

Intellectual Property Auction Regulations[©]

Draft

1. General Terms

This Regulations are designed in accordance with the Civil Code of the Russian Federation.

This Regulations define the conditions, procedures and trading rules in the form of an open and a closed Auction, the conditions of participation and payment terms during the Auction for the alienation of intellectual property of the Auction customer (hereinafter "Seller").

This Regulations set out:

- the sequence of actions to be followed while putting up for the Auction and saling at the Auction Intellectual property owned by the Seller (hereinafter "Auction");
- report on sales.

The functions of the Auction organization and conduction shall be carried out by "IECI" - International Exchange for Commercialization of Innovation OJSC, hereafter referred to as "Trade Organizer".

Lots prices are indicated in Russian rubles.

2. Definitions

"Auction" - public trade of intellectual property objects for sale with the right to preview. The auction principle is competitiveness between buyers.

"Auction Day" - December 12, 2012, the day when the Auction is held.

"Trade organizer" - a legal entity "IECI" - International Exchange for Commercialization of Innovation OJSC. The functions of the Trade Organizer are to collect application forms from the applicants to participate in the Auction as well as the Auction organization.

Trade Organizer acts exclusively as a third party and has no authority to take final decision on the winning Bid.

Trade Organizer is not related to the Seller, the Buyer, or other persons concerned by any relationship except those specified in these Regulations. Trade Organizer is not responsible for the establishment of the powers between Sellers / Buyers in matters related to the patent rights, copyrights trademarks rights and other intellectual property subject to the transaction.

By concluding the Treaty on participation in the Auction with the Trade Organizer, the parts (Sellers / Buyers) express their consent to the following provisions:

- The parties agree that the Trade Organizer collects and verifies application forms and other documents, as well as it is responsible for the Auction organization;
- The parties confirm that the Trade Organizer does not represent any of the parties that are counterparties of the transaction. The actions of the Trade Organizer are recognized as equally legal to any party of the transaction;
- The parties waive a conflict of interest which might be provoked as the Trade Organizer executes functions of the Auction organization and conduction.

"Auctioneer" - a person invited by the organizer for the Auction guiding.

"Auction Committee" - a collective body invited by organizers to register the bidders and verify final Auction Protocol.

"Lot" - object/ set of objects of intellectual property and / or technologies the owner puts up for sale at the Auction as a single independent position with a certain number. Lot may be open or closed.

"The lowest starting price" - the price below which the seller refuses to sell his goods for the Auction.

"Technology" - technical information or business information related to the operation of the intellectual property object offered for sale (the secret of production or specifications development, samples, list of customers, advertising materials, and other information required or related to the selling objects, as well as licenses and / or commitment not to file claims related to the above-mentioned objects.

"Technical assistance" - a technical services and assistance related to the operation of the intellectual property object. Technical assistance may consist of research, education and staff training. It may also include contract work, equipment and tools rental contracts.

"Assignment", "Agreement". By assignment or an agreement are understood all types of agreements dealing with the objects of intellectual property for sale during the Auction (the contract of alienation, an exclusive license, non-exclusive license, franchise agreement, etc.). An assignment is an agreement by which a party (the owner) transfers or agrees to transfer his exclusive-owned right to the result of intellectual activity or means of individualization in full or in part to the other party (the purchaser). The assignment and all necessary applications are made for each lot by the Seller prior the Auction. The volume of the transferred rights for each lot is indicated in the catalog and cannot be changed during the auction.

"Applicant" - a person or a legal entity concerned in purchasing of the lot and applied for participation in the auction.

"Participant" - a person or a legal entity that may be recognized as a purchaser in accordance with the legislations of the Russian Federation, admitted to the Auction by the Trade Organizer and registered as a participant in the Auction day.

"Registration fee" - the amount of money contributed by the Applicant for the right to participate in the auction.

"Deposit" - the amount of money contributed by the Applicant to ensure his future payment obligations for the intellectual property objects purchased at the Auction.

"Bidder Agreement (Agreement on the Deposit)" - an agreement between the Applicant and the Trade Organizer.

"Participant Number" - a unique number assigned by the Trade Organizer to each Bidder. The card with the number is risen by the Bidder for the purchase of a lot.

