure of Federal Tax Information (as defined therein).

G. Obtaining certified independent audits conducted in accordance with Government Auditing Standards and Office of Management and Budget Uniform Guidance, 2 CFR 200 Subpart F § 200.500 et seq. with approval and work paper examination rights of the applicable procuring entity.

H. Requirements of the Oklahoma Taxpayer and Citizen Protection Act of 2007, 25 O.S. § 1312 and applicable federal immigration laws and regulations and be registered and participate in the Status Verification System, defined at 25 O.S. § 1312, includes but is not limited to the free Employment Verification Program (E-Verify) through the Department of Homeland Security, and is available at e-verify.gov.

I. Requirements of the Health Insurance Portability and Accountability Act of 1996; Health Information Technology for Economic and Clinical Health Act; Payment Card Industry Security Standards; Criminal Justice Information System Security Policy and Security Addendum; and Family Educational Rights and Privacy Act.

J. Be registered as a business entity licensed to do business in the state, have obtained a sales tax permit, and be current on franchise tax payments to the state, as applicable.

9.2 The supplier's employees, agents and subcontractors shall adhere to applicable customer policies including but not limited to acceptable use of internet and electronic mail, facility and data security, press releases, and public relations. As applicable, the supplier shall adhere to the State of Oklahoma Information Security Policy, Procedures and Guidelines set forth at e-verify.gov. Supplier is responsible for reviewing and relaying such policies covering the above to the supplier's employees, agents and subcontractors.

9.3 At no additional cost to customer, the supplier shall maintain all applicable licenses and permits required in association with its obligations under the contract.

9.4 In addition to compliance under subsection 9.1 above, supplier shall have a continuing obligation to comply with applicable customer-specific mandatory contract provisions required in connection with the receipt of federal funds or other funding source.

9.5 The supplier is responsible to review and inform its employees, agents, and subcontractors who provide a product or perform a service under the contract of the supplier's obligations under the contract and supplier certifies that its employees and each such subcontractor shall comply with minimum requirements and applicable provisions of the contract. At the request of the state, supplier shall promptly provide adequate evidence that such persons are its employees, agents or approved subcontractors and have been informed of their obligations under the contract.

9.6 As applicable, supplier agrees to comply with the governor's executive orders related to the use of any tobacco product, electronic cigarette or vaping device on any and all properties owned, leased, or contracted for use by the state, including but not limited to all buildings, land and vehicles owned, leased, or contracted for use by agencies or instrumentalities of the state.

9.7 The execution, delivery and performance of the contract and any ancillary documents by supplier will not, to the best of supplier's knowledge, violate, conflict with or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of any written contract or other instrument between supplier and any third party.

9.8 Supplier represents that it can pay its debts when due and it does not anticipate the filing of a voluntary or involuntary bankruptcy petition or appointment of a receiver, liquidator or trustee.

9.9 Supplier represents that, to the best of its knowledge, any litigation or claim or any threat thereof involving supplier has been disclosed in writing to the state and supplier is not aware of any other litigation, claim or threat thereof.

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9.10 If services provided by supplier include delivery of an electronic communication, supplier shall ensure such communication and any associated support documents are compliant with Section 508 of the Federal Rehabilitation Act and with state standards regarding accessibility. Should any communication or associated support documents be noncompliant, supplier shall correct and redeliver such communication immediately upon discovery or notice, at no additional cost to the state. Additionally, as part of compliance with accessibility requirements where documents are only provided in nonelectronic format, supplier shall promptly provide such communication and any associated support documents in an alternate format usable by individuals with disabilities upon request and at no additional cost, which may originate from an intended recipient or from the state.

10 Audits and Records Clause

10.1 As used in this clause and pursuant to 67 O.S. § 203, "record" includes a document, book, paper, photograph, microfilm, computer tape, disk, record, sound recording, film recording, video record, accounting procedures and practices and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data or in any other form. Supplier agrees any pertinent federal or state agency or governing entity of a customer shall have the right to examine and audit, at no additional cost to a customer, all records relevant to the execution and performance of the contract except, unless otherwise agreed, costs of supplier that comprise pricing under the contract.

10.2 The supplier is required to retain records relating to the contract for the duration of the contract and for a period of seven years following completion or termination of an acquisition unless otherwise indicated in the contract terms. If a claim, audit, litigation or other action involving such records is started before the end of the seven-year period, the records are required to be maintained for two years from the date that all issues arising out of the action are resolved or until the end of the seven-year retention period, whichever is later.

10.3 Pursuant to 74 O.S. § 85.41, if professional services are provided hereunder, all items of the supplier that relate to professional services are subject to examination by the state agency, state auditor and inspector, and the state purchasing director.

11 Confidentiality

11.1 The supplier shall maintain strict security of all state and citizen data and records entrusted to it or to which the supplier gains access, in accordance with and subject to applicable federal and state laws, rules, regulations, and policies and shall use any such data and records only as necessary for supplier to perform its obligations under the contract. The supplier further agrees to evidence such confidentiality obligation in a separate writing if required under such applicable federal or state laws, rules and regulations. The supplier warrants and represents that such information shall not be sold, assigned, conveyed, provided, released, disseminated or otherwise disclosed by supplier, its employees, officers, directors, subsidiaries, affiliates, agents, representatives, assigns, subcontractors, independent contractors, successor or any other persons or entities without customer's prior express written permission. Supplier shall instruct all such persons and entities that confidential information shall not be disclosed or used without the customer's prior express written approval except as necessary for supplier to render services under the contract. The supplier further warrants that it has a tested and proven system in effect designed to protect all confidential information.

11.2 Supplier shall establish, maintain and enforce agreements with all such persons and entities that have access to state and citizen data and records to fulfill supplier's duties and obligations under the contract and to specifically prohibit any sale, assignment, conveyance, provision, release, dissemination or other disclosure of any state or citizen data or records except as required by law or allowed by written prior approval of the customer.

11.3 Supplier shall immediately report to the customer any and all unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of any state or citizen data or records of which it or its parent company, subsidiaries, affiliates, employees,

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officers, directors, assignees, agents, representatives, independent contractors, and subcontractors is aware or have knowledge or reasonably should have knowledge. The supplier shall also promptly furnish to customer full details of the unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination, or attempt thereof, and use its best efforts to assist the customer in investigating or preventing the reoccurrence of such event in the future. The supplier shall cooperate with the customer in connection with any litigation and investigation deemed necessary by the customer to protect any state or citizen data and records and shall bear all costs associated with the investigation, response and recovery in connection with any breach of state or citizen data or records including but not limited to credit monitoring services with a term of at least three years, all notice-related costs and toll free telephone call center services.

11.4 Supplier further agrees to promptly prevent a reoccurrence of any unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of state or citizen data and records.

11.5 Supplier acknowledges that any improper use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of any state data or records to others may cause immediate and irreparable harm to the customer and certain beneficiaries and may violate state or federal laws and regulations. If the supplier or its affiliates, parent company, subsidiaries, employees, officers, directors, assignees, agents, representatives, independent contractors and subcontractors improperly use, appropriate, sell, assign, convey, provide, release, access, acquire, disclose or otherwise disseminate such confidential information to any person or entity in violation of the contract, the customer will immediately be entitled to injunctive relief and/or any other rights or remedies available under this contract, at equity or pursuant to applicable statutory, regulatory, and common law without a cure period.

11.6 The supplier shall immediately forward to the state purchasing director, and any other applicable person listed in the Notices section of the contract, any request by a third party for data or records in the possession of the supplier or any subcontractor or to which the supplier or subcontractor has access and supplier shall fully cooperate with all efforts to protect the security and confidentiality of such data or records in response to a third party request.

11.7 Customer may be provided access to supplier's confidential information. State agencies are subject to the Oklahoma Open Records Act and supplier acknowledges information marked confidential will be disclosed to the extent permitted under the Open Records Act and in accordance with this contract.

11.8 Except for information deemed confidential by the state pursuant to applicable law, rule, regulation or policy, the parties agree contract terms and information are not confidential and are disclosable without further approval of or notice to the supplier.

12 Conflict of Interest

In addition to any requirement of law or of a professional code of ethics or conduct, the supplier, its employees, agents and subcontractors are required to disclose any outside activity or interest that conflicts or may conflict with the best interest of the state. Prompt disclosure is required under this section if the activity or interest is related, directly or indirectly, to any person or entity currently under contract with or seeking to do business with the state, its employees or any other third-party individual or entity awarded a contract with the state. Further, as long as the supplier has an obligation under the contract, any plan, preparation or engagement in any such activity or interest shall not occur without prior written approval of the state. Any conflict of interest shall, at the sole discretion of the state, be grounds for partial or whole termination of the contract.

