

Nestlé Prize in Creating Shared Value

-

Official Rules 2011-2012

Contents

- 1. SCOPE OF THE NESTLÉ PRIZE 3**
- 2. ELIGIBILITY CRITERIA 3**
 - 2.1. Entities 3
 - 2.2. Countries 3
 - 2.3. Language..... 4
 - 2.4. Further restrictions..... 4
- 3. HOW TO ENTER..... 4**
- 4. THE NESTLÉ PRIZE 5**
- 5. JUDGING OF THE NESTLÉ PRIZE 5**
- 6. EVALUATION CRITERIA 6**
 - 6.1. Overall Evaluation Criteria..... 6
 - 6.1. Specific evaluation criteria 7
- 7. SELECTION PROCESS AND TIMELINE 7**
- 8. USE OF PRIZE TO PROMOTE CREATING SHARED VALUE AND AUDITING 7**
- 9. AWARD CEREMONY OF THE NESTLÉ PRIZE..... 8**
- 10. CONDITIONS OF PARTICIPATION 8**
- 11. PROMOTIONAL RIGHTS 9**
- 12. RIGHTS OF REVOCATION..... 9**
- 13. CONFIDENTIALITY AND RETENTION OF SUBMITTED MATERIAL 10**
- 14. JURISDICTION..... 10**

1. SCOPE OF THE NESTLÉ PRIZE

The Nestlé Prize in Creating Share Value (“Nestlé Prize”) is designed to recognise the development of an outstanding innovation or project in the areas of Water, Nutrition or Rural Development that:

- Has proven its worth on a pilot or small-scale basis.
- Is judged to be feasible on a broad-scale basis or replicable in other settings or communities.
- Has high promise of improving access to nutrition, improving rural development, or having a significant impact on water management or access to clean water.
- Is built on a sound and sustainable business model.

Fields of achievement include, but are not limited to: agriculture including plant and animal husbandry; management of natural resources; food science and technology; food fortification; nutrition education; water management and distribution; water & sanitation, etc.

The Nestlé Prize will be awarded to those who submit the best Entry as determined by the [Nestlé Creating Shared Value Advisory Board](#) in accordance with these Official Rules.

2. ELIGIBILITY CRITERIA

2.1. Entities

Entities eligible for the Nestlé Prize are individuals having reached the legal age of majority or any public or private organisation (e.g. non-governmental organisations, governmental organizations, companies, universities, institutions, etc).

Teams of individuals, employees of Nestlé S.A., their parent companies, affiliates and subsidiaries, joint ventures, participating advertising and promotion agencies (and members of their immediate family, defined as parents, children, siblings and spouse, regardless of where they reside, and/or those living in the same household) are not eligible.

The aforementioned employees (and members of their immediate family as defined in the paragraph before) will not be eligible neither if they participate through an organisation that they have founded or where they hold a major participation or management position.

2.2. Countries

The Nestlé Prize in Creating Shared Value is international in scope. Entities may reside in any country in the world.

The Entry may, however, only cover projects implemented in developing countries (i.e. all countries and territories, except European Union members, Australia, Canada, Hong Kong, Iceland, Israel, Japan, New Zealand, Norway, Singapore, South Korea, Switzerland, Taiwan and the United States).

2.3. Language

All Entries must be in English. Nomination Forms or Entries that are in any other language will not be considered.

2.4. Further restrictions

- Entries that seek to use the Nestlé Prize monies to provide financial support to an organization or individual will not be considered eligible.
- Entries covering projects that are already financed or supported by Nestlé S.A., affiliates, subsidiaries, joint ventures are not eligible.
- Entries covering projects that have been awarded the Nestlé Prize in former nomination periods are not eligible for the Nestlé Prize again.

3. HOW TO ENTER

The award process begins at 8:00 CET (7:00 GMT) on February 11th 2011 and ends on June 30th 2011 at 23:00 CET (22:00 GMT) ("Nomination Period").

