A. BUYING IN THE MARKETPLACE

1. How The Marketplace Works

There are two ways an item may be purchased through the CompleteRecordedMusic™ ("CRM") Marketplace.

      a. <u>AUCTION</u>: Winning an advertised item being auctioned by placing the highest bid prior to the completion of an auction through "BID NOW", or;

      b. <u>BUY IN NOW</u>: Purchasing the advertised item at the stated "BUY NOW" price, if this option was made available by the seller.

When bidding on an item being auctioned on the site it is important to understand all the information about the auction parameters and status of the bidding for an item you are interested in, as bidding or buying an advertised item represents your commitment to complete the purchase by paying for the item based on your winning bid plus applicable taxes and shipping. If you have any unanswered questions about an item, please contact the seller directly through the "Ask a Question" button in the Auction Listing prior to bidding on the Auction. The questions and answers between buyers and sellers are not accessible by other bidders.

2. How the Auction Works

The auction is a modified English second-price auction, in which the winning bidder placing an Auto (Proxy) bid will pay the amount of the second-highest bid, plus the defined bid increment. In this system, when a bidder places a bid, the bid amount must equal, or exceed, the current highest bid plus the defined bid increment in order to be valid.

When a bidder places an Auto (Proxy) bid, the bidder's maximum bid is not visible to other users. The Auto (Proxy) bid process will increase each bidder's bid (Proxy bidding) such that the highest bid is held by the bidder whose maximum bid is the highest, and the highest bid amount shown will equal:

      a. The minimum bid (only for the first bid of the auction), or

      b. The second highest bid, plus the bid increment (which may or may not equal one of the bidders highest maximum bids.

3. Auction Status and Bidding Information

The "Auction Status & Bidding Information" window that is part of auction listings advertised on the site, has all the available information about the status and bidding for the auction of the advertised item.

The Exhibit A below shows an example of an "Auction Status & Bidding Information" window along with a description of what each item is, examples of how the information is presented and how it may affect the auction. When an auction is live, this window can be updated with the most current information by refreshing the web page.

1

Exhibit A

Auction Status & Bidding Information

Started:	6/17 @ 8:33PM
Ends:	⌛ 73d 2h 10m 23s
Dynamic Closing:	15 minutes
First Bid:	1 USD
Bid Increment:	1 USD
# of Bids:	1 (bid history) ⊕
Reserve:	Not Met
High Bidder:	gmr?vision (0 ✳) @ 1 USD ▦
Your Bid (Proxy):	1 USD (25 USD) — Winning!
Your Snipe Bid:	40 USD @ 20 seconds to dynamic closing cancel
Minimum Bid:	2 USD
Bid Type:	Auto (Proxy) ⌄
New Bid:	2.00 ⬍
Buy Now:	1,250 USD

BID NOW **BUY NOW**

Started: This shows the start date and time for the auction, the time zone displayed is Pacific Time (PT).

Ends/Ended: This shows the time (in days, hours, minutes and seconds) before the close of the auction. If the auction has ended it shows the date and time the auction ended.

Status: This shows the status of the Auction such as "In Progress" or "Completed With Sale via Bidding" or "Completed With Sale via Buy It Now".

Dynamic Closing: A seller has the option to provide the possibility of extending an auction's end time if bids are placed in the last few minutes of an auction. In the example in Exhibit A the seller has chosen a period of 15 minutes, which means that if a bid is placed in the last 15 minutes of the auction, the end time of the auction will be extended by 15 minutes beyond the end time shown. If an auction's end time is extended, the auction will be open for additional bids for all users during that time.

- In the extended time period, any bids placed, will extend the end time of the auction by an additional 15 minutes in the example.
- Bidding will continue until no bids are placed during a dynamic window, or until the last extended time period has expired (the extended time periods are limited to 10).

The Dynamic Closing period is set by the seller, who has a number of different times to choose from (zero to 45 minutes).

- Dynamic Closing: 0 minutes - when Dynamic Closing shows 0 minutes, the seller has elected not to have the possibility of the auction being extended, and any bids placed near the end of the auction will not extend the auction close time.
- Dynamic Closing: >0 minutes - when Dynamic Closing shows any time greater than 0 minutes, any bids placed within the Dynamic Closing window and the end of the auction will extend the auction close time by the number of minutes shown in the Dynamic Closing.