13 Assignment and Permitted Subcontractors

13.1 Supplier's obligations under the contract may not be assigned or transferred to any other person or entity without the prior written consent of the state which may be withheld at the state's sole discretion. Should supplier assign its rights to payment, in whole or in part, under the contract, supplier shall provide the state and all affected customers with written notice of the assignment. Such written

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notice shall be delivered timely and contain details sufficient for affected customers to perform payment obligations without any delay caused by the assignment.

13.2 Notwithstanding the foregoing, the contract may be assigned by supplier to any corporation or other entity in connection with a merger, consolidation, sale of all equity interests of the supplier, or a sale of all or substantially all of the assets of the supplier to which the contract relates. In any such case, said corporation or other entity shall by operation of law or expressly in writing assume all obligations of the supplier as fully as if it had been originally made a party to the contract. Supplier shall give the state and all affected customers prior written notice of said assignment. Any assignment or delegation in violation of this subsection shall be void.

13.3 If the supplier is permitted to utilize subcontractors in support of the contract, the supplier shall remain solely responsible for its obligations under the terms of the contract, for its actions and omissions and those of its agents, employees and subcontractors and for payments to such persons or entities. Prior to a subcontractor being utilized by the supplier, the supplier shall obtain written approval of the state of such subcontractor and each employee, as applicable to a particular acquisition, of such subcontractor proposed for use by the supplier. Such approval is within the sole discretion of the state. Any proposed subcontractor shall be identified by entity name, and by employee name, if required by the particular acquisition, in the applicable proposal and shall include the nature of the services to be performed. As part of the approval request, the supplier shall provide a copy of a written agreement executed by the supplier and subcontractor setting forth that such subcontractor is bound by and agrees, as applicable, to perform the same covenants and be subject to the same conditions and make identical certifications to the same facts and criteria, as the supplier under the terms of all applicable contract documents. Supplier agrees that maintaining such agreement with any subcontractor and obtaining prior written approval by the state of any subcontractor and associated employees shall be a continuing obligation. The state further reserves the right to revoke approval of a subcontractor or an employee thereof in instances of poor performance, misconduct or for other similar reasons.

13.4 All payments under the contract shall be made directly to the supplier, except as provided in 13.1 above regarding the supplier's assignment of payment. No payment shall be made to the supplier for performance by unapproved or disapproved employees of the supplier or a subcontractor.

13.5 Rights and obligations of the state or a customer under the terms of this contract may be assigned or transferred, at no additional cost, to other customer entities.

14 Background Checks and Criminal History Investigations

Prior to the commencement of any services, background checks and criminal history investigations of the supplier's employees and subcontractors who will be providing services may be required and, if so, the required information shall be provided to the state in a timely manner. Supplier's access to facilities, data and information may be withheld prior to completion of background verification acceptable to the state. The costs of additional background checks beyond supplier's normal hiring practices shall be the responsibility of the customer unless such additional background checks are required solely because supplier will not provide results of its otherwise acceptable normal background checks; in such an instance, supplier shall pay for the additional background checks. Supplier will coordinate with the state and its employees to complete the necessary background checks and criminal history investigations. Should any employee or subcontractor of the supplier who will be providing services under the contract not be acceptable as a result of the background check or criminal history investigation, the customer may require replacement of the employee or subcontractor in question and, if no suitable replacement is made within a reasonable time, terminate the purchase order or other payment mechanism associated with the project or service.

15 Patents and Copyrights

Without exception, a product or deliverable price shall include all royalties or costs owed by the supplier to any third party arising from the use of a patent, intellectual property, copyright or other property right held by such third party. Should any third party threaten or make a claim that any portion of a product or service provided by

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supplier under the contract infringes that party's patent, intellectual property, copyright or other property right, supplier shall enable each affected customer to legally continue to use, or modify for use, the portion of the product or service at issue or replace such potentially infringing product, or reperform or redeliver in the case of a service, with at least a functional noninfringing equivalent. Supplier's duty under this section shall extend to include any other product or service rendered materially unusable as intended due to replacement or modification of the product or service at issue. If the supplier determines that none of these alternatives are reasonably available, the state shall return such portion of the product or deliverable at issue to the supplier, upon written request, in exchange for a refund of the price paid for such returned goods as well as a refund or reimbursement, if applicable, of the cost of any other product or deliverable rendered materially unusable as intended due to removal of the portion of product or deliverable at issue. Any remedy provided under this section is not an exclusive remedy and is not intended to operate as a waiver of legal or equitable remedies because of acceptance of relief provided by supplier.

16 Indemnification

16.1 State Shall Not Indemnify

The State of Oklahoma cannot lawfully agree to indemnify a private contractor. The credit of the state shall not be given, pledged or loaned to any individual, company, corporation, association, municipality or political subdivision of the state pursuant to Okla. Const. art. 10, § 15, OAC 260:115-7-32(k)(3)(A) and Attorney General Opinion 2012-18.

16.2 Acts or Omissions

A. Supplier shall defend and indemnify the indemnified parties, as applicable, for any and all liability, claims, damages, losses, costs, expenses, demands, suits and actions of third parties (including without limitation reasonable attorneys' fees and costs required to establish the right to indemnification) arising out of or resulting from any action or claim for bodily injury, death or property damage brought against any of the Indemnified parties to the extent arising from any negligent act or omission or willful misconduct of the supplier or its agents, employees, or subcontractors in the execution or performance of the contract.

B. To the extent supplier is found liable for loss, damage or destruction of any property of customer due to negligence, misconduct, wrongful act or omission on the part of the supplier, its employees, agents, representatives or subcontractors, the supplier and customer shall use best efforts to mutually negotiate an equitable settlement amount to repair or replace the property unless such loss, damage or destruction is of such a magnitude that repair or replacement is not a reasonable option. Such amount shall be invoiced to and is payable by supplier 60 days after the date of supplier's receipt of an invoice for the negotiated settlement amount.

16.3 Infringement

Supplier shall indemnify the indemnified parties, as applicable, for all liability, claims, damages, losses, costs, expenses, demands, suits and actions of third parties (including without limitation reasonable attorneys' fees and costs required to establish the right to indemnification) arising from or in connection with supplier's breach of its representations and warranties in the contract or alleged infringement of any patent, intellectual property, copyright or other property right in connection with a product or service provided under the contract. Supplier's duty under this section is reduced to the extent a claimed infringement results from: (a) customer's or user's content; (b) modifications by customer or third party to a product delivered under the contract or combinations of the product with any nonsupplier-provided services or products unless supplier recommended or participated in such modification or combination; (c) use of a product or service by customer in violation of the contract unless done so at the direction of supplier, or (d) nonsupplier product that has not been provided to the state by, through or on behalf of supplier as opposed to its combination with products supplier provides to or develops for the state or customer as a system.

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16.4 Notice and Cooperation

In connection with indemnification obligations under the contract, the parties agree to furnish prompt written notice to each other of any third-party claim. Any customer affected by the claim will reasonably cooperate with supplier and defense of the claim to the extent its interests are aligned with supplier. Supplier shall use counsel reasonably experienced in the subject matter at issue and will not settle a claim without the written consent of the party being defended, which consent will not be unreasonably withheld or delayed, except that no consent will be required to settle a claim against indemnified parties that are not a state agency, where relief against the indemnified parties is limited to monetary damages that are paid by the defending party under indemnification provisions of the contract.

16.5 Coordination of Defense

In connection with indemnification obligations under the contract, when a state agency is a named defendant in any filed or threatened lawsuit, the defense of the state agency shall be coordinated by the attorney general of Oklahoma, or the attorney general may authorize the supplier to control the defense and any related settlement negotiations; provided, however, supplier shall not agree to any settlement of claims against the state without obtaining advance written concurrence from the attorney general. If the attorney general does not authorize sole control of the defense and settlement negotiations to supplier, supplier shall have authorization to equally participate in any proceeding related to the indemnity obligation under the contract and shall remain responsible to indemnify the applicable indemnified parties.

16.6 Limitation of Liability

A. With respect to any claim or cause of action arising under or related to the contract, neither the state nor any customer shall be liable to supplier for lost profits, lost sales or business expenditures, investments or commitments in connection with any business, loss of any goodwill, or for any other indirect, incidental, punitive, special or consequential damages, even if advised of the possibility of such damages.