The Entries must be submitted during the Nomination Period through the Nomination Form which is available on the Nestlé corporate website (www.nestle.com) or by request at CSVPrize@Nestle.com. Entries will be accepted by post or by email whereby a maximum size of 5 MB per email submitted is allowed.

Any Entry must be complete and contain the fully completed Nomination Form including all related documents. The Entries must be postmarked or electronically submitted by June 30th 2011 by 23.00 CET (22:00 GMT) latest.

One Entry per project is allowed.

Related documents including testimonials and recommendations that might provide important and useful information for the selection process are welcome, but not mandatory. They may be submitted throughout the Nomination Period.

All communication about the Nestlé Prize must be made in writing to CSVPrize@Nestle.com or by postal mail. Oral communications will not be accepted and not taken into account during the selection process.

All costs related to the submission of the Entry are to be borne by the applicants.

Upon submission of the Nomination Form, the applicant attests that all information submitted is truthful and correct.

4. THE NESTLÉ PRIZE

Nestlé will commit to the Prize Laureate an investment of up to CHF 500,000 in total, but a minimum of CHF 200,000, for a specified period of time to assist in the development of the awarded project to bring it/them to scale. Entries will also be evaluated on the relative value of the project proposed and the requested investment.

Exceptionally, the Creating Shared Value Advisory Board may decide to award the Prize to more than one, but a maximum of three, Laureates. The value of each Nestlé Prize for each Laureate would then depend on its various merits and needs and defined at the sole discretion of the Creating Shared Value Advisory Board, but a minimum of CHF 100,000 per Laureate. The total value for all Laureates will not exceed CHF 500,000.

The investment may be a one-time grant or it may be awarded on a multi-year basis in increments to be determined by the Nestlé Chairman and CEO upon the recommendation of the Creating Shared Value Advisory Board.

The Nestlé Prize may be subject to taxes at varying levels depending on the Laureate's country. It is the Laureate's responsibility to comply with tax requirements. The Nestlé Prize will be awarded in Swiss Francs. All costs associated with currency exchange are the sole responsibility of the Laureate.

5. JUDGING OF THE NESTLÉ PRIZE

Entries will be judged by the Nestlé Prize Screening Committee, which will come up with a list of up to six finalists, based on the evaluation criteria set out below.

The Nestlé Prize Screening Committee is divided into three subcommittees (for water, nutrition and rural development), each of which is comprised of two Nestlé staff experts and three fair-minded and knowledgeable external individuals in the three areas of focus of the Prize.

The Creating Shared Value Advisory Board makes a final decision on the Laureate on the recommendation of the Nestlé Prize Screening Committee.

The Creating Shared Value Advisory Board reserve the right not to award any Prizes, if in their sole and absolute discretion, they do not receive a sufficient number of eligible or qualified Entries for the Nestlé Prize.

In the event that more than one Entry is received with the same or nearly identical submission, only the first such Entry received will be eligible.

Decisions of the Creating Shared Value Advisory Board are final and binding. Laureate will be notified by email or postal mail, at Nestlé's discretion. Upon notification, the Laureate agrees to keep this information strictly confidential until the

announcement of the Nestlé Prize Laureate is made public by Nestlé S.A.. Nestlé S.A. reserves the right to disqualify the Entry in the event that the Laureate breaches the confidentiality obligation as set out before.

6. EVALUATION CRITERIA

6.1. Overall Evaluation Criteria

- **Innovation**

The project must represent an innovative approach to the problem it seeks to address. Innovation may result from the use of new methods, new models, new technologies, or application of old methods, models or technologies in a new, innovative way.

- **Project results and impact**

The project must have proven its worth on a pilot or small-scale basis. The impact of this project must be measurable, quantifiable, or otherwise demonstrated.

- **Potential for scaling up and/or replication**

The project should be feasible on a broad-scale basis and/or replicable to other social, cultural or geographical settings.

