

Autonomous Non-Commercial Organization 'Organizing Committee of XXII Olympic Winter Games and XI Paralympic Winter Games of 2014 in the City of Sochi

THE SPONSORSHIP TENDER PROCESS

REGULATION

Moscow, 2008

CONTENTS

TERMS AND DEFINITIONS

LIST OF ACRONYMS

INTRODUCTION

PART 1. BASIC PROVISIONS

- 1.1. General information
- 1.2. Sponsorship Tender key phases
 - 1.2.1. Tender notice
 - 1.2.2. Invitation to Tender process
 - 1.2.3. Short List
 - 1.2.4. Development of Sponsor offers
 - 1.2.5. Receipt Sponsor offers
 - 1.2.6. Initial consideration of Sponsor offers submissions
 - 1.2.7. Technical requirements conformity check
 - 1.2.8. Participants' presentations
 - 1.2.9. Auction
 - 1.2.10. Award Tender winner
 - 1.2.11. Negotiation process and signing of the Term sheet
 - 1.2.12. Announcement of results
 - 1.2.13. Execution of Sponsorship Agreement
- 1.3. Evaluation Commission operations procedure

PART 2. REPORTING

- 2.1. Reporting procedure
- 2.2. Reporting for the IOC

TENDER PROCESS FLOW CHART

TERMS AND DEFINITIONS

“GAMES” means XXII Olympic Winter Games and XI Paralympic Winter Games of 2014 in the City of Sochi.

“SPONSOR” means any legal party entering into agreement with the ANO ‘Organizing Committee ‘Sochi 2014’ on financial support and/or value-in-kind in return for granting a predetermined set of exclusive Marketing rights.

“SPONSORSHIP AGREEMENT” means an agreement between the ANO ‘Organizing Committee ‘Sochi 2014’ and the Sponsor on the terms of Games delivery support by the Sponsor and granting Games-related Marketing rights to the Sponsor.

“MARKETING RIGHTS” means specific rights (including rights for use of marks, designations and other predetermined rights as set out in the Sochi 2014 Marketing Plan Agreement) granted to Sponsor under the Sponsorship Agreement.

“SPONSORSHIP TIER” means

Tier I (General sponsors/partners)

Tier II (Official sponsors/partners)

Tier III (Sponsors/partners)

“SPONSOR CONTRIBUTION” means sponsor’s cash and/or value-in-kind consideration in return for granting Marketing rights.

“VALUE-IN-KIND” means the value of goods or services or marketing advantages to be supplied in return for, or in connection with, any advertising, promotional or other rights granted or permitted and which are in addition to or in lieu of a cash consideration under Sponsorship Agreement.

“PRODUCT AND/OR SERVICE CATEGORY” means product or service category which has been released by the IOC for which Sochi 2014 is seeking to find a company to become a Sponsor; Sochi 2014 will then grant exclusive Marketing rights to a Sponsor in the territory of the Russian Federation.

“PRODUCT AND/OR SERVICE CATEGORY RELEASE” means the receipt of written IOC approval for the release of a specific product or service category; upon receipt of the confirmation, Sochi is then able to pursue the selection of a sponsor based on a Tender process resulting in the execution of a Sponsorship Agreement.

“TERM SHEET” means an agreement made between the ANO ‘Organizing Committee ‘Sochi 2014’ and the Sponsor for the purpose of confirming the Parties’ commitments related to all the essential provisions of the Sponsorship Agreement and terms of its execution.

“TENDER” means the competitive sponsor selection process based on this Sponsorship Tender process.

“EVALUATION COMMISSION” means the body established by the ANO ‘Organizing Committee ‘Sochi 2014’ for making Tender process decisions. The Evaluation Commission analyzes Sponsor offers, takes decisions on potential Participants’ admittance to Tender, evaluates Participants’ presentations and awards the winner in accordance with the procedures specified by this Sponsorship Tender Process.

“PARTICIPANT” means a legal entity participating in the Tender.

“INVITATION TO TENDER” means information package presented to a Participant and containing information essential for the development of a Sponsor offer as well as description of the selection procedure and Sponsor offers evaluation method.