B. Notwithstanding anything to the contrary in the contract, no provision shall limit damages, expenses, costs, actions, claims and liabilities arising from or related to property damage, bodily injury or death caused by supplier or its employees, agents or subcontractors; indemnity, security or confidentiality obligations under the contract; the bad faith, negligence, intentional misconduct or other acts for which applicable law does not allow exemption from liability of supplier or its employees, agents or subcontractors.

C. The limitation of liability and disclaimers set forth in the contract will apply regardless of whether customer has accepted a product or service. The parties agree that supplier has set its fees and entered into the contract in reliance on the disclaimers and limitations set forth herein, that the same reflect an allocation of risk between the parties and form an essential basis of the bargain between the parties. These limitations shall apply notwithstanding any failure of essential purpose of any limited remedy.

17 Termination for Funding Insufficiency

17.1 Notwithstanding anything to the contrary in any contract document, the state may terminate the contract in whole or in part if funds sufficient to pay obligations under the contract are not appropriated or received from an intended third-party funding source. In the event of such insufficiency, supplier will be provided at least 15-day written notice of termination. Any partial termination of the contract under this section shall not be construed as a waiver of, and shall not affect, the rights and obligations of any party regarding portions of the contract that are not terminated. The determination by the state of insufficient funding shall be accepted by, and shall be final and binding on, the supplier.

17.2 Upon receipt of notice of a termination, supplier shall immediately comply with the notice terms and take all necessary steps to minimize the incurrence of costs allocable to the work affected by the notice. If a purchase order or other payment mechanism has been issued and a product or service has been

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accepted as satisfactory prior to the effective date of termination, the termination does not relieve an obligation to pay for the product or service but there shall not be any liability for further payments ordinarily due under the contract or for any damages or other amounts caused by or associated with such termination. Any amount paid to supplier in the form of prepaid fees that are unused when the contract or certain obligations are terminated shall be refunded.

17.3 The state's exercise of its right to terminate the contract under this section shall not be considered a default or breach under the contract or relieve the supplier of any liability for claims arising under the contract.

18 Termination for Cause

18.1 Supplier may terminate the contract if (i) it has provided the state with written notice of material breach, and (ii) the state fails to cure such material breach within 30 days of receipt of written notice. If there is more than one customer, material breach by a customer does not give rise to a claim of material breach as grounds for termination by supplier of the contract as a whole. The state may terminate the contract in whole or in part if (i) it has provided supplier with written notice of material breach, and (ii) supplier fails to cure such material breach within 30 days of receipt of written notice. Any partial termination of the contract under this section shall not be construed as a waiver of, and shall not affect, the rights and obligations of any party regarding portions of the contract that are not terminated.

18.2 The state may terminate the contract in whole or in part immediately without a 30-day written notice to supplier if (i) supplier fails to comply with confidentiality, privacy, security, environmental or safety requirements applicable to supplier's performance or obligations under the contract; (ii) supplier's material breach is reasonably determined to be an impediment to the function of the state and detrimental to the state or to cause a condition precluding the 30-day notice; or (iii) when the state determines that an administrative error in connection with award of the contract occurred prior to contract performance.

18.3 The state may terminate the contract if the scope includes public relations (PR) vendor services and the supplier, or supplier's employee, violate the lobbying clause. PR vendor services is defined to include a contract for public relations, marketing or communication services. The state may immediately terminate the contract with no more than a 10-day notice under this section.

18.4 Upon receipt of notice of a termination, supplier shall immediately comply with the notice terms and take all necessary steps to minimize the incurrence of costs allocable to the work affected by the notice. If a purchase order or other payment mechanism has been issued and a product or service has been accepted as satisfactory prior to the effective date of termination, the termination does not relieve an obligation to pay for the product or service but there shall not be any liability for further payments ordinarily due under the contract or for any damages or other amounts caused by or associated with such termination. Such termination is not an exclusive remedy but is in addition to any other rights and remedies provided for by law. Any amount paid to supplier in the form of prepaid fees that are unused when the contract or certain obligations are terminated shall be refunded. Termination of the contract under this section, in whole or in part, shall not relieve the supplier of liability for claims arising under the contract.

18.5 The supplier's repeated failure to provide an acceptable product or service; supplier's unilateral revision of linked or supplemental terms that have a materially adverse impact on a customer's rights or obligations under the contract (except as required by a governmental authority); actual or anticipated failure of supplier to perform its obligations under the contract; supplier's inability to pay its debts when due; assignment for the benefit of supplier's creditors; or voluntary or involuntary appointment of a receiver or filing of bankruptcy of supplier shall constitute a material breach of the supplier's obligations, which may result in partial or whole termination of the contract. This subsection is not intended as an exhaustive list of material breach conditions. Termination may also result from other instances of failure

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to adhere to the contract provisions and for other reasons provided for by applicable law, rules or regulations; without limitation, OAC 260:115-9-1 is an example.

19 Termination for Convenience

19.1 The state may terminate the contract, in whole or in part, for convenience if it is determined that termination is in the state's best interest. In the event of a termination for convenience, supplier will be provided at least a 30-day written notice of termination. Any partial termination of the contract shall not be construed as a waiver of, and shall not affect, the rights and obligations of any party regarding portions of the contract that remain in effect.

19.2 Upon receipt of notice of such termination, supplier shall immediately comply with the notice terms and take all necessary steps to minimize the incurrence of costs allocable to the work affected by the notice. If a purchase order or other payment mechanism has been issued and a product or service has been accepted as satisfactory nor to the effective date of termination, the termination does not relieve an obligation to pay for the product or service but there shall not be any liability for further payments ordinarily due under the contract or for any damages or other amounts caused by or associated with such termination. Such termination shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law. Any amount paid to supplier in the form of prepaid fees that are unused when the contract or certain obligations are terminated shall be refunded. Termination of the contract under this section, in whole or in part, shall not relieve the supplier of liability for claims arising under the contract.

20 Suspension of Supplier

20.1 Supplier may be subject to suspension without advance notice and may additionally be suspended from activities under the contract if supplier fails to comply with confidentiality, privacy, security, environmental or safety requirements applicable to supplier's performance or obligations under the contract.

20.2 Upon receipt of a notice pursuant to this section, supplier shall immediately comply with the notice terms and take all necessary steps to minimize the incurrence of costs allocable to the work affected by the notice. If a purchase order or other payment mechanism has been issued and a product or service has been accepted as satisfactory prior to receipt of notice by supplier, the suspension does not relieve an obligation to pay for the product or service, but there shall not be any liability for further payments ordinarily due under the contract during a period of suspension or suspended activity or for any damages or other amounts caused by or associated with such suspension or suspended activity. A right exercised under this section shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law. Any amount paid to supplier in the form of prepaid fees attributable to a period of suspension or suspended activity shall be refunded.

20.3 Such suspension may be removed, or suspended activity may resume, at the earlier of such time as a formal notice is issued that authorizes the resumption of performance under the contract or at such time as a purchase order or other appropriate encumbrance document is issued. This subsection is not intended to operate as an affirmative statement that such a resumption will occur.

21 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The certification made by supplier with respect to debarment, suspension, certain indictments, convictions, civil judgments and terminated public contracts is a material representation of fact upon which reliance was placed when entering into the contract. A determination that supplier knowingly rendered an erroneous certification, in addition to other available remedies, may result in whole or partial termination of the contract for supplier's default. Additionally, supplier shall promptly provide written notice to the state purchasing director if the certification becomes erroneous due to changed circumstances.

22 Certification Regarding state Employees Prohibition From Fulfilling Services

Pursuant to 74 O.S. § 85.42, the supplier certifies that no person involved in any manner in the development, approval or negotiation of the contract, including change orders, extensions, renewals or amendments, while

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employed by the state shall be employed or given anything of value to fulfill any services provided under the contract.

23 Force Majeure

23.1 Either party shall be temporarily excused from performance to the extent delayed as a result of unforeseen causes beyond its reasonable control including fire or other similar casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority provided the party experiencing the force majeure event has prudently and promptly acted to take any and all steps within the party's control to ensure continued performance and to shorten duration of the event. If a party's performance of its obligations is materially hindered as a result of a force majeure event, such party shall promptly notify the other party of its best reasonable assessment of the nature and duration of the force majeure event and steps it is taking, and plans to take, to mitigate the effects of the force majeure event. The party shall use commercially reasonable best efforts to continue performance to the extent possible during such event and resume full performance as soon as reasonably practicable.

