

**TERMS AND CONDITIONS FOR NORTHEASTERN DAIRY PRODUCT
INNOVATION COMPETITION FOR 2023**

01/31/23

The Northeastern Dairy Product Innovation Competition (the “**Competition**”) is an unparalleled competition focused on supporting entrepreneurs in the development of value-added dairy products using milk and/or dairy ingredients produced in the Northeast. The Competition is administered by Cornell University (the “**University**”).

By submitting an application to compete in the Competition, the applicant agrees to and shall be bound by these terms and conditions (“**Terms and Conditions**”). These Terms and Conditions were produced on the date identified above.

Purpose

The purpose of the Competition is to support and advance the development of value-added dairy products using milk and/or dairy ingredients produced in the Northeast and position the region as a leader in dairy innovation and entrepreneurship. The Competition will award up to three winners a total of up to \$75,000 in prize money for the 2023 Competition.

Competition Timeline

The Competition cycle will consist of an application, an online finalist selection, and a live pitch. All finalists will receive business mentoring and development work, which includes time spent at the University’s Food Processing and Development Lab.

Date*	Competition Milestone
January 30, 2023	Application opens
March 31, 2023	Application deadline
Late April, 2023	Up to 10 finalists selected; applicants notified of their status
May-early August, 2023	Finalist mentoring and business development <ul style="list-style-type: none">○ Finalists conduct business development activities remotely with support from their assigned mentor and make up to 2 product development trips to the University’s Food Processing and Development Lab○ Finalists work with their mentor to develop their pitch

Early August	Pitch competition <ul style="list-style-type: none"> ○ Finalists pitch to the Competition judging panel ○ Up to 3 winners selected
November 14-15, 2023	Dairy Innovation Showcase, Grow-NY Summit <ul style="list-style-type: none"> ○ Winners will present their product to attendees of this annual event that includes a symposium of panels and interactive discussions

*All dates remain subject to change by the Administrator.

Eligibility

The Competition is open to all entrepreneurs, including organic and small farms, dairy coops, and nonprofits located within the United States that use or commit to using milk and/or dairy ingredients produced in the Northeast in their product.

To be eligible for the Competition, an applicant must be a registered, business entity such as a corporation or limited liability company (LLC), a sole proprietorship, or nonprofit.

As used in these Terms and Conditions, the term “**dairy product**” is defined as follows:

- Any product using milk and/or dairy ingredients as a primary ingredient.

As used in these Terms and Conditions, the term “**Northeast**” is defined as follows:

- The geographic region of the United States comprising Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Businesses Not Eligible for the Competition

The Competition excludes investment vehicles that invest in the securities of other entities, sports venues, gaming and gambling businesses, places with a primary business of overnight accommodation, entertainment-focused establishments, and such other types of business as the University’s Dairy Innovation Administration Team (the “**Administrator**”) may reasonably determine to be inconsistent with the purposes of the Competition.

Awards, Benefits, and Conditions

Applicants that are accepted for participation in the Competition will receive \$20,000 for participation and will compete to receive the following prize award:

- Three awards of \$55,000 (each, an “**Award**” and collectively, the “**Awards**”).

The number of Awards made is subject to change in the discretion of the Administrator based on the number of applicants, quality of applications received, involvement and commitment by selected finalists, and other factors.

All recipients of an Award (each, a “**Recipient**”) will have access to support from experienced entrepreneurs during the period between announcement of their participation and the Grow-NY Summit.

Awards are contingent upon the availability of funds, and also contingent upon and only issued subject to execution of an Award Agreement in the form provided by the Administrator, which will include, but not be limited to, the following provisions:

Applications

Applications should be submitted via the Competition website: <https://dairyinnovation.org> following all protocols described on the website. All applications must be submitted in English. Instructions for filing a paper application in lieu of an online application are described on the website for applicants needing special accommodations.

Review of Applications

The application period will close March 31, 2023, 5:00 P.M. ET, unless the deadline is extended (at the sole discretion of the Administrator). A panel of screeners approved by the Administrator (the “**Committee**”) will review the applications. The Administrator shall have no obligation to confirm or acknowledge receipt of any application or to notify applicants if their submissions are incomplete.

The Committee may contact applicants to make inquiries or request additional information if it deems necessary to properly evaluate an application. The Committee will select certain applications to progress in the Competition as finalists. Such selections shall be made in the discretion of the Committee, subject to review by the Administrator.

Such finalists will receive (and must actively participate in) business training and mentoring support, including up to two days at Cornell’s Food Processing and Development Lab. Those finalists that choose to continue in the Competition will be invited to present to a Finals Judging Panel, selected by the Administrator, which will culminate in the Finals Judging Panel selecting the winners. Not all finalists will be selected to receive an Award.