“SHORT LIST” means list of pre-selected Participants to whom the Invitation to Tender is sent.

“SPONSOR OFFER” means information package submitted by a Participant and containing information as specified in the Invitation To Tender package.

LIST OF ACRONYMS

IOC	International Olympic Committee
ROC	All-Russian Union of Sport and Physical Culture Organizations the ‘Olympic Committee of Russia’
OCOG	Autonomous Non-commercial Organization the ‘Organizing Committee of XXII Olympic Winter Games and XI Paralympic Winter Games of 2014 in the City of Sochi’

INTRODUCTION

The Sponsorship Tender Process has been developed in accordance with the following document requirements:

- The Olympic Charter of July 7, 2007;
- The Host City Contract of July 4, 2007 signed by the IOC, the ROC, the City of Sochi and the OCOG;
- IOC Technical Manuals as the integral part of the Host City Contract;
- The Joint Marketing Program Agreement of December 21, 2006, made between IOC, ROC and OCOG;
- The Marketing Plan Agreement of December 5th, 2008, made between the IOC and the OCOG.

WHEREAS

- the IOC, in accordance with the Olympic Charter rules entrusted the City of Sochi to host the Games;
- under the Host City Contract made by the IOC, the ROC, the City of Sochi and the OCOG, the OCOG bears the responsibility of the Games organization and staging;
- the OCOG acts in accordance with the Olympic Charter, the Host City Contract, the IOC Technical Manuals, the Joint Marketing Program Agreement between the IOC, the ROC and the OCOG, as well as with other IOC management directives;
- the implementation of the National Games Sponsor involvement programs being the OCOG commitment under the Joint Marketing Program Agreement;
- in accordance with the Marketing Plan Agreement the OCOG determines the Marketing rights sale policy and selects Sponsors in relation to the definite Category of products/operations/services;

The OCOG developed the Sponsorship Tender Process, containing procedures and principles of the OCOG Sponsor selection. This Regulation is approved by the IOC.

The OCOG has prepared the documents for the OCOG Sponsor selection procedure in accordance with provisions and principles of this Regulation.

Part 1. BASIC PROVISIONS

1.1. General information

The OCOG Sponsor selection is executed on the public announced Tender basis.

The OCOG Marketing Department is responsible for:

- Preparing the Tender Notice;
- Compiling a Short list of Tender Participants;
- Preparing and mailing the Invitations to Tender;
- Receiving and registering the Sponsor offers

1.2. Sponsorship Tender key phases

1.2.1. Tender Notice

Tender for each Product category is announced on the OCOG website in the form of a Tender Notice containing the following information:

- Description of Product Category;
- Information on Marketing rights to be granted;
- Term of registration;
- Contact information;
- Other requirements to be followed by legal entities concerned.

Legal entities concerned may express their intent to participate as specified by the Tender Notice:

- 1) Registration on the OCOG website <http://sochi2014.com>;
- 2) Submission of an Official Letter of Intent sent to the OCOG address.

Legal entities concerned are recognized as Tender Participants once their registration is completed on the website or once their Official Letter of Intent has been received by the OCOG.

Tender notice may also be published in the press.

1.2.2. Invitation to Tender Process

Upon the expiration of the term of registration indicated in the Tender Notice the OCOG forwards the Invitation to Tender to Participants.

The Invitation to Tender shall contain the following obligatory information:

- Nondisclosure agreement (signed by a Participant and attached to a Sponsor offer);
- Description of Marketing rights

- Manual for a Tender Participant;
- Date and time of Sponsor offers submission;
- Forms of Sponsor offers submission;
- Sponsor selection criteria;
- OCOG Technical requirements description;
- Minimum Sponsor contribution;
- Sponsorship Agreement (to be signed with the Sponsor);
- Any other information related to a Sponsor offer application.

The OCOG may perform the Invitation to Tender mailing in any way it considers appropriate (hand delivery, by email, or by express courier).

Following the mailing, the OCOG receives acknowledgments of the Invitation to Tender receipt from Participants and information on their intent to submit a Sponsor offer.