23.2 Subject to the conditions set forth above, nonperformance as a result of a force majeure event shall not be deemed a default. However, a purchase order or other payment mechanism may be terminated if supplier cannot cause delivery of a product or service in a timely manner to meet the business needs of customer. Supplier is not entitled to payment for products or services not received; therefore, amounts payable to supplier during the force majeure event shall be equitably adjusted downward.

23.3 Notwithstanding the foregoing or any other provision in the contract, (i) the following are not a force majeure event under the contract: (a) shutdowns, disruptions or malfunctions in supplier's system or any of supplier's telecommunication or internet services other than as a result of general and widespread internet or telecommunications failures that are not limited to supplier's systems or (b) the delay or failure of supplier or subcontractor personnel to perform any obligation of supplier hereunder unless such delay or failure to perform is itself by reason of a force majeure event; and (ii) no force majeure event modifies or excuses supplier's obligations related to confidentiality, indemnification, data security or breach notification obligations set forth herein.

24 Security of Property and Personnel

In connection with supplier's performance under the contract, supplier may have access to customer personnel, premises, data, records, equipment and other property. Supplier shall use commercially reasonable best efforts to preserve the safety and security of such personnel, premises, data, records, equipment and other property of customer.

Supplier shall be responsible for damage to such property to the extent such damage is caused by its employees or subcontractors and shall be responsible for loss of customer property in its possession, regardless of cause. If supplier fails to comply with customer's security requirements, supplier is subject to immediate suspension of work as well as termination of the associated purchase order or other payment mechanism.

25 Notices

All notices, approvals or requests allowed or required by the terms of any contract document shall be in writing, reference the contract with specificity and deemed delivered upon receipt or upon refusal of the intended party to accept receipt of the notice. In addition to other notice requirements in the contract and the designated supplier contact provided in a successful bid, notices shall be sent to the state at the physical address set forth below. Notice information may be updated in writing to the other party as necessary. Notwithstanding any other provision of the contract, confidentiality, breach and termination-related notices shall not be delivered solely via email.

If sent to the state:

OMES Central Purchasing, Attn: State Purchasing Director
2401 N. Lincoln Blvd., Oklahoma City, OK 73105

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With a copy, which shall not constitute notice, to:
OMES Central Purchasing, Attn: Deputy General Counsel
2401 N. Lincoln Blvd., Oklahoma City, OK 73105

26 Miscellaneous

26.1 Choice of Law and Venue

Any claim, dispute, or litigation relating to the contract documents, in the singular or in the aggregate, shall be governed by the laws of the state without regard to application of choice of law principles. Pursuant to 74 O.S. § 85.7(F), where federal granted funds are involved, applicable federal laws, rules and regulations shall govern to the extent necessary to insure benefit of such federal funds to the state. Venue for any action, claim, dispute or litigation relating in any way to the contract documents, shall be in Oklahoma County, Oklahoma. The state expressly declines any terms that minimize its rights under Oklahoma law, including but not limited to, statutes of limitations.

26.2 Employment Relationship

The contract does not create an employment relationship. Individuals providing products or performing services pursuant to the contract are not employees of the state or customer and accordingly are not eligible for any rights or benefits whatsoever accruing to such employees.

26.3 Transition Services

If transition services are needed at the time of contract expiration or termination, supplier shall provide such services on a month-to-month basis, at the contract rate or other mutually agreed rate. Supplier shall provide a proposed transition plan, upon request, and cooperate with any successor supplier and with establishing a mutually agreeable transition plan. Failure to cooperate may be documented as poor performance of supplier.

26.4 Publicity

The existence of the contract or any acquisition is in no way an endorsement of supplier, the products or services and shall not be so construed by supplier in any advertising or publicity materials. Supplier agrees to submit to the state all advertising, sales, promotion and other publicity matters relating to the contract wherein the name of the state or any customer is mentioned or language used from which, in the state's judgment, an endorsement may be inferred or implied. Supplier further agrees not to publish or use such advertising, sales promotion or publicity matter or release any informational pamphlets, notices, press releases, research reports or similar public notices concerning the contract or any acquisition hereunder without obtaining prior written approval of the state.

26.5 Open Records Act

Supplier acknowledges that all state agencies and certain other customers are subject to the Oklahoma Open Records Act set forth at 51 O.S. § 24A-1 et seq. Supplier also acknowledges that compliance with the Oklahoma Open Records Act and all opinions of the Oklahoma Attorney General concerning the act is required. Nothing herein is intended to waive the state purchasing director's authority under OAC 260:115-3-9 in connection with bid information requested to be held confidential by a bidder. Notwithstanding the foregoing, supplier confidential information shall not include information that: (i) is or becomes generally known or available by public disclosure, commercial use or otherwise and is not in contravention of this contract; (ii) is known and has been reduced to tangible form by the receiving party before the time of disclosure for the first time under this contract and without other obligations of confidentiality; (iii) is independently developed without the use of any of supplier confidential information; (iv) is lawfully obtained from a third party (without any confidentiality obligation) who has the right to make such disclosure or (v) pricing provided to the state. In addition, the obligations in this section shall not apply to the extent that the applicable law or regulation requires disclosure of supplier confidential information, provided that the customer provides reasonable written notice, pursuant to contract notice provisions, to the supplier so that the supplier may promptly seek a protective order or other appropriate remedy.

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26.6 Failure to Enforce

Failure by the state or a customer at any time to enforce a provision of or exercise a right under the contract shall not be construed as a waiver of any such provision. Such failure to enforce or exercise shall not affect the validity of any contract document, or any part thereof, or the right of the state or a customer to enforce any provision of or exercise any right under the contract at any time in accordance with its terms. Likewise, a waiver of a breach of any provision of a contract document shall not affect or waive a subsequent breach of the same provision or a breach of any other provision in the contract.

26.7 Mutual Responsibilities

A. No party to the contract grants the other the right to use any trademarks, trade names, other designations in any promotion or publication without express written consent by the other party.

B. The contract is a nonexclusive contract, and each party is free to enter into similar agreements with others.

C. The customer and supplier each grant the other only the licenses and rights specified in the contract and all other rights and interests are expressly reserved.

D. The customer and supplier shall reasonably cooperate with each other and any supplier to which the provision of a product and/or service under the contract may be transitioned after termination or expiration of the contract.

E. Except as otherwise set forth herein, where approval, acceptance, consent or similar action by a party is required under the contract, such action shall not be unreasonably delayed or withheld.

26.8 Invalid Term or Condition

To the extent any term or condition in the contract conflicts with a compulsory applicable state or United states law or regulation, such contract term or condition is void and unenforceable. By executing any contract document which contains a conflicting term or condition, no representation or warranty is made regarding the enforceability of such term or condition. Likewise, any applicable state or federal law or regulation which conflicts with the contract or any nonconflicting applicable state or federal law or regulation is not waived.

26.9 Severability

If any provision of a contract document or the application of any term or condition to any party or circumstances is held invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable and the application of such provision to other parties or circumstances shall remain valid and in full force and effect. If a court finds that any provision of this contract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

26.10 Section Headings

The headings used in any contract document are for convenience only and do not constitute terms of the contract.

26.11 Sovereign Immunity

Notwithstanding any provision in the contract, the contract is entered into subject to the state's constitution, statutes, common law, regulations, and the doctrine of sovereign immunity, none of which are waived by the state nor any other right or defense available to the state.

26.12 Survival

As applicable, performance under all license, subscription, service agreements, statements of work, transition plans and other similar contract documents entered into between the parties under the terms of the contract shall survive contract expiration. Additionally, rights and obligations under the contract which by their nature should survive including, without limitation, certain payment obligations invoiced prior to expiration or termination; confidentiality obligations; security incident and data breach obligations and indemnification obligations, remain in effect after expiration or termination of the contract.

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26.13 Entire Agreement

The contract documents taken together as a whole constitute the entire agreement between the parties. No statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained in a contract document shall be binding or valid. The supplier's representations and certifications, including any completed electronically, are incorporated by reference into the contract.

26.14 Gratuities

The contract may be immediately terminated, in whole or in part, by written notice if it is determined that the supplier, its employee, agent, or another representative violated any federal, state or local law, rule or ordinance by offering or giving a gratuity to any state employee directly involved in the contract. In addition, suspension or debarment of the supplier may result from such a violation.

26.15 Import/Export Controls

Neither party will use, distribute, transfer or transmit any equipment, services, software or technical information provided under the contract (even if incorporated into other products) except in compliance with all applicable import and export laws, conventions and regulations.