"Auction Step" - a fixed amount of the price rising for a lot at the Auction.

"Auction Winner " - a person who won the auction.

"Trade Organizer Fee" - is paid to the Trade Organizer after the signing of the Treaty by the parties after signing of the assignment for rights to intellectual property.

3. Scheme of the Auction

There are three parties involved in the process of lot selling:

First party – Lot Seller;

Second party - Auction Organizer, "IECI" - International Exchange for Commercialization of Innovation OJSC;

Third party - Bidder interested in purchasing of the lots.

The organizer holds the auction on behalf of the Seller on the basis of a signed agreement which gives him the right to conduct the auction. The subject of trading is the right to conclude the contract of assignment for rights to intellectual property.

To attract the maximum number of people the organizer (Open Joint Stock Company "IECI" - International Exchange of Commercialization of Innovation) holds advertising campaign in the media and publishes catalogues of lots to be put up for sale.

To become a Bidder an Applicant must present all documents required and conclude Bidder Agreement (Agreement on the Deposit) with the Trade Organizer, making a pledge of 10% of the starting bidding price, which in the case winning the Auction shall be credited to the final cost of the lot.

As a result of the Auction the Trade Organizer shall compose the Protocol, signed by three parties, the Seller, the Winner, the Trade Organizer. The protocol establishes a timeframe within which the seller and the winner of the auction (buyer) must sign a contract of assignment of rights for the purchased lot.

4. Trade Organizer Functions

Trade Organizer shall:

- ensure the Auction preparation and conduction of n in accordance with this Regulations;
- publish and distribute the Auction catalogues with lots;
- publish notices of the Auction;
- provide a bank account to transfer Deposits from applicants to participate in the Auction, if such a condition was specified in the contract on the Auction organizing and holding;
- demonstrate the available lots and corresponding documentation to the Applicants;
- conduct admission, revision, storage and registration of application forms and other documents submitted by Applicants for participation in the Auction;
- sign with the Auction Winner the protocol on the results of the Auction as well as the contract of assignment;
- carry out calculations with the Participants and Winners;
- return fee to the non-Winners at the end of the Auction in cases mentioned in this Regulations;
- transfer the Deposit from the Auction Winner to the Owner at the end of the Auction, if such a condition was specified in the contract on the Auction organizing and holding.

Since the official announcement of the Auction the Trade Organizer shall provide each Applicant with an opportunity to preview the lots, the Regulations, and the terms of the Assignment Agreement, the Deposit Agreement, as well as other available information about the intellectual property lots offered for sale. Auction Participants cannot make a complaint or raise objections during the Auction or during the payment of the purchased lots on the grounds of lack of time before the auction to get acquainted with the information and objects sufficiently.

5. Auction Notice

The Auction Notice shall be published on the following website: <http://ieci.ru> at least thirty business days before the closing date for submission of applications for participation in the Auction.

The Auction Notice may also be disseminated by any medium, including electronic media.

The Auction Notice shall include the following information:

- Name, location, mailing address, e-mail and phone of the Auction Organizer;

- Location, description and technical characteristics of the offered bid and the scope of rights under the Assignment Agreement;
- Dates, form and procedures for presentation of the Auction documentation; the website on which the Auction documentation is published; and the amount of, the manner and time of the registration fee to be paid.
- Required Deposit and its amount;
- The period of time during which the Auction procedure may be cancelled by the Organizer.

The Auction Organizer shall make changes to the Auction Notice no later than five days before the closing date for submission of applications for participation in the Auction. Within one day from the above decision, the Auction Organizer shall make such changes to the documentation published on the official Auction website. In such a case, the period for the submission of applications for participation in the Auction shall be extended so that it totals at least fifteen days from the date the changes to the Auction Notice are published on the official Auction website to the closing date for submission of applications for participation in the Auction.

The Auction Organizer shall cancel the Auction process at least three days before the closing date for submission of applications for participation in the Auction. The Auction Cancellation Notice shall be published on the official Auction website within one day from the date of the decision to cancel the Auction process. The Auction Organizer shall inform all the Bidders within two business days of the above decision. In any case when Deposit is required, the Auction Organizer shall return the Deposit to the Bidders within five business days from the date of the decision to cancel the Auction process.