When the auction is live, and in the Dynamic Window, a note will warn the user that any bid placed with extend the auction. In addition, if the auction is extended, a note will inform the user which of the maximum 10 extensions the auction is in.

First Bid: This will appear after there has been at least one bid placed on the auction and it will show the amount of the first valid bid.

Bid Increment: The bid increment is the minimum amount above the current high bid each successive bid must be, in order to be valid. In addition, a bid must be an even multiple of the bid Increment plus the Minimum Bid in order to be valid.

The bid increment is also used during the Auto-Bid process to increase each user's bid by the Bid increment to determine the highest bidder.

# of Bids: This is number of valid Bids that have been placed

- Bid History: this link will show the bid history details for the item, and will show the previous and current high bids, the time and date of the bids were placed, and the user name for the bids (if the bid belongs to you, you will see your user name otherwise all other user names are obscured to protect the identity of the other bidders).
- Target Symbol: If a target symbol appears to the right of the bid history, this indicates that one or more Snipe bids have been logged and will be placed prior to the close of the auction. A user will not know any details about pending Snipe bids from other users, only that one (or more) exist.
  - If the target symbol is <u>orange</u> you, and other bidders, have placed a Snipe bid. When you place your cursor on the target symbol the following note will pop up
    - "One or more snipe bids *including yours* have been placed"
  - If the target symbol is <u>red</u> you, and only you, have placed a Snipe bid. When you place your cursor on the target symbol a note will pop up that will be
    - "You are the only snipe bidder for this auction"
  - If the target symbol is <u>black</u> the Snipe bid(s) are from other users. When you place your cursor on the target symbol a note will pop up that will be

- "One or more snipe bids have been placed by other users"

Reserve: A seller has the option to put a Reserve price on an auction that is not visible to potential bidders, and places a minimum bid that must be reached in order for the item to sell. While the auction does have a minimum starting bid, some sellers like to have a low minimum starting bid to encourage bidding activity and want to protect themselves against the possibility an item might sell for less than they want. The Reserve line indicates the status of the bidding relative to any Reserve price for an auction.

- "None (NR)"   = there is no reserve for the auction
- "Met"   = there is a reserve and that reserve has been met
- "Not Met"   = there is a reserve and that reserve has not been met

High Bid: The high bid is show in USD, to the right of the high bid is a calculation icon that will take the user to the currency conversion site www.XE.com and convert the high bid to EUR. The can then change the currency to any desired.

Just to the right of the high bid is the name of the high bidder. If you are the high bidder, you will see your name along with the amount of your current high bid. If you are not the high bidder, the name of the high bidder will be obscured to protect the identity of the high bidder.

Your Bid (Proxy): If the user had placed a bid, this will show the amount of the current bid, followed by the maximum amount of the user's Auto (Proxy) bid, followed by the status of their current bid. In the example above the user's current bid is $1, their maximum bid is $25 and the user is currently the high bidder.

Your Current Snipe Bid: If the user has recorded a Snipe bid to be executed in the future, this will show the amount of the Snipe bid and when the user chose to have the Snipe bid execute. In addition, there is a cancel option to the right of the Snipe bid so the user may cancel their Snipe bid, if desired. In the example in ==Exhibit A== the user has a $40 Snipe bid that will be executed 20 seconds prior to the Dynamic Closing window.

Your Snipe Bid(s): If the user had placed one or more Snipe bids that were executed, this will show each executed Snipe bid and the results of those bid(s).

Next Viable Bid: This is the next valid bid amount that can be placed for the auction and is equal to the current high bid plus the Bid Increment.

Bid Type: This is a drop-down selection where the user selects which type of bid they want to place. There are three Bid Types;

- Auto (Proxy) – User places their maximum bid and the system bids on behalf of the user when other bids are placed, up to their maximum bid
- Snipe (Timed Proxy) – User places their maximum bid, and selects a future time when the system will place the bid on behalf of the user
- Fixed (Non-Proxy) – User places their maximum bid and if their bid is the highest bid, the high bid for the auction will then be equal to user's Regular bid regardless of the amount of any other bid. The auction platform will not place any additional bids on behalf of the user with a Fixed (Non-Proxy) bid.