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ATTACHMENT C

AGENCY TERMS

SOLICITATION NO. EV00000876

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Proposal

for

State of Oklahoma

Office of Management & Enterprise Services (OMES)

Solicitation EV00000876

Cigarette Tax Stamps

Disclosure & Response to Specifications

Ashton-Potter (USA) Ltd.
10 Curtwright Drive
Williamsville, New York 14221-7072 USA

Contact: Jill Evans Benham, Director of Contracts and Administration
Phone: +1 (716) 276-1512
Fax: +1 (716) 633-2525
Email: jbenham@ashtonpotter.com

Restriction: This Proposal includes data that may not be duplicated, used, or disclosed outside the State of Oklahoma, OMES and may not be duplicated – in whole or in part – for any purpose other than to evaluate this Proposal. If, however, a contract is awarded to this tenderer as a result of – or in conjunction with – the submission of such data, the State of Oklahoma will have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the State of Oklahoma's right to use information contained in the data if it is obtained from another source without restriction. The data subject to this restriction is identified with the restriction clause on each applicable sheet.

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Introduction

Ashton-Potter (USA) Ltd. (“Ashton Potter”) is pleased to have the opportunity to respond to the Solicitation (“RFP”) No. EV00000876 for Cigarette Tax Stamps (“Tax Stamps”) for the State of Oklahoma OMES on behalf of the Oklahoma Tax Commission (“State”).

Ashton Potter has reviewed, and accepts, the Solicitation Documents, including all Amendments, posted on the State’s procurement website.

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Required Forms, Certifications, and Disclosures (7.3)

7.3.1 Requires submission of form CP076, which have been uploaded via the State's procurement website.

7.3.2 Requires submission of form CP076, which have been uploaded via the State's procurement website.

7.3.3 Ashton Potter acknowledges Amendment #1 to this solicitation.

In response to Section 7.3.4 of *Bidder Instructions* and Section 5 of form CP004, we wish to state that Ashton Potter, through no fault of its own, has experienced one non-tax stamp related contract termination by a client but there were no related penalties or claims made against the Company. This contract termination in January 2023 for a non-tax stamp related product occurred under the Company's previous leadership who was dismissed shortly thereafter. The relationship with the client was mishandled and became adversarial to the point where the client felt it could no longer continue and exercised its option to terminate. Negotiations with a new current leadership team resulted in a mutually agreeable conclusion and the relationship with the client was left in good standing.

7.3.5 Ashton Potter's Certificate of Insurance has been uploaded via the State's procurement website.

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Response to Specifications Requirements (7.7 / Attachment A / Exhibit 1)

1. **Introduction**
   1.1. Ashton Potter acknowledges the need for and usage of cigarette tax stamps.
   1.2.
2. **Type and Application**
   2.1. Ashton Potter acknowledges the six stamp designs needed by the State.
   2.2. Stamp Requirements
      a. Ashton Potter's Tax Stamps are Fusion type layer-built stamps consisting of a minimum of five (5) impression layers, including the Safety Tint.
      b. Ashton Potter's Tax Stamps are fully suitable for machine application to standard cigarette packages and we provide appropriate instructions for the cigarette distributors for optimal application.
         Ashton Potter's Tax Stamps remain legible following transfer to individual cigarette packages.
         Ashton Potter's Tax Stamps are of a design, material and manufacture as to make alterations, removal and reuse of the Tax Stamps impossible after being initially affixed to a cigarette package without causing the destruction of the Tax Stamp.
      c. Ashton Potter produces Tax Stamps on a modern flexographic ("flexo") printing press and have been successfully tested and qualified by both manufacturers of stamping machines and are being used daily by distributors in at least twelve (12) states. It is important to note these flexo printed Tax Stamps meet or exceed the visual, security feature and operational needs of other State and local governments.
      d. Ashton Potter's Tax Stamps are suitable for high speed stamping machine application or manual stamping with a suitable heat iron for transfer to cigarette packages covered in cellophane.
      e. Ashton Potter's Tax Stamps are of a design, material and manufacture as to make alterations, removal and reuse of the Tax Stamps impossible after being initially affixed to a cigarette package without causing the destruction of the Tax Stamp. Ashton Potter's Tax Stamps have been designed for maximum transfer to the cigarette package and with a highly aggressive adhesive to ensure the Tax Stamps cannot be harvested from one package and reused on another. This adhesion has been tested and endorsed by both manufacturers of stamping equipment.
      f. Ashton Potter's Tax Stamps are fully compatible with stamping equipment for cigarette tax stamp application produced by all stamping machine manufacturers. We provide appropriate instructions for the cigarette distributors for optimal application. Letters of reference from both major manufacturers of heat applied tax stamp application equipment, RedStamp and USI, have been submitted in support of our Proposal.

3. **Size, Design and Color**
   3.1. Ashton Potter acknowledges that the stamps are to follow the six (6) designs provided by the State, as detailed above inclusive of safety tint lettering.

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3.2. The cardboard core used by Ashton Potter is 0.125" (1/8") thick.

3.3. All stamps shall be approximately ½" x ½" and contain an outline of the State of Oklahoma, including the State logo and a visual image of the State initials (OK) as detailed in Section 7.2b of the State's specifications.

3.4. Ashton Potter acknowledges that the Oklahoma Tax Commission may provide designs for other tax stamps that are needed during the term of the Contract.

4. Serial Numbering

4.1. All Tax Stamps will contain a roll serial number of not less than five (5) alphanumeric characters as required by the State. The same alphanumeric code will not be repeated for any individual roll or pad during the life of the contract. This identification code will appear on the roll and the mailer box. Each denomination of Tax Stamp will begin with a different letter followed by four (4) numeric digits. All starting roll numbers will be defined by the Oklahoma Tax Commission.

In addition to the five (5) alphanumeric characters for the individual roll/pad number, each stamp shall also have imprinted upon it a five (5) digit numerical number from 00001 through 30000 that designates the individual stamp number on the roll.

4.2. Rolls shall be coded in sequential order. All spoiled rolls/pads shall be identified as "Not in Circulation". The beginning and ending roll numbers in each case shall be clearly marked on a label on the exterior of the case. Ashton Potter shall provide a certified listing of all rolls/pads "Not in Circulation" to the State.

5. Paper

5.1. Ashton Potter's Tax Stamps are printed on safety tinted, mill controlled paper. This paper is highly resistant to tearing and has been tested / approved by all manufacturers of high speed stamp application machines.

5.2. Ashton Potter is not proposing security features, such as fibers, in the base carrier paper. From Amendment #1 to this solicitation, this feature is optional.

5.3. All stamps and paper are processed with a safety tint lettering, with copy provided by the State. This is printed in a manner that makes it extremely difficult to be accurately reproduced from a photograph.

5.4. Ashton Potter's Tax Stamps contain a safety tint that appears on the face of each stamp. It extends beyond the border of the Tax Stamp and transfers with the Tax Stamp to cigarette packages. Under normal white light this will have a very light pink appearance and under LW UV light it will fluoresce.

5.5. Ashton Potter maintains a complete and accurate account of all good and spoiled paper and stamps at the completion of each production run.

All raw materials, work-in-progress and finished goods are stored behind at least two levels of secured access control within our secure facilities.

All waste material will be destroyed onsite in the presence of a duly authorized agent of the State. An Affidavit of Destruction shall be provided to the State following such destruction.

5.6. Ashton Potter's Tax Stamps shall be consistent with the sample furnished with our Proposal.

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6. Layout and Packaging

6.1. Ashton Potter acknowledges that Tax Stamps (defined in Sections 2.1a – 2.1d and 2.1f) shall be delivered in rolls, each consisting of 30,000 stamps (15 stamps per row) with industry standard accounting numbering to provide exact counts of stamps used and remaining every 300 stamps.

6.2. All Tax Stamps (defined in 2.1) shall also be furnished in sheets containing one hundred and fifty (150) stamps, ten (10) stamps per horizontal row and fifteen (15) rows per sheet using the same layout as the rolls. No more than ten (10) sheets shall be stapled together with a backing sheet behind the last sheet of stamps to form a pad. The State may require individual sheets to be provided separately. Pads will be packed per cardboard box which will indicate the quantity, denomination and serial numbers. Sheet numbers will be visible.

6.3. Each roll and cardboard box shall be packed in a box, which shall be securely sealed and labeled showing the quantity, denomination and roll/sheet numbers. Twenty-five (25) rolls ad twenty-five (25) sheets shall be packed in containers of sufficient strength to prevent damage during shipment and labeled showing quantity, denomination and serial numbers of the rolls/sheets contained therein.