6. Auction Documentation

The Auction Documentation is prepared by the Auction Organizer.

The Auction Documentation shall include the requirements to the intellectual property the rights on which are assigned under the Agreement.

The Auction Documentation, along with the particulars and information contained in the Auction Notice, shall include the following:

- Requirements to the contents, composition and form of the Application for participation in the Auction including the Application submitted in the electronic form and the application instructions;
- Requirements to the documents to be submitted along with the Application;
- The procedure to adapt the price of the Assignment Agreement (bid price) upwards, including the indication that the price of the concluded agreement shall not be adjusted by the parties downwards;
- The procedure, place, closing date and opening date for the submission of applications for participation in the Auction. With that, the day following the publishing of the Auction Notice on the official Auction website shall be considered the opening date for the submission of applications for participation in the Auction;
- Requirements to the Auction Participants;
- The procedure for and period of withdrawal from a Auction;
- The form, manner, start date and end date of providing interpretation of the Auction Documentation provisions to the Auction Participants;

- Minimum incremental increase (“Bidding step”)
- The place, date and time of reviewing the applications for participation in the Auction;
- The place, date and time of the Auction;
- Requirements to the registration fee, the period of and procedure for paying the registration fee, and account details for the registration fee;
- Requirements to the Deposit, amount of the Deposit, the period of and procedure for paying the Deposit, and account details for the Deposit;
- The period during which the Successful Bidder shall sign the Assignment Agreement;
- Indication that upon the conclusion and signing of the Assignment Agreement, no changes shall be made to the terms of the Agreement described in the Auction Documentation, upon mutual agreement of parties or in one’s sole discretion;
- Indication that the Auction terms, procedure and conditions of conclusion of the Agreement with the Auction Participant shall be considered as terms of a public offer , and submission of the Application for participation in the Auction shall be considered as acceptance of such offer;
- The procedure for the transfer of rights on the intellectual property sold as a result of the Auction.

The Auction Documentation shall be submitted along with the draft Assignment Agreement (in the event of Auction with several lots – draft Agreement for each separate lot), which shall be considered an essential part of the Auction Documentation.

The information contained in the Auction Documentation shall correspond with the information in the Auction Notice.

Interpretation of the Auction Documentation provisions shall be made by the Auction Organizer.

The Auction Organizer, at its own responsibility or upon an inquiry from a party concerned, shall make changes to the Auction Documentation no less than five days before the closing date for submission of applications for participation in the Auction. The Subject of the Auction shall not be changed. Within one day upon the above decision, the Auction organizer or a specialized organization shall make the changes in accordance with the procedures for publishing information on the official Auction website. Within two days upon the above decision, the Bidders shall be made aware of such changes by registered mail or electronically. In such a case, the period of submission of applications for participation in the Auction shall be extended so that it totals at least fifteen days from the date the changes are published on the official Auction website to the closing date for submission of applications for participation in the Auction.

7. Application process

Legal entities and natural persons which may be recognized as Buyers according to the RF legislature are entitled to participate in the Auction.

The Application for the Auction shall correspond to the form and be filed within period of time set forth by the Auction Regulations. The Application is the acceptance to an offer under the article 438 of the RF Civil Code.

Apart from the Application, the proofs (originals or copies) shall be filed:

- for the Applicant-Seller – the registration fee payment
- for the Applicant-Buyer – the Deposit and the registration fee payment.

The registration fee

1. For the Applicants-Sellers

Natural persons – 25 000 Russian rubles

Legal entities – 50 000 Russian rubles

2. For the Applicants-Buyers – 75 000 Russian rubles

The registration fee is deemed to be paid after an actual transfer to the Auction coordinator's account. If the minimum lot price is more than 50 000 000 Russian rubles, a Seller shall not pay the registration fee. The lot price shall be certified by the independent appraiser report, drafted according to the RF rules on the valuation activity.

The Deposit payment is executed by the Deposit Agreement according to the article 428 of the RF Civil Code. The Applicants-Buyers shall transfer 10 (ten) % of the opening price Deposit. In case of winning the Deposit is credited towards the final lot price.