- **Project long-term viability**

The project must be built on a sound and viable business model and must have the potential to continue beyond the Nestlé Prize funding.

- **Organisational capacity and leadership**

The project and its leaders will also be judged on their ability to incorporate and leverage an investment by Nestlé to assist in the development of the project and its promotion to assist in its adoption by other communities and its continued growth and viability.

- **Environmental sustainability**

The project should apply environmentally sustainable practices: use natural resources efficiently, favour the use of sustainability-managed renewable resources and avoid waste.

- **Compliance**

The project must comply with relevant laws and regulations and with internationally recognized principles (e.g. UN Global Compact) and should be aligned with [*The Nestlé Corporate Business Principles*](#).

- **Potential for Creating Shared Value**

The project should create value for all its participants, thereby exemplifying the concept of Creating Shared Value.

6.1. Specific evaluation criteria

The project will also be judged on its potential either in bringing improved nutrition to populations suffering from nutritional problems, improving the access to and management of water, or improving the lives of farmers and rural communities.

7. SELECTION PROCESS AND TIMELINE

The Nestlé Prize timeline is as follows:

- 11 February – 30 June 2011: Nomination period
- 1 July – 31 December 2011: Review of nominations
- January – March 2012: The Creating Shared Value Advisory Board may request additional information from nominees
- 2012: Public announcement of the Nestlé Prize Laureate

The Nestlé Prize in Creating Shared Value will be awarded in 2012 at the annual Nestlé Creating Shared Value Forum.

Nestlé reserves the right to request additional information once the Nomination Form has been received and prior to the awarding of the Nestlé Prize, but not later than 31 March 2012. In addition, prior to and following the awarding of the Prize, Nestlé may schedule on-site inspections to verify information in the Nomination Form as well as conduct interviews with the leadership of the organization and others who have provided letters of recommendations or other communications of support.

8. USE OF PRIZE TO PROMOTE CREATING SHARED VALUE AND AUDITING

The Prize Laureate agrees upon receipt of the prize monies to use the funds exclusively to support the furtherance of the winning Entry and the purpose for which it has received the Prize. The Prize monies cannot be used to pay for fundraising activities.

The Prize Laureate also agrees to periodic oversight of the disbursement of the Nestlé Prize by Nestlé S.A. assigned third parties. Following the awarding of the Prize, Nestlé reserves the right to review documentation of the disbursements of the monies paid to the winning Entry.

Nominees agree to regular and appropriate monitoring and evaluations as well as progress reports as may be required by Nestlé.

9. AWARD CEREMONY OF THE NESTLÉ PRIZE

The Prize Laureate is required to participate in the award ceremony in 2012 and in the Creating Shared Value Forum.

Reasonable travel and hotel expenses for the Laureate to attend will be organised and covered by Nestlé.

10. CONDITIONS OF PARTICIPATION

Prizes are awarded without warranty of any kind from Nestlé, express or implied, without limitation, except where this would be contrary to federal, state, provincial, or local laws or regulations. Submission of Entry for this Nestlé Prize deems that applicants agree to be bound by the terms of these Official Rules and by the decisions of Nestlé, which are final and binding on all matters pertaining to this Nestlé Prize. Return of any prize/prize notification may result in disqualification and selection of an alternate laureate. Any potential laureate who cannot be contacted within 15 days of attempted first notification will forfeit his/her prize.

Ownership of and all intellectual and industrial property rights in and to the application shall remain with the participant.