Participants failing to be selected through the registration process are forwarded a written notice. The OCOG is not obliged to state the reasons of its decision.

1.2.3. Short list

The OCOG has the right to pre-select Participants by compiling a short list of Tender Participants.

In this case the Invitation to Tender will be presented only to legal parties named in the 'short list,' and other Participants will not be admitted.

The Short list of Participants is made on the basis of parties' registration on the official OCOG website and/or Letters of intent, IOC recommendations and the information gained from professional organizations.

The number of Participants named in the Short list depends on Sponsor Tier and on Product category.

The OCOG shall inform the Participants not included on the short list in written form. In doing so the OCOG is not obliged to state the reasons of its decision.

1.2.4. Development of Sponsor offers

During Sponsor offers' development period, Participants are entitled to request additional explanations on the Invitation to Tender provisions from the OCOG. A written response to such requests (together with the matter abstract or comments without revealing the party who requested the information indication to the requester) shall be mailed to all the Participants who received the Invitation to Tender.

In exceptional cases of Participants' substantial comments on Tender provisions, which may affect the Tender outcome, the OCOG has the right to prolong Sponsor offer submission deadline.

An OCOG representative shall be available to answer questions, on a timely basis, from the Participants at the contact details specified in the Invitation to Tender.

A Task Force will be established to assist the Participants in Sponsors' offer development in accordance with requirements of a definite Product category.

1.2.5. Receipt of Sponsor offers

Sponsor offers shall be submitted to the OCOG in sealed envelopes. Sponsor offers are subject to obligatory registration with indication of date and hour of their submission and issue of receipt.

Sponsor offers shall be delivered to the address specified in the Invitation to Tender before the deadline specified therein. A Sponsor offer submitted after this deadline will be returned unopened, with a notice indicating non-observance of the terms.

Sponsor offers shall be submitted to the OCOG in the number of copies specified in the Invitation to Tender document.

Sponsor offers will be kept by the OCOG Marketing Department up to the time the letters are opened as specified in the Invitation to Tender.

1.2.6. Initial considerations of Sponsor offers submissions

The opening of the letters will take place only in the presence of the Evaluation Commission members.

The Protocol signed by the Evaluation Commission members will contain the following information: number of Sponsors offers received, denomination of Participants, signed Confidentiality Agreement and list of specific contributions made by Partner.

No Sponsor offers

In the event that no Sponsor offers are submitted by the indicated deadline, the Tender is recognized as null and void. Once the OCOG Marketing Department has analyzed the reasons of the failure and after relevant coordination, a new Tender process will take place.

One Sponsor offer submitted

In the event that one Sponsor offer is submitted or only one Sponsor offer is recognized as appropriate by the Evaluation Commission and the OCOG has validated the technical

specifications and has approved the Sponsors' presentation, then this Participant is announced as the Tender winner.

More than one Sponsor offers submitted

In the event that more than one Sponsor offer is submitted by the indicated deadline, the OCOG will validate the technical specifications (if applicable), and/or analyze the Participants' presentations.

1.2.7. Technical requirements conformity check

The Decision on a Sponsor offer's compliance with Technical specifications is taken by the Evaluation Commission.

It may be necessary, however, to carry out an evaluation of a Sponsor offer's conformity to Technical specifications.

In such a case, a Task Force Team may be involved in reviewing a Sponsor offer's compliance with Technical specifications. The findings of the Task Force Team will then be submitted to the Evaluation Commission for a final decision.

1.2.8. Participants' presentations

A final decision on each Sponsor offer's compliance with the Invitation to Tender is rendered by all Evaluation Commission members. The protocol signed by the Evaluation Commission further sets forth the terms governing Tender Participants' presentations of their Sponsor offers.

To Participants whose Sponsor offers comply with Technical requirements, the OCOG Marketing Department shall forward invitations to present their Sponsor offers.

Tender Participants are given the opportunity to demonstrate to the Evaluation Commission members in the form of a visual Presentation the advantages and substantial provisions of their Sponsor offers.