The Deposit is deemed to be paid after an actual transfer to the Auction coordinator's account. The Application for the Auction for the Applicants-Sellers shall be accompanied by:

1. For the Natural persons – residents:

- national passport copy;
- title documents for the intellectual property offered for sale;
- the independent appraiser report on the market price of the intellectual property offered for sale;
- contact phone number;
- bank address and account number for the transfer.

2. For the Natural persons – nonresidents:

- national passport copy;
- RF visa copy in cases prescribed by the RF legislation. The visa shall not be expired by the time of Application filing;
- title documents for the intellectual property offered for sale;
- the independent appraiser report on the market price of the intellectual property offered for sale, drafted in Russian according to the RF rules on the valuation activity;
- contact phone number;
- bank address and account number for the transfer.

3. For the Legal entities – residents:

- firm name, business form, location of the company, postal address, contact phone number, bank address and account number;

- the extract from the Unified Public Register of Legal Entities received no earlier than six months before the announcement of Auction on the official web-site took place or a copy of the said extract certified by a notary public;

- document authorizing a person to act on behalf of the Applicant-legal entity (a copy of appointment decision, election results or an appointment order for a person who is entitled to act without a power of attorney (hereinafter referred to as director)). If another person is acting on behalf of the Applicant, the Application shall contain also the power of attorney to act on behalf of the Applicant, sealed and signed by the legal entity's director (for legal entities) or a person authorized by the director, or a copy of the said power of attorney certified by a notary public;

- copies of Applicant's articles of association;

- decision on approval or conclusion of a large-scale deal or a copy of the said decision if such decision is required by the RF legislature, the articles of association and if by entering into the Contract, paying the Deposit or the registration fee the Applicant involves itself into a large-scale deal;

- statement that no decision on liquidation of the Applicant has been made, the Applicant is not declared a bankrupt and the bankruptcy proceedings are not commenced by the arbitration court, the Applicant's activities are not suspended by a court ruling according to the RF Code on the administrative offences.

- the independent appraiser report on the market price of the intellectual property offered for sale;

4. For legal entities – nonresidents

- Abstract from the trade register or any other document indicating incorporation in the country of the organizations' registration;
- Tax registration certificate or a document indicating opening of an account in accordance with the law on currency regulation and foreign exchange control (notarized copies);
- The organizations' charter and articles of association (notarized copies);
- Decision of the organization's authorized body on the appointment of the director (notarized copies);
- Decision of the authorized body on the transaction;
- Copy of the director's passport or their representative;
- Documents of title on the offered intellectual property;
- Report by an independent valuator on the market price of the offered intellectual property written in the Russian language in accordance with the Russian law on valuation activities

All the documents in foreign languages including the text on stamps must be translated into Russian (apostille translation). The Applicant-Buyer must also submit the following documents:

5. Individuals – residents:

- Copy of passport;
- Phone number

6. Individuals – nonresidents:

- Copy of passport;

- Copy of valid RF visa in cases as stipulated by applicable legislation. The applicant must have a valid visa when submitting the Application for participation in the Auction;

- Phone number

7. Legal entities – residents:

- Trade name, form of business ownership, location, mailing address and phone number;
- Abstract from the unified registry of legal entities or notarized copy of such abstract obtained at least two months before the publication of the Auction Notice on the official auction website;

- Document indicating the person's authority to act on behalf of the Applicant – legal entity (a copy of the decision on the appointment or election of the individual to the position or the appointing order under which the individual is authorized to act on behalf the Applicant without a power of attorney (hereinafter – director). In the event that a different individual acts on behalf of the Applicant, the Application for participation in the Auction shall also include a power of attorney authorizing the individual to act on behalf of the Applicant stamped by the Applicant and signed by the Applicant's director (for legal entities) or the authorized individual, or a notarized copy of such power of attorney. In the event that the above power of attorney is signed by the individual authorized by the Applicant's director, the Application for participation in the Auction shall include a document indicating the authority of such individual;

- Copies of the Applicant's articles of association;

- Decision on approval or on a major transaction of copy of such decision in case such decision is required for major transactions under the RF law, the articles of association of the legal entity and if conclusion of an agreement, payment of the Deposit or payment of the registration fee is a major deal for the Applicant;

- Statement on the absence of decision on elimination of the Applicant, absence of the award to recognize the Applicant's bankruptcy or to open bankruptcy proceedings, absence of decision to suspend the Applicant's activities in the manner provided by the Code of the Russian Federation on Administrative Violations;