7. Protection

7.1. Ashton Potter has access to state-of-the-art security features and technologies which can be included in tax stamps to prevent and deter the counterfeiting of tax stamps.

The colored carrier paper used by Ashton Potter is ultraviolet safety tinted and controlled mill paper, which contributes to the uniqueness of the Cigarette Stamp rolls.

Ashton Potter is proposing to include four (4) State-of-the-Art security features that can be field verified and one (1) ink feature that can be uniquely verified in the laboratory in our Tax Stamps for the State. These features include a UV Safety Tint, machine readable taggant, microprint and a deliberate error. Given the confidential nature of these features, the specific details will be provided to the State upon request.

7.2. Each Tax Stamp will contain a roll/sheet 2-line, 10 digit unique serial number as required by the State. The same alphanumeric code will not be repeated for any individual roll/sheet during the life of the contract. This identification code will appear on the roll and the mailer box.

In addition to the five (5) alphanumeric characters for the individual roll number, each stamp shall also have imprinted upon it a five (5) digit numerical number from 00001 through 30000 that designates the individual stamp number on the roll/sheet.

All Tax Stamps shall also contain a visual (Variable) image that will appear and disappear when viewed from different angles. This image shall be the letters “OK” and be located in the middle of each Tax Stamp. When this image is exposed to SW UV light it will fluoresce.

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8. Production Control

8.1. During the manufacturing process of Tax Stamps all materials, work-in-progress and equipment required for the manufacturing and storage of Tax Stamps is strictly controlled within several layers of security. Ashton Potter's secure manufacturing facilities are NASPO Certified (re-certified in April 2025). A copy of our certificate has been included with our Proposal.

8.2. All storage of photographs, films, plates, drawings, finished goods, work in progress and related manufacturing equipment is securely held behind multiple levels of access control, including locked vaults as appropriate. Design files will be created on the Graphic Design workstation and saved onto encrypted and password protected hard drives separate from the network. All workstation files will be backed up at the end of each day.

8.3. All materials in process or finished goods will be stored in secure storage areas with access control to authorized employees only. All printing plates, designs, artwork, etc. required for the performance of a contract resulting from this RFP shall be used exclusively for the State. Following completion of this contract they will be disposed of as directed and agreed by the State.

8.4. Ashton Potter does not use subcontractors and all work is performed within our secure facilities.

8.5. Ashton Potter will provide proofs of all stamp designs following Contract Award for approval by the State prior to the commencement of production.

9. Accounting

9.1. Ashton Potter shall provide the State, upon request, a full and accurate accounting, verified by Affidavit, of all paper, stamps and related materials used in the production of the State's tax stamps. This accounting will include Work-In-Progress, Finished Goods Inventory and all waste material.

At the completion of the contract all State specific materials will be destroyed as directed by the State through its Contract Manager.

9.2. From the commencement of manufacturing through to finished goods storage, shipment or waste material destruction materials are 100% accounted for and reconciled before moving to the next stage of manufacturing. All associated records shall be available to the State upon request.

Ashton Potter's secure facilities are protected by a comprehensive video surveillance system together with onsite security guards. Access to our facilities is strictly controlled with several layers of locked access controls in place. A comprehensive, proprietary accountability process is utilized at Ashton Potter for all security materials and products. This system, designed and implemented by Ashton Potter, has been utilized for many years on security products and audited by the USPS and NASPO auditors, with no discrepancies ever identified. Ashton Potter's system documents and accounts for all product and materials used in manufacturing, with inventory validation audits periodically. Transfer of materials from secure, segregated

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storage areas is documented and perpetually maintained. From the commencement of manufacturing through to finished goods storage, shipment or in-house waste material destruction materials are 100% accounted for and reconciled before moving to the next stage of manufacturing. Each Print Order will be set up on Ashton Potter's in-house accountability system, then accessed by authorized personnel (password controlled) through workstations. Ashton Potter has secure warehousing for finished goods with fulfillment and distribution services tailored to specific requirements. Products can be securely fulfilled and distributed within supply chains anywhere in the world.

10. Stamp Applying Machines

10.1. Ashton Potter's Tax Stamps are fully compatible with stamping equipment for cigarette tax stamp application produced by all stamping machine manufacturers. We provide appropriate instructions for the cigarette distributors for optimal application. Letters of reference from both major manufacturers of heat applied tax stamp application equipment, RedStamp and USI, have been submitted in support of our Proposal.

There are active Distributors within the State of Oklahoma who supply cigarettes into the State of Texas that have years of experience stamping our Tax Stamps as we have been supplied the Texas Comptrollers Office with their tax stamps since September 2021.

11. Patent Law Compliance

11.1. Ashton Potter guarantees that our Tax Stamps do not infringe and United States patent. Ashton Potter will defend, protect and hold harmless the State and all persons and firms as defined in this Section of the solicitation document.

12. Direct Shipment of Stamps to Purchasers

12.1. Ashton Potter has an operational system for Direct To Distributor (DTD) shipping of Tax Stamps. This system is fully capable of receiving an electronic file daily, processing and shipping the approved orders within one (1) business day and transmitting an electronic order acknowledgement/status file back to the State with the actual stamp numbers issues to each purchaser within one business day of the order being filled.

12.2. All shipments are made by bonded carrier, insured and prepaid via standard two day service. If the licensed distributor elects expedited overnight shipping, then shipping charges are billed directly to the licensed distributor's FedEx or UPS account number.

12.3. Ashton Potter's DTD system ProLinc® is fully capable of receiving and transmitting electronic files daily and integrate with the Oklahoma Tax Commission's GenTax system. Files would include but are not limited to Order Files, Order Confirmation Files, Order Shipment Files, and Order Exception Files. Ashton Potter can comply with all File and Field requirements to receive files via SFTP connection, file authentication, file encryption and decryption, accept multiple files, provide a response file for each file received, and provide tracking information back Oklahoma Tax Commission. Our existing and operational ProLinc®

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order entry/fulfilment system can be modified to receive and transmit the specific data format used by the the Oklahoma Tax Commission.

On January 1, 2023 Ashton Potter commenced servicing a contract with the State of Kansas which is a “Direct To Distributor” shipment. The transition from the State’s previous provider to Ashton Potter’s system was seamless and without any issues. This is proof that a transition to Ashton Potter from another supplier is fully achievable and risk free.

Here is a sample transmission plan that can be fully executed in a short timeframe.

Task Name	Duration	Start	Finish	Resource Names
Oklahoma Tax Stamp Project Transition Plan				
Project Launch	1 day	Mon 12/1/25	Mon 12/1/25	
State Client Agency PM and AP PM review all project requirements and deliverables	5 days	Tue 12/2/25	Mon 12/8/25	Client Agency and AP
ProLinc System - Order Transfer via SFTP - XML file format				
Stamp Artwork Design Approval				
Schedule and Milestones				
Invoicing Requirements				
Packaging and Labeling Requirements and Samples for Client Agency Approval				
Reporting Requirements - Order Details / Accountability / Destruction				
Design and Proofing	7 days	Wed 12/3/25	Thu 12/11/25	
Client Agency provide artwork for all stamp types				Client Agency
Digital Design - AP	5 days			AP
AP prep Models - Round 1				AP
Client Agency Review Round 1 models and provide feedback/approval	1 day			Client Agency
Models - Round 2 (if needed)	1 day			AP
Client Agency Review Round 2 models (if needed)	1 day			Client Agency
ProLinc and SFTP	7 days	Mon 12/8/25	Tue 12/16/25	Client Agency and AP
XML File Format				
Test SFTP between Client Agency and AP				
Test Integration				
Production				AP
Printing	6 days	Mon 12/15/25	Mon 12/22/25	
Finishing to Inventory	9 days	Tue 12/16/25	Fri 12/26/25	
Shipping		Fri 1/2/26		AP
Client Agency Transmit Daily Order File via SFTP				Client Agency
Transmit Shipment Record Daily				AP
Invoicing - for each shipment of stamps, separate record in the shipment file		Fri 1/2/26		AP

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13. Order/Shipments

13.1. When a direct shipment is not utilized, Ashton Potter shall accept a written order from the State and ship all required stamps within six (6) weeks of receipt of such an order.

14. Contract Management and Administration

14.1. Ashton Potter acknowledges this Section of the Solicitation.

15. Additional Requirements

15.1. **7.2.2.2h** of Executive Summary - A list of states currently using Ashton Potter's machine applied stamps is detailed in Exhibit 3: Offeror Response Worksheet which have been uploaded via the State's procurement website.