New Bid: This is the maximum amount the user wants to bid. The default amount shown will be equal to the Next Viable Bid, which is the current high bid plus the Bid increment. The user may modify this amount to any maximum bid amount they want to bid.

Buy Now: If available, the amount the user can purchase the item for, thus ending the auction and ensuring they won the item.

At the bottom of the Auction Status window there are two actions that can be taken:

- **BID NOW**   Once all the parameters are chosen (Bid Type and New Bid amount), and the user is ready to submit a bid click on BID NOW. When this button is clicked the user is taken to a conformation page that displays the key elements of the bid and the user is provided with the option to SUBMIT BID or CANCEL BID.

  The user has 45 seconds to SUBMIT BID, if the bid is not submitted in that time, the bid will not be able to be submitted and the user will be directed back to the auction to re-submit their bid.

- **BUY NOW**   If there is a BUY NOW option available, and the user is ready to purchase the item for the BUY NOW price, when this button is clicked the user is taken to a conformation page that displays the key elements of the purchase and provides with the option to BUY NOW or CANCEL BUY NOW.

  The user has 45 seconds to complete the BUY NOW, if the BUY NOW is not submitted in that time, the BUY NOW will not be able to be submitted and the user will be directed back to the auction to re-submit their request.

    4.   Placing a Bid on an Auction

        a.   Auto (Proxy) Bid

An Auto (Proxy) bid is a user's maximum bid and the auction platform will bid on behalf of a user (act as a "Proxy" for the user) by placing additional bids for the user up to the user's maximum Auto (Proxy) bid as other bids are placed for an auction.

This process will increment an auction's highest bid to equal the second highest bid, plus the bid increment, which may result in a user winning an auction below their Auto (Proxy) maximum bid. A user's maximum Auto (Proxy) bid is not known to other user's unless their Proxy bid is exceeded by another bidder.

To place an Auto (Proxy) bid (see Exhibit B):

- Select "Auto (Proxy)" bid from the Bid Type drop down options – it is the default
- Enter the maximum bid amount you want to place in "New Bid"
- Click "BID NOW" button - When this button is clicked the user is taken to a conformation page that displays the key elements of the bid and provided with the option to SUBMIT BID or CANCEL BID

- The user has 45 seconds to click SUBMIT BID to complete the current bid, if the current bid is not submitted in that time, the current bid will not be able to be submitted and the user will be directed back to the auction to re-submit their bid.

Exhibit B

Bid Type: Auto (Proxy)

New Bid: 4.00

Buy Now: 15 USD

BID NOW   BUY NOW

   b.   Snipe (Timed Proxy) Bid "**Snipe**"

A Snipe bid is a user's maximum bid that is recorded on the site to be placed by the CRM auction platform on behalf of the user at a specified time in the future prior to the end of an auction. Once a Snipe bid is recorded it may be revised or deleted prior to its execution.

Users should be aware of several important facts about Snipe bids and their execution on the site:

- The details of Snipe bids are hidden from other users prior to execution, however, if one or more Snipe bids have been entered for an auction, all users will be aware that a Snipe bid has been recorded for the auction
- Snipe bids will be executed at the time specified by the user. When there are multiple Snipe bids set to be submitted at the same time, the Snipe bids will be placed in the order in which they were initially created, with the first logged bid executed first
- Snipe bids are treated as an Auto (Proxy) bid after they have been placed

To place a Snipe bid, open the drop-down selector for "Bid Type" and select "Snipe":

After "Snipe" is selected as the Bid Type there are three additional parameters that must be chosen by the user as shown in Exhibit C:

- New Bid: _____ (maximum amount the user wants to bid)
- Snipe at: _____ (time in seconds the bid will be placed prior to the selected period)
- Prior To: _____ (either: Auction Close or Dynamic Closing)
- After selecting the parameters for the Snipe bid click the "BID NOW" button - When this button is clicked the user is taken to a conformation page that displays the key elements of the bid and provided with the option to SUBMIT BID or CANCEL BID