8. Legal entities – nonresidents:

- Abstract from the trade register or any other document indicating incorporation in the country of the organizations' registration;
- Tax registration certificate or a document indicating opening of an account in accordance with the law on currency regulation and foreign exchange control (notarized copies);
- The organizations' charter and articles of association (notarized copies);
- Decision of the organization's authorized body on the appointment of the director (notarized copies);
- Decision of the authorized body on the transaction;
- Copy of the director's passport or their representative;
- Copy of the Applicant's passport or their representative;

All the documents in foreign languages including the text on stamps must be translated into Russian (apostille translation).

The Auction Organizer assigns a number to the Application submitted by the Bidder. In case the Application along with attached documents is submitted by the Bidder's representative, s/he shall present a duly issued document indicating their authority to act on behalf of the Bidder, and a copy of passport.

The Applicant shall not be allowed to participate in the Auction in the event that:

- Presented documents do not prove their authority to act as a Buyer in accordance with the RF legislation;
- Not all the documents are presented or they are not duly issued or they do not meet the requirements stipulated by the RF legislation;
- Payment of the registration fee to the Organizer's account within the prescribed period is not confirmed

The obligation to prove the right to participate in the Auction lies with the Applicant.

The Auction Organizer shall register the Application submitted in accordance with all the requirements in the Application Registry immediately upon receipt with the indication of the date and time of receipt.

The Application shall be considered submitted after its registration in the Application Registry and presenting of the copy of the Application to the Applicant.

The Organizer shall not accept Applications received after the application deadline specified in the information message or submitted without the required documents, or sent by a person not authorized by the Applicant to carry out such actions. The Notice of Refusal to accept the Application with the indication of the reason shall be prepared by the person accepting the documents, on the Application form.

The Organizer shall take measures to ensure the safety of the submitted applications and documents, as well as private information about individuals who submitted them.

The Application for participation in the Auction may be filed electronically. Upon receipt of the Application for participation in the Auction, filed in the form of an electronic document, the Auction Organizer shall certify its receipt in writing or in electronic form within one business day from the date of receipt of such Application. In the event the Application is submitted in electronic form, the Applicant shall send a paper copy of the documents to the mailing address of the Auction Organizer, indicated in the Auction Documents.

The Applicant may submit only one Application for each lot.

Applications for participation in the Auction are accepted until the day indicated in the Auction Notice.

Applications received after the deadline shall not be accepted and shall be returned to the Applicants on the same day. The Auction Organizer shall return the Deposit and Registration Fee to the above Applicants within five business days from the date of signing of the Auction Protocol.

The Applicant may withdraw the Application at any time before the specified date and time of consideration of applications for participation in the Auction. The Auction Organizer shall return the Deposit to the designated Applicant within five business days from the date of receipt by the Auction Organizer of the notification of withdrawal of the Application from participation in the Auction. The registration fee is not returned in the event of withdrawal of the Application.

In the event that at the time of the deadline for submitting Applications for participation in the Auction, only one Application or no Applications are received, the Auction shall be canceled. If the Auction Documentation provides for two or more lots, the Auction shall be declared invalid only to those lots, for which only one Application is filed or no Applications are filed.

8. Auction application procedure

Applications and any documents attached hereunto shall be considered by the Auction board, invited by the Auction coordinator. Applications and any documents attached hereunto shall be considered as for:

conformity with the current legislation of the RF;
conformity with the Terms and Conditions of the Auction;
compliance of Applicants with the requirements for the Bidders.

The maximum time limit for the Auction application procedure shall be no longer than ten days after the applications receipt deadline.

In the event that the Application or any documents attached hereunto are incompliant to one of the abovementioned paragraphs, the Auction coordinator shall notify an Applicant about said incompliances. Within 10 business days after receiving the Notice of incompliance (but no later than the deadline for applications) the Applicant is entitled to reapply with the corrected Application and/or any corrected documents attached hereunto. If within said 10 business days the Applicant fails to do so, his Application shall be withdrawn from bidding and the registration fee shall not be refunded.

If an Applicant submitted two or more auction applications for one and the same lot (in case the preceding applications have not been revoked), all the applications for the lot shall not be considered and shall be turned back to the Applicant.