15.2. **Sample Paper**

- Three (3) sets of sample paper have been provided under separate cover and delivered to Oklahoma Tax Commission.

15.3. Sample Stamps (15.3; 15.4; and 15.5)

- Three (3) sets of sample stamps have been provided under separate cover and delivered to Oklahoma Tax Commission, Attn: Cheryl Walker.

16. Design Example

16.1. Ashton Potter acknowledges the six (6) design examples in this Section of the Solicitation and will use these examples as the basis for creation of the Proofs we shall provide to the State.

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Request for Proposals for

Solicitation Number EV00000876

Bidder Name: Ashton-Potter (USA) Ltd.

Bidder Instruction-7.2 Section Two: Executive Summary and Company Information
EXHIBIT 3 : OFFEROR RESPONSE WORKSHEET

Offeror must provide complete and succinct responses to each item below. **Insert your responses into this worksheet directly into the yellow boxes** If your response does not fit into the boxes below a clearly labeled response (Eample: 7.2.etc). will be considered. Offeror should provide all information necessary to demonstrate Offeror's ability to meet the requirements of this RFP and the RFP's Scope of Work. Responses to the below questions in this Attachment are mandatory and will be evaluated. Failure to respond to any question may result in your proposal being deemed nonresponsive.

Any bidder responses left blank to any of the below requirements will not proceed further in the evaluation phase.

7.2 Section 2 : Executive Summary and Company Information

Bidders Instructions		Record Responses Below
7.2.1	Bidder marketing information, general company information and other similar resources the Bidder wishes to provide	This is included with a second file attached to this section of the submission.
7.2.2.a	Provide the length of time the Bidder has been in business	Founded in 1928
7.2.2.b	Insert a brief description of the company	Ashton Potter is a high security printer with a global reputation for excellence in fiscal and postage stamps. Additional information is contained in a second file attached to this section of the submission.
7.2.2.c	Indicate Company size and organization structure (an Organizational chart is recommended)	Ashton Potter employs approximatley 100 people. Additional information along with an organization chart is contained in a second file attached to this section of the submission.
7.2.2.d	The number of years the Bidder has been providing products and/or services of the type requested	Ashton Potter has been providing cigarette tax stamps for over twenty (20) years and specifically Fusion cigarette tax stamps since 2020.
7.2.2.e	Describe the core competency of the company	Ashton Potter is a security printer with experience in fiscal and excise stamps, postal money orders, immigration visas, vital records as well as other government security documents. In addition to the production of these documents we are highly competent in the storage and shipping to our clients and/or their distributors.
7.2.2.f	Estimated Number of clients	Per the State's answer to Question 2 in Amendment #1, "Number of Clients" defined as number of active contracts with scope directly related to this solicitation: Ashton Potter is currently under contract with four (4) US states.
7.2.2.g	Location wehre the Bidder's solution has been deployed	We are currently under contract with Connecticut, Maine, Kansas and Kentucky as well as a significant number of local jurisdictions in Virginia and Alabama. A current client list for our Fusion cigarette tax stamps is being submitted with details. In Kansas and Connecticut are both Direct-To-Distributor states for which we hold their tax stamps in inventory and ship directly to their licensed distributors based on daily orders received from the State.
7.2.2.h	List of state currently using the Bidder's machine applied stamps	States currently using Ashton Potter stamps are Pennsylvania, Texas, Maine, Kansas, Kentucky, and the US territory of Guam.

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OKLAHOMA
Office of Management
& Enterprise Services

Central Purchasing
AMENDMENT OF SOLICITATION

GENERAL INFORMATION

Date of issuance: **4/27/2026**	Solicitation/Event # **EV00000876**
Requisition #	Amendment #1

Hour and date specified for receipt of offers is changed:

☐ No ☐ Yes, to this date: _____ and this time: _____ CST

Pursuant to OAC 260:115-7-30(d), this document shall serve as official notice of amendment to the solicitation identified above. Such notice is being provided to all suppliers to which the original solicitation was sent.

Suppliers submitting bids or quotations shall acknowledge receipt of this solicitation amendment **prior to** the hour and date specified in the solicitation by doing one of the following:

1. Sign and return a copy of this amendment with the solicitation response being submitted.
2. If the supplier has already submitted a response, this acknowledgement must be signed and returned before the solicitation deadline. All amendment acknowledgements submitted separately shall have the solicitation number and bid opening date printed clearly in the subject line of the email.

Return to:

Contracting officer	Phone	Email
Cini Zacharia	405 -522-9078	cini.zacharia@omes.ok.gov

DESCRIPTION OF AMENDMENT

a. This is to incorporate the following:

On behalf of the State of Oklahoma, OMES gives notice of the Solicitation - EV00000876 – Vendors question submission dated closed on 04.20.2026 at 3PM.;v

All the questions we received and the answers to those questions are below.

1. Stamp Denominations

File: 04. _Exhibit_1-Contract Specifications.pdf; Section 2 Type and Application; Item 2.1 b&d (p.1)

Question 1:

We understand that this contract is for six stamp designs, including cigarette tax stamp denominations of 20s and 25s; however, 25 cigarette packs are no longer manufactured. Please confirm whether the agency intends to require both 20s and 25 stamp denominations?

Answer:

The agency will not require vendors to provide cigarette tax stamp denominations of 25. However, vendors should have the capability to supply them upon request.

2. Company Experience and Client Count Definition Reference

File: 00.Agency_Bidder_Instructions_.pdf; Section 7.2.2 – Company Information Required to Be Included with the Bid; Item (f): “Number of clients” (p.3)

Question 2:
Section 7.2.2 requires bidders to include company information including item (f): "Number of clients." Please clarify whether "number of clients" is intended to reflect current clients under active contracts at the time of proposal submission, or whether bidders should include historical clients for whom the bidder no longer maintains an active contractual relationship. Additionally, please clarify whether OTC intends "clients" to mean clients for whom the bidder currently provides machine-applied stamp solutions in production, versus broader company-wide clients unrelated to the scope of this solicitation.

Answer:
"Number of clients" refers to clients with whom the bidder currently maintains active contracts and whose work is directly related to the scope of this solicitation.

3. Direct Shipment Pricing & Standard Shipping Definition

Files:

- 01.Attachment_A_Purpose.pdf ; Section 4 Pricing, Sections 4.1, 4.1.1, and 4.1.2 (pp. 1-2)
- 05. Exhibit_2 Price_Template.pdf; Line Item: Fixed Price per thousand (1,000) Stamps for Direct Shipment – Exhibit 1 – Section 12 (p.1)
- 04._Exhibit_1 Contract_Specifications.pdf Section 12 – Direct Shipment of Stamps to Purchasers (p.6)
- 01.Attachment_A_Purpose.pdf ; Section 4 – Pricing, Sections 4.1, 4.1.1, and 4.1.2 (p.1)

Question 3A:
The solicitation requires bidders to propose a total firm, fixed price per thousand for roll stamps and sheet stamps that includes all fees, shipping, and other costs (Attachment A SEC 4.1). Exhibit 2 includes a specific pricing line item for "Fixed Price per thousand (1,000) Stamps for Direct Shipment," which cross references Exhibit 1, Section 12 (Direct Shipment of Stamps to Purchasers).
Please confirm whether the per thousand pricing for roll stamps and sheet stamps is intended to cover only stamp manufacturing activities (including materials, printing, security features, packaging, and delivery), or whether the State expects the per thousand price to also encompass non manufacturing operational services described elsewhere in the solicitation.

Answer:
All costs must be incorporated into the firm, fixed per-thousand price. Shipping costs for direct shipment must be listed separately, as outlined in the solicitation.