Judging Criteria - Applicants will be judged based on:

- **Dairy Product Concept and Execution** – Clearly defined product idea and development plan that responds to initial market research.
- **Dairy Product Innovation or Improvement** – Pushing the state of art in value-added dairy products or making improvements to an existing value-added dairy product.
- **Viability of Commercialization and Business Model** - Generation of revenue and maintenance of a cost structure that allows for a competitive and sustainable business; demonstrated readiness of the applicant’s technology or innovation to fulfill its needed value proposition.
- **Consumer Value** - Provision of significant value for customers for which they are willing to pay; addressing a substantial market.
- **Use of Dairy Ingredients** – Dairy ingredients are prominent in product composition.

Confidentiality and Intellectual Property

By submitting an application, the applicant agrees to the terms of the Competition privacy policy, which is available on the Competition website at www.dairyinnovation.org. Access to the applications is granted to the Administrator and its designees (including, but not limited to, the Committee and Finals Judging Panel) for the purposes of review and judging (collectively, the “**Reviewing Parties**”). The Administrator, for itself and on behalf of the Reviewing Parties, offers and makes no guarantee of confidentiality, either explicit or implicit, in connection with any data or information presented or discussed by applicants, whether in the application or otherwise throughout the Competition.

Applicants should confirm with appropriate advisors and legal counsel that any intellectual property described or disclosed in an application is held by the applicant and appropriately protected before the application is submitted. Applicants should be prepared to provide reasonable back-up documentation for these statements, if requested by the Administrator.

The authors of each applicant submission will retain all copyrights to the contents of their

submission, provided that the Reviewing Parties may make photocopies, photographs, and video and/or audio recordings of any data or information divulged, presented, or discussed by any applicant throughout that applicant's participation in the Competition. By submitting an application for the Competition, applicants agree to and hereby grants a license to the Administrator and the Reviewing Parties to use and reproduce such materials without restriction and without compensation and to conduct such due diligence as the Reviewing Parties determine is necessary or desirable for purposes of evaluating the application and carrying out the Competition as described herein.

In addition, applicant agrees, for itself and each of its principals and officers, that the Administrator and its assigns will have the perpetual right to publicly post and reproduce certain information about finalists and winners of Awards, including, but not limited to names of participating individuals, photographs, videos, category of business, logo and other marks, and an abstract (collectively, "**Materials**") on the public areas of the Reviewing Parties' websites, media sites and through other means, all without compensation. The Administrator and its assigns will also have the perpetual right to use the Materials for research, educational, advertising, promotional, not-for-profit and other similar purposes.

Applicants who are selected as finalists will be asked to complete a Routine Services Agreement form that covers work conducted in the University's Food Processing and Development Laboratory. This form must be signed and submitted to the Laboratory administrator prior to the agreed upon dates of a finalist's visit to the facility.

Other Conditions

1. Only one application per entity may be selected for evaluation and judging. An individual who submits an application on behalf of a business entity represents and warrants he or she has requisite authority to act on behalf of such entity.
2. All applications must be the original work of the applicant making the submission.
3. Partially completed applications will not be accepted. Applications for the Competition are due by 5:00 P.M. ET on March 31, 2023.
4. Applicants risk disqualification if they or someone on their behalf communicates with the Reviewing Parties, beyond submitting applications and providing further data or information as requested, in an attempt to influence the Competition.
5. All questions regarding the interpretation of these Terms and Conditions and all issues or disputes which arise under these Terms and Conditions shall be conclusively determined by the Administrator, with the Administrator's decision being final and binding, and not subject to appeal.
6. Each applicant shall protect, indemnify, defend and hold harmless the Administrator, the University and its affiliates, and their trustees, officers, agents, employees, contractors and representatives, the State of New York and the United States Department of Agriculture, collectively, the "**Indemnified Parties**") from and against any and all liabilities, losses, claims, damages, judgments, penalties, causes of action, costs, and expenses (including, without limitation, attorneys' fees and expenses) imposed upon or incurred by or asserted against the Indemnified Parties resulting from, arising out of or relating to the applicant's participation in the Competition.
7. The Administrator shall have no responsibility or liability for agreements between applicants and third parties.
8. Application materials become the property of the Administrator.

9. Applicants (or their principals or affiliates) that engage in (a) immoral, illegal, or other activity that may adversely affect the reputation or image of the Administrator, the University or its affiliates, or other applicants, or (b) conduct which is inconsistent with the purpose of the Competition or which affects the administration, fairness, or proper conduct of the Competition, may be disqualified from the Competition at any time.

10. All applicants and Recipients must comply with these Terms and Conditions and the terms of the Award Agreement. Any breach or violation of these Terms and Conditions may disqualify an applicant from the Competition and result in forfeiture of any Award the applicant received in connection with the Competition.

11. Applicants may rescind their applications after submission up until the application intake closing date.

12. Recipients will be required to provide certified, written reports to the Administrator as set forth in the Award Agreement and as otherwise required by the Administrator. Recipients will also be required to preserve records relating to their operations and permit the University and its designees access to review and inspect such records for a period of six (6) years following the later of the making of the Award or termination of the Award Agreement.