The OCOG reserves the right to turn down any Sponsor offer, if, following the Presentation, the Evaluation Commission determines a Sponsor offer fails to meet OCOG expectations.

Upon completion of all presentations, the Evaluation Commission takes a final decision on the acceptability of each Sponsor offer and the Participants' admission to the Auction. This decision is set forth in the protocol signed by every member of the Evaluation Commission.

Following their presentation, any Participant not admitted to the Auction, is informed of this decision by the OCOG in written form of its own discretion. In doing so the OCOG is not obliged to state the reasons of its decision.

1.2.9. Auction

An Auction is held in the event the Evaluation Commission's recognizes more than one Sponsor offer's acceptability following all Tender Participants presentations.

Participants whose Sponsor offers the Evaluation Commission finds conforming to the Invitation to Tender are admitted to take part in the Auction.

All admitted Participants are forwarded the notice containing a current maximum Sponsor offer, Auction step figure above that maximum, application form and submission terms.

According to the Auction procedure, every Participant admitted is able to offer a higher Sponsor contribution to an Auction step figure set by the OCOG.

Applications submitted at every Auction round are officially registered with the time of submission, and a receipt is issued. Envelopes with applications are opened in the Evaluation Commission members' presence. Sponsor contributions offered by the Auction participants are registered in accordance with the protocol signed by all the Evaluation Commission members.

The current (initial) rate for the next Auction round is determined by the maximum Sponsor contribution figure indicated in submitted applications.

The invitation and application submission procedure is repeated until Participants submit applications with the current Sponsor fee increase.

If no applications are submitted for the coming round, the Auction is lowered and the Participants are invited to submit applications again, but with a new Auction step. This process is repeated until at least one application is submitted or the Auction step minimized (as determined by the OCOG).

If no applications are submitted for the coming round and the Auction is lowered to a minimum value, then the participant who offered the highest Sponsor contribution at the previous round is recognized as the winner. In case of several Participants all offering the highest Sponsor contribution, the winner shall be that Participant which submitted its application first.

The participant who offered the highest Sponsor contribution is recognized as the winner. Apart from the winner, a Participant taking second place in the Auction also is determined.

1.2.10. Award Tender winner

The final decision on the Tender winner and runner up is taken at the Evaluation Commission meeting, the protocol of which is signed by all Evaluation Commission members.

1.2.11. Negotiation process and signing of the Term sheet

The Tender winner notification

The winner of the Tender is notified of the decision.

If the Term sheet is not signed within one month of the Tender winner being notified, the OCOG is entitled to renounce the signing of the Term sheet and the Sponsorship Agreement and to forward an offer thereof to the Participant taking second place in the Tender.

The Term sheet is subject to preliminary IOC approval.

1.2.12. Announcement of results

After the parties sign the Term sheet, information on Sponsor selection within this product/work/service Category shall be announced publicly.

Information of the Sponsor selection outcome is placed on the official OCOG website.

Information of the Sponsor selection outcome may also be published in the press.

1.2.13. Execution of Sponsorship Agreement

Sponsorship Agreement is subject to IOC approval prior to execution by the parties.

1.3. Evaluation Commission operations procedure

The Evaluation Commission is headed by its Chairman. The Chairman presides at the Evaluation Commission meetings, announces voting procedure and decisions taken and also signs the Evaluation Commission protocols. In the absence of the Evaluation Commission Chairman, his functions are executed by the Vice-Chairman. The Evaluation Commission meetings are convened by the Evaluation Commission secretary.

Records of every Evaluation Commission meeting are signed by all Evaluation Commission members.

Meetings are deemed official with more than one half of the Evaluation Commission members present.

The Commission takes decisions by a simple majority of votes.

Part 2. Reporting

2.1. Reporting procedure

Within 10 (ten) days of the Sponsorship Agreement execution, the OCOG Sponsorship Department presents the account of measures taken and Sponsor selection procedure outcome.

2.2. Reporting for the IOC

Following the IOC request, the OCOG shall promptly submit information on the Tender Process and subsequent outcomes.

TENDER PROCESS FLOW CHART