The Auction board shall authorize an Applicant for bidding or otherwise. This decision shall be based on the auction application procedure results and entered in the Minutes of auction application procedure. All present members of the Auction board shall record the Minutes and sign it on the deadline for applications date. The Minutes shall contain the Applicants' information, the substantiated decision to authorize bidding of an Applicant or otherwise with the references to the present Regulations or the Auction rules breached by the Applicant.

The Auction coordinator or specialized organization shall post the abovementioned Minutes on the official auction web-site on the deadline date. An Applicant shall be notified as for the Auction board decisions no later than the date of signing the said Minutes.

In the event that on the deadline date there is only one application for the auction or no applications at all, the Minutes shall be entered with the notice that the Auction is deemed failed.

The Auction coordinator shall give back the Deposit to the Applicant not authorized to bid in the Auction within five business days after signing the Minutes of auction application procedure.

In the event that all the Applicants are not authorized to bid or only one Applicant is authorized to do so, the Auction shall be deemed failed.

In the event that Auction rules provide for two or more lots, the Auction shall be deemed failed only in relation to the one, where all the Applicants are not authorized to bid or only one Applicant is authorized to do so.

9. Bidders

Candidates shall be deemed Bidders upon satisfaction of jointly and severally of following requirements:

- transferring the Deposit payment and registration fee payment to the bank account mentioned in the official Notice;
- filing an Application for bidding;
- the Auction board authorization;
- registration as a Bidder on the auction day and receiving an Auction number card.

10. Auction procedure

An Auction shall be held by an Auctioneer in presence of the Auction board and the Bidders (their representatives).

An Auction shall be open on date, time and place mentioned in the Official auction notice.

If there are several lots, the Bidders for different lots shall be subject to separate registration. The registration time is announced in the Auction Regulations. The Bidders' registration for each lot shall start 60 minutes before the announced bidding commencement for the lot.

Documents necessary for a Candidate's registration:

- a passport;
- a power of attorney for dealing;
- for the legal entities agents – the power of attorney shall be sealed;
- for the persons' representative – the power of attorney shall be certified by a notary public;
- an Application for bidding copy.

Upon registration Candidates shall be deemed Bidders and shall receive the Auction number cards to participate in bidding. Upon completion of an Auction abovementioned cards shall be turned back. A nonregistered Candidate is not allowed into the bidding hall. In the event that there were no applications for the auction, only one Applicant were authorized to bid, or only one Bidder is present, the Auction shall be deemed failed.

A Bidder is entitled to have no more than two representatives. One of them shall have only observer rights based on the relevant power of attorney. An Auction number card shall be given to only one Bidder representative.

An independent observer and the media representatives can seek permission from the Auction Coordinator administration to be present in the Bidding hall at the time of Bidding.

An Auction opens with the Auctioneer announcing the opening, the lot number (in case bidding is taking place for multiple lots), the contract subject matter, the opening (minimum) bid, and the increment. Then the Auctioneer invites the Bidders to bid.

An auction shall be held in such a manner that each subsequent bid exceeds the previous bid by the increment starting with the opening (minimum) bid.

An increment shall be five per cent of the opening (minimum) bid stipulated in the Lot catalog and the Official auction notice. The Auctioneer is entitled to announce other amount of increment to the Bidders.

If Auctioneer announced the opening (minimum) bid and the lot price increased in accordance with the increment, a Bidder lifts the Auction number card if he/she agrees to make a contract and pay the announced price.

To lift an auction number card means to agree and elect unconditionally and irrevocably that the lot will be sold to the Bidder at the announced price.

The Auctioneer announces the lifted card number, the new price of contract, increased in accordance with the increment and the new increment which will increase the price further.

If the Auctioneer announced the last price thrice, but no Bidder offered higher bid, the Auctioneer shall reduce the increment by 0,5 per cent of the opening (minimum) bid.

If the Auctioneer announced the last price thrice, but no Bidder lifted his card, the Bidder made the last bid is entitled to make a contract on the price announced by the Auctioneer.

An Auction is deemed closed if Auctioneer announced the last price thrice, but no Bidder lifted his card. In this case the Auctioneer announces the Auction (lot) being closed, the last and the last but one lot bid, the number of the auction card and the Auction winner and the Bidder, who made the last but one bid.