13. There is no limit to the number of applications for which an individual person may be a part; except that no individual person can be part of more than one applicant team that receives an Award. Accordingly, if an individual person is part of more than one application in any capacity, this must be fully disclosed at the time of application.

14. The Indemnified Parties shall not be liable for any claims, losses, harm, injuries, damages or expenses relating to or resulting from any applicant's participation in the Competition.

Applicant Representations, Warranties and Covenants

By submitting an application, each applicant represents, warrants and covenants that:

1. The information in the application is and will be complete, true and accurate and not misleading in any respect, and if any information at any time after submission becomes untrue, inaccurate or misleading in any respect, applicant will promptly notify the Administrator of the same.

2. Applicant is not bound by any contractual or other commitments or any court orders, injunctions or other restrictions which would prohibit or limit the applicant and/or its principals and officers from participating in the Competition and agreeing to these Terms and Conditions and the Award Agreement (including the Investment Agreement).

3. The ideas and other content contained in the application will not infringe upon the rights, including, but not limited to, privacy and intellectual property rights, of any third party.

4. The applicant has a reasonable basis for holding the intellectual property that forms the basis or is integral to the applicant's business or the proposed business submitted in the Competition.

5. The applicant has and will have the right and authority to submit the content in its application to the Northeastern Dairy Product Innovation Competition.

6. The applicant will obtain permission or a license, as appropriate, for any third-party materials, information or other intellectual property contained in its application.

7. The applicant is in compliance with and will at all times comply with all applicable laws, rules and

regulations in connection with its activities relating to the Competition. The applicant has in place and/or will procure and maintain in good standing at all times, and shall comply with the terms of, all permits, licenses, consents and other approvals as are necessary in the operation of its business.

8. The applicant will not hold or attempt to hold the Indemnified Parties responsible or liable for any third-party violation of its intellectual property rights as a result of participation in the Competition.

9. No member, officer, director, employee, or principal of the applicant has a close family relationship (e.g., parent, sibling, spouse, partner, or significant other) with any officer, member, director, or senior management person of the Administrator or the University. Applicants shall immediately report to the Administrator any conflicts of interest regarding their participation in the Competition, including, but not limited to, as it relates to the composition of the Committee and Finals Judging Panel.

10. The applicant consents to the Administrator performing a background check with respect to the applicant and its principals, officers, and directors.

11. Neither the applicant, nor any of its directors, officers, members or principals is subject to any of the "Bad Actor" disqualification events described in Rule 506 promulgated under the Securities Act of 1933, as amended.

12. The applicant has no reason to believe it will be prohibited or otherwise unable to comply with these Terms and Conditions, including full compliance with the geographic milk and dairy ingredients utilization requirements, and the terms of the Award Agreement.

13. Applicants shall not publicly disparage the Administrator, the University or its trustees, officers, and employees, members of the Committee or Finals Judging Panel, or any public officials or agencies of the State of New York who play a role in the funding, administration or operation of the Competition.

Non-Discrimination

The Administrator does not discriminate against any applicant on the basis of race, color, creed, ethnicity, gender, disability, age, sexual orientation, gender expression, military status, or marital status.

Amendment

The Administrator reserves the right to modify these Terms and Conditions in its sole discretion. In the event of a modification prior to the close of the period of time during which an application may be submitted, all applicants will be notified.

Administrator's Discretion

The Administrator reserves all rights with respect to the Competition and shall have the exclusive right, at its sole discretion, to make all decisions and resolve all issues and disputes with regard to the application process and the Competition, all without liability. The Administrator's decisions shall be final and binding, and not subject to appeal. Examples of the Administrator's rights and discretion include, but are not limited to, the right to (a) cancel, terminate, modify or suspend the Competition at any time, (b) make no Awards, (c) make less Awards than anticipated, (d) determine whether an applicant or Recipient has breached these Terms and Conditions, including the Location Requirements, (e) determine the eligibility criteria for applicants, (f) determine the number of individuals and the specific individuals selected to serve as members of the Committee and Finals Judging Panel, and (g) interpret these Terms and Conditions.

Waiver and Severability

The Administrator may waive any term or condition herein at its sole discretion. Such waiver will not

be deemed a waiver of any other term or condition, whether similar or different, or for any other applicant. If any term or condition herein is determined to be invalid or unenforceable, that provision will be construed, limited, modified or, if necessary, severed, to the extent necessary to eliminate its invalidity or unenforceability, and the other provisions will remain in full force and effect.

Governing Law

These terms and conditions shall be governed and construed in accordance with the laws of the United States of America and the State of New York, without regard to conflicts of law provisions. Exclusive venue for any litigation arising from the Competition or these Terms and Conditions shall be the State or Federal courts located in and for Tompkins County, New York.

Survival

These Terms and Conditions will be binding on applicant and survive the completion of the Competition. These Terms and Conditions will be incorporated by reference into the Award Agreement.