- The user has 45 seconds to click SUBMIT BID to complete the current bid, if the current bid is not submitted in that time, the current bid will not be able to be submitted and the user will be directed back to the auction to re-submit their bid

Exhibit C

Bid Type:	Snipe
New Bid:	4.00
Snipe at:	5 seconds
Prior to:	auction close
Buy Now:	15 USD

BID NOW   **BUY NOW**

A Snipe bid will be placed at a time specified by the user either (1) prior to the auction close or, (2) prior to the Dynamic Closing period, if active. This may be an important element of a user's biding strategy as any bid placed prior to an active Dynamic Closing period will not trigger extending the end time of the auction, while any bid (including a Snipe bid) placed in the Dynamic Closing period will trigger the end time of auction to be extended.

To modify a Snipe bid, simply enter a new Snipe bid and the initial Snipe bid will be updated with the new options chosen. Please note, that when a Snipe bid is modified, the date and time of the initial Snipe bid is retained and will be used to determine the execution order when processing Snipe bids. Also note that only one unexecuted Snipe bid is allowed per user per item. After a Snipe bid has executed users may place another Snipe bid.

To cancel a Snipe bid, simply hit "cancel" found on the line in the Auction Status that shows your Snipe bid.

Once a user places a Snipe bid the following information is added to the Auction Status window:

A new line "Your Snipe Bid:" is added to the Auction Status window that displays the details of the user's Snipe bid and provides the opportunity to cancel the Snipe bid. This line is only displayed to a user that is logged in and has an active Snipe bid.

If a target symbol appears after the "# of Bids", this indicates that one or more Snipe bids have been logged and will be placed prior to the close of the auction. A user will not know any details about pending Snipe bids from other users, only that one (or more) exist.

- If the target symbol is <u>orange</u> you, and other bidders, have placed a Snipe bid. When you place your cursor on the target symbol a note will pop up that will be
  - "One or more snipe bids *including yours* have been placed"
- If the target symbol is <u>red</u> you, and only you, have placed a Snipe bid. When you place your cursor on the target symbol a note will pop up that will be
  - "You are the only snipe bidder for this auction"
- If the target symbol is <u>black</u> the Snipe bid(s) are from other users. When you place your cursor on the target symbol a note will pop up that will be
  - "One or more snipe bids have been placed by other users"

        c.   Fixed (Non-Proxy) Bid "**Fixed"**

Users have the option to submit a Fixed (Non-Proxy) bid, which is placed at the full amount selected by the user and there is no Auto (Proxy) bid process for a Fixed (Non-Proxy) bid. If the Fixed bid is the highest maximum bid, the high bid for the auction will immediately move up to the Fixed bid amount placed regardless of the amount of the next lowest bid. Thus, the user foregoes any possibility of winning the item for an amount less than their Fixed bid and any valid bid above the users Fixed bid will result in the user no longer being the high bidder.

Users do not know if the high bid for an auction was placed as a Fixed bid or an Auto (Proxy) bid and users do not now the maximum bid of any bidder.

To place a Fixed bid (See Exhibit D):

- Select "Fixed (Non-Proxy)" bid from the Bid Type drop down options
- Enter the maximum bid amount you want to place in New Bid
- Click "BID NOW" button - When this button is clicked the user is taken to a conformation page that displays the key elements of the bid and provided with the option to SUBMIT BID or CANCEL BID

<mark>Exhibit D</mark>

Bid Type:	Fixed (Non-Proxy)	⌄
New Bid:	1.00	⌃⌄
Buy Now:	1 USD	

BID NOW   **BUY NOW**

d. Buy Now

An auction may also have a "BUY NOW" price that gives the user an opportunity to buy the item at a stated fixed price that when chosen, ends the auction. The Buy Now option is available to all buyers until a bid is submitted that triggers the next Minimum Bid to exceed the BUY NOW price, then the BUY NOW option goes away.

The user has 45 seconds to complete the BUY NOW, if the BUY NOW is not submitted in that time, the BUY NOW will not be able to be submitted and the user will be directed back to the auction to re-submit their request.