The Bidder who made the highest lot bid is deemed to be the Auction winner. The Auction Coordinator shall tape the Auction and record the Minutes. The Minutes shall contain information about the place, date and time of the Auction, the Bidders, the opening (minimum) bid, the last and the last but one bid, the name and address of a legal entity-Winner and Bidder, who made the last but one bid, or surname, name, middle name and address of a person-Winner and Bidder, who made the last but one bid. The Minutes shall be signed by the present Auction board members on the auction date.

A copy of the Minutes shall be stored by to the Auction Coordinator, the other two shall be delivered to the Seller and the Auction Winner accordingly. The Auction Coordinator shall deliver a copy of the Minutes and a Contract of cession to the Auction Winner within three days after the Minutes' subscription. The Contract of cession is drafted by adding the Winner's bid price to the Appendix for the Auction Regulations (the Contract draft).

The Auction Coordinator shall post the Auction Minutes on the official auction web-site within a day after the Minutes' subscription. After that any Bidder is entitled to inquire in writing or electronically as for the Auction results. The Auction Coordinator shall answer with necessary clarifications in writing or electronically within two business days upon receipt of the inquiry.

The Auction Coordinator shall give back the Deposit to the Bidders except for the Auction Winner and the Bidder who made the last but one bid within 5 business days after the Minutes' subscription. The Auction Coordinator shall give back the Deposit to the Bidder who made the last but one bid within 5 business days after entering into the Contract with the Auction Winner.

If the Auction Winner and the Bidder who made the last but one bid is one and the same person evading from making the contract, his/her Deposit shall not be given back.

In the event when no Bidder offered bid higher than the opening (minimum) one, the Auctioneer reduced the increment to the minimum, the Auctioneer announced the opening (minimum) bid thrice and still there were no bids, the Auction is deemed failed.

In the event that the Auction Regulations provide for two or more lots, the Auction shall be deemed failed only in relation to the one.

The Auction Minutes, the Auction Applications, the Auction Regulations and any Amendments and Clarifications hereunto, and the Auction tapes shall be stored by the Auction Coordinator for at least three years.

If the Auction Winner evades from signing the Minutes, it shall be deemed as an evasion from dealing, and a refusal to enter into the Contract of cession. In this case the Auction Winner bears negative consequences according to the Deposit Agreement.

If the Auction Winner evades (refuses to) from entering into the Contract of cession within the stipulated period of time, the Deposit shall not be given back and the Auction Winner loses the right to enter into the said Contract of cession. If the Deposit is at the disposal of the Auction Coordinator (according to articles 380, 381, 448 of the RF Civil Code and the Deposit Agreement between Auction Coordinator and the Seller), it shall be transferred by the Auction Coordinator to the Seller's account within 5 banking days.

11. Payment procedure for the Auction Winner

The payment for the acquired intellectual property shall be made in cash (Russian rubles), by credit cards, by bank transfer, and by other means while making Agreements between the Auction Coordinator, the Seller and the Auction Winner.

The Auction Winner shall pay the reward to the Auction Coordinator while making the deal according to the provisions of the Auction Regulations.

The Auction Winner shall pay no later than 10 (ten) banking days (if otherwise is not set forth by the Auction Coordinator administration) after entering into the Contract of cession. The Deposit paid by the Auction Winner during the application process is credited towards payment of the intellectual property price.

In case the payment is not transferred to the bank account mentioned by the Seller within 15 (fifteen) banking days after Contract of cession subscription, the Auction winner shall be charged a fine 0,1 % of the debt per day for the delay period. If the delay is more than 30 (thirty) banking days the Auction winner loses the right to Deposit, and the Seller is entitled to file action to compel the Auction winner comply with the Contract entered. Under article 1232 of the RF Civil Code disposal of the exclusive right to the intellectual property is recognized and protected in case of the state registration of the said disposal (in cases prescribed by the RF legislation).

The Auction winner bears the obligation to ensure procedures and pay expenditures, including the state registration, on the closure of the deal with the intellectual property object(s) which is/are sold on the Auction, if this burden is not taken by the Auction Coordinator in exchange for the additional reward.