To the extent permitted by law, entrants agree to hold Nestlé S.A., its subsidiaries, agents, directors, officers, employees, representatives and assigns harmless from any injury or damage caused or claimed to be caused by participation in the Nestlé Prize and/or use or acceptance of any Nestlé Prize awarded, except to the extent that any death or personal injury is caused by the negligence of Nestlé S.A. Nestlé S.A. is not responsible for any typographical or other error in the printing of the offer, administration of the Nestlé Prize or in the announcement of the Nestlé Prize. A participant may be prohibited from participating in this Nestlé Prize if, in Nestlé S.A.'s sole discretion, it reasonably believes that the participant has attempted to undermine the legitimate operation of this Nestlé Prize by cheating, deception, or other unfair playing practices or annoys, abuses, threatens or harasses any other participants, Nestlé S.A. or associated agencies. In the event a laureate/potential laureate's employer has a policy, which prohibits the awarding of a prize to an employee, the Nestlé Prize will be forfeited and an alternate laureate will be selected.

Applicants certify that their Entry is original and that they are the sole and exclusive owner and right holder of the submitted Entry and/or that they have the right to submit

the Entry for the Nestlé Prize. Each applicant agrees not to submit any Nomination Form that (1) infringes any 3rd party proprietary, intellectual property, industrial property, personal rights or other rights, including without limitation, copyright, trademark, patent, trade secret or confidentiality obligation; or (2) otherwise violates applicable law in any countries in the world. To the maximum extent permitted by law, each applicant indemnifies and agrees to keep indemnified Nestlé S.A., its subsidiaries, agents, directors, officers, employees, representatives and assigns harmless at all times from and against any liability, claims, demands, losses, damages, costs and expenses resulting from any act, default or omission of the applicant and/or a breach of any warranty set forth herein. To the maximum extent permitted by law, each participant indemnifies and agrees to keep indemnified Nestlé S.A., its subsidiaries, agents, directors, officers, employees, representatives and assigns harmless at all times from and against any liability, actions, claims, demands, losses, damages, costs and expenses for or in respect of which Nestlé S.A. will or may become liable by reason of or related or incidental to any act, default or omission by a applicant under these Official Rules including without limitation resulting from or in relation to any breach, non-observance, act or omission whether negligent or otherwise, pursuant to these official rules by a participant.

11. PROMOTIONAL RIGHTS

The Nestlé Prize Laureate shall agree to reasonable promotional efforts to further the cause of the Nestlé Prize in Creating Shared Value, as well as the use of the project or program to illustrate and promote the Nestlé Prize in Creating Shared Value in any medium such as, but not limited to, radio, press, television, internet, etc. To this effect, the Nestlé Prize Laureate agrees to take part to interviews, photo shooting sessions, making of video clips and other promotional activities required to achieve this objective. The Nestlé Prize Laureate further grants, assigns and transfers to Nestlé S.A. all rights of every nature relating to the reproduction, distribution, use and communication of the promotional materials developed in connection with the promotion to further the cause of the Nestlé prize in Creating Shared Value, and waives any and all rights that she/he/it may have with respect thereto pursuant to any statute of law. The ownership of any promotional material created shall be vested in Nestlé S.A. and the Nestlé Prize Laureate agrees to release Nestlé S.A. and its representatives from any liability in connection therewith.

12. RIGHTS OF REVOCATION

Nestlé reserves the right to revoke the Nestlé Prize if it determines that the monies and administration of the Nestlé Prize have not been in accordance with the Official Rules of the Nestlé Prize or in the spirit of Creating Shared Value.

13. CONFIDENTIALITY AND RETENTION OF SUBMITTED MATERIAL

The application will be treated confidential and shared with third parties that need to be necessarily involved for the purpose of all activities around the Nestlé Prize. Nomination Forms will be stored and destroyed a year after the award ceremony. Upon prior request, individuals or organisations submitting Entries can claim for their file to be returned.

14. JURISDICTION

The Official Rules are subject to change; any change will be published on www.nestle.com.

The rules and administration of the Nestlé Prize in Creating Shared Value will be governed by the laws of Switzerland.

NO RECOURSE TO JUDICIAL OR OTHER PROCEDURES: To the extent permitted by law, the rights to litigate, to seek injunctive relief or to make any other recourse to judicial or any other procedure in regard to the judgment of the jury for the Nestlé Prize are hereby excluded, and any participant expressly waives any and all such rights.