Question 3B:
Under prior Oklahoma Tax Commission contracts, pricing for direct to distributor (DTD) shipments included the cost of standard shipment to the Stamper, with standard shipment defined as two day delivery via a commercial carrier (e.g., FedEx or UPS). When a Stamper required expedited shipment, the Stamper provided its own carrier account number, and such shipments were sent collect.
Please confirm whether, for purposes of the Exhibit 2 direct shipment pricing line item, the State's definition of standard shipment remains two day delivery included in the per thousand stamp price, and whether expedited shipments will continue to be shipped collect using the Stamper's carrier account.
In addition, please confirm whether the per thousand pricing for direct shipment is intended to include stamp manufacturing and standard shipment only, or whether the State expects this pricing line item to also encompass additional non manufacturing operational services associated with direct shipment as described in Exhibit 1, Section 12.
Answer:
The OTC confirms that standard shipment is defined as two-day delivery. Expedited shipments will be billed using the distributor's carrier account. As stated in Question 3A, all costs must be included in the firm, fixed per-thousand price, with direct-shipment shipping costs listed separately.
4. Direct shipment & GenTax system integration (scope, evidence, and pricing treatment)
Files:
o 04._Exhibit_1 Contract_Specifications.pdf; Section 12 –Direct Shipment to Purchasers and System Integration requirements (p.12)
o 01.Attachment_A_Purpose.pdf; Section 3 – Scope and Description, Sections 3.1 and 3.2; Section 4 – Pricing (pp. 1-2)

Exhibit 1 includes requirements for direct shipment and also states that the bidder's system shall demonstrate the capability to integrate seamlessly and reliably with the Oklahoma Tax Commission's GenTax system.
Question 4A
Pricing treatment: Please clarify whether services supporting DTD fulfillment and GenTax system integration are expected to be included within the per thousand stamp pricing, or whether bidders may identify these services separately in their technical response while still complying with the all inclusive pricing requirement in Section 4 of Attachment A.
Answer:

All costs, including those associated with GenTax system integration, must be included in the per-thousand stamp pricing.

Question 4B

Evidence/experience expectation: For evaluation and responsiveness purposes, please clarify what constitutes acceptable evidence that the bidder can "integrate seamlessly and reliably" with GenTax (e.g., current production integration, prior integrations with comparable tax systems, or a proposed integration approach and plan).

Answer:

An example of a combination of current, prior and proposed integration that will demonstrate the bidder can meet the integration requirements that will include a daily file exchange.

5. Stamp lookup services & taggant reader devices

Files:

- 04._Exhibit_1 Contract_Specifications.pdf, Sections 7-10 (pp. 4-6)
- 01.Attachment_A_Purpose.pdf, Section 4 – Pricing (p.1)

The solicitation includes requirements related to stamp accountability, audit support, and enforcement, and solutions may include stamp identification/lookup capabilities and taggant-based authentication supported by taggant reader devices.

Question 5A

Requirement clarity: Please confirm whether a stamp lookup/verification service is a required component of the bidder's solution under this solicitation, or an optional capability that may be offered. If required, please clarify any expectations regarding availability at contract start versus implementation afterward.

Answer:

A stamp lookup or verification service is not a required component of this solicitation. It is an optional capability that bidders may offer.

Question 5B

Pricing and quantities: Please clarify whether bidders are expected to include the cost of any enforcement-related hardware (e.g., taggant reader devices) within the per-thousand stamp price, and if so, please provide the anticipated quantity of reader devices to be supported for consistent pricing.

Answer:

Enforcement-related hardware such as taggant reader devices, are not required under this solicitation and are not expected to be included in the per-thousand stamp price.

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6. Business references (current vs historical and relevance to scope)
Files:
o 00.Agency_Bidder_Instructions_.pdf; Section 7.11 – Business References (Exhibit 4) (p.4)
o 07._Exhibit_4-Reference_Sheet.pdf (pp 1-2)

Question 6A
Section 7.11 requires bidders to provide three business references using Exhibit 4. Please clarify whether references must be from current customers under active contracts at the time of proposal submission, or whether references may include prior customers for whom the bidder no longer provides services.
Answer:
References from current customers are required. Prior business references will only be considered if sufficient current references are not available.
Question 6B
Additionally, for purposes of consistent evaluation, please clarify whether OTC prefers references that specifically demonstrate experience with machine-applied stamps in active production, and/or operational services aligned to the scope of this solicitation, including direct shipment and integration with state tax administration or revenue systems.
Answer:
The OTC prefers references that demonstrate experience with services aligned to the scope of this solicitation.
Question 7.
How many licensed distributors does the State have?
Answer:
The State currently has approximately 69 licensed distributors.
Question 8.
What is the minimum order quantity that Distributors can place for direct shipment?
Answer:
The minimum order quantity is generally one roll or ten sheets. However, smaller orders of sheets may occasionally be required.
Question 9.
Section 12 Exhibit #1 - Direct Shipment of Stamps to Purchasers - Can the

State confirm that the cost of shipping stamps directly to Purchasers is to be charged directly to the Purchasers UPS or FedEx account?

Answer:

Standard two-day shipping for direct shipments must be included in Exhibit 2 pricing. Only expedited shipments will be charged directly to the purchaser's carrier account.

Question 10.

In Section 2.1.5 of Attachment A, the State is requesting 3 sets of samples of the carrier paper to be used including the name of the manufacturer. Public release of the name on the paper manufacturer would result in a loss of security for the State as counterfeiters would have access to a key component. Public release of this would also provide our competitors with valuable information and put us at a competitive disadvantage. Will the State remove the requirement to provide the name of our paper manufacturer or at a minimum allow this to be provided as confidential information that will not be released as a result of a Freedom of Information Request?

Answer:

The State will remove the requirement to include the name of the paper manufacturer.

Question 11.

In Section 2.1.5 of Attachment A, the State is requesting 3 sets of samples of cancelled stamps. Can we supply stamps of a sample design as we are not allowed to send samples of production stamps for our government clients?

Answer:

Yes. Stamps of sample designs are acceptable.

Question 12.

Section 5.2 of Exhibit #1 – Contract Specifications requires that the carrier paper contains security fibers. As these fibers, or other paper security features, do not transfer with the Tax Stamp to the cigarette packs, this type of security feature is not able to be authenticated at retail sales locations. At these locations there are significant security features in the Tax Stamps themselves that can be authenticated by an Inspector to ensure only genuine Tax Stamps are being used. Additionally, as the base paper stock is discarded in a non-secure manner by Distributors and Stamping Agents after the Tax Stamps are transferred to packages of cigarettes any security contained in the base paper stock becomes available to potential counterfeiters and/or criminals who may search trash containers outside of a Distributor's facility. Will the State remove this requirement, or make it

optional?

Answer:

This requirement will be made optional.

Question 13.

Section 13.1 of Exhibit #1 - Orders/Shipments - when direct shipment is not utilized, the agency shall issue written order requests to the supplier.

a). What is the minimum size of an agency order request?

Answer:

25 rolls

b). How many agency order requests are anticipated annually?

Answer:

Typically, one request annually; however, this may vary based on circumstances.

c). Do agency order requests ship in full to one location?

Answer:

Yes. Agency orders ship in full to a single location.

d). Does the contractor bill the agency for shipping costs for and agency order request?

Answer:

Yes. The contractor will bill the agency for shipping costs.

Question 14.

Bidders Instructions document Section 7 -

a). 7.7.4 - Is an information technology VPAT required?

Answer:

Not applicable. This is not an IT solicitation.

b). 7.7.5 - Are bidders required to submit an Authority to Operate (ATO)

Answer:

Not applicable. This is not an IT solicitation.

b. All other terms and conditions remain unchanged.

SIGNATURES	
Supplier company name Ashton Potter (USA) Ltd.	Date 5/11/2026
Authorized representative name Jill E. Benham	Authorized representative signature

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EXHIBIT 2 – PRICE TEMPLATE
SOLICITATION: EV00000876

Each field in this section is mandatory and must be fully completed. Any omission or incomplete response will be considered a material deviation and will render the bid non-responsive.

1. **As referenced in Attachment A, Section 4, pricing shall be proposed for the initial year plus four (4) renewal years. (total of 5 years as five separate pricing options as follows): A** total firm, fixed price that includes all information concerning fees, shipping, other costs and any other information relevant to the total cost.
   - 1.1. A fixed price per thousand for **roll stamps** manufactured according to specifications for each stamp design.
   - 1.2. A fixed price per thousand for **sheet stamps** manufactured according to specifications for each stamp design
   - 1.3. A fixed price per **thousand stamps** for the direct shipment service to purchasers of stamps
   - 1.4. A fixed price for **additional stamp** designs that may be required due to future legislation

	Initial year	**Renewal year 1**	**Renewal year 2**	**Renewal year 3**	**Renewal year 4**
Fixed price per thousand (1000) **for roll stamps** of thirty thousand (30,000)- **Exhibit 1- Section 6.1.**	$0.71	$0.73	$0.75	$0.77	$0.79
Fixed price per thousand (1000) **for sheet stamps**	$0.71	$0.73	$0.75	$0.77	$0.79
Fixed price per thousand (1000) stamps **for direct shipment- Exhibit 1- Section 12.**	$0.46	$0.47	$0.48	$0.49	$0.50
Fixed price **for additional stamp designs- Exhibit 1- Section 2.**	$500	$500	$500	$500	$500