

# IMAGINE H2O (“IH20”) BUSINESS PLAN COMPETITION

## OFFICIAL COMPETITION TERMS

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### ELIGIBILITY

To participate in the Imagine H2O Business Plan Competition (the "Competition"):

1. You may be an individual or part of a team of people (hereinafter “Team”)
2. All of a Team’s members must reside in a jurisdiction where the Competition and the terms of these official Competition terms (the “Competition Terms”) are not prohibited or unlawful
3. All of a Team’s members must have reached 18 years of age on or before September 1, 2010.
4. At least one Team member must be fluent in English and all Competition submissions, materials and presentations must be in English.
5. A business that was a winner or a runner-up of a previous Imagine H2O Business Plan Competition is not eligible and cannot enter the Competition.
6. Team submissions must focus on a water business that saves energy in moving, treating, or using water. The definition of a business that qualifies for the Competition (a “water energy nexus business”) is:
  - a. A business whose primary focus is to serve customers' water or wastewater needs; and
  - b. A business that offers energy savings as a primary selling point for its product or service. The business must demonstrate measurable energy savings as a direct result of the product or service.
7. For examples of water energy nexus businesses, see the FAQ page (<http://www.imagineh2o.org/prizes/prizefaq.php>).
8. Each team that is a business must:
  - a. be structured as a for-profit entity such as a C or S corporation, limited partnership, limited liability partnership or limited liability company; and
  - b. have been formed or incorporated on or after January 1, 2007.
9. If you are participating in the Competition as an individual or your Team is a group of individuals, you will be required to form a for-profit entity and transfer all rights relating to your Team’s Competition submissions to the entity prior to receiving any prizes. You may use prize money to cover formation-related costs.
10. A Team is not eligible to participate in the Competition if, as of the Round One Submission Deadline (defined below), it has received equal to or more than \$1.5 million in equity investment (including debt convertible into equity, but excluding financing from non-convertible debt, government grants, and academic grants).

11. All Team submissions and presentations must be that Team's original work product or be otherwise owned by the Team or one or more of its members, free of any agreement or obligation of any kind that would restrict the Team's ability to use or disclose its business plan or otherwise participate in any aspect of the Competition, including the IH2O Showcase. Teams must, at all times, remain eligible to participate in the Competition. Teams must notify IH2O promptly of any changes that may affect their eligibility to compete, including changes in Team composition or receipt of an investment that causes you to exceed the dollar limit in #10 above.

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## HOW TO ENTER THE COMPETITION

1. Prior to entering the Competition, please review these Competition Terms.
2. To receive a 25% discount on the entry fee ("the entry fee discount"), send an email ("the intent to compete email") by the Intent to Compete Deadline (as defined below) that states your plans to enter the Competition.
  - a. Title the email: "Intent to Compete in IH2O Water Energy Nexus Prize"
  - b. In your email include: company name, contact information (name, phone, and email) for at least one company team member, and the language "[COMPANY] intends to compete in iH2O's Water Energy Nexus Prize. We aim to submit an entry by [DATE]."
  - c. Send your intent to compete email to [prize@imagineh2o.org](mailto:prize@imagineh2o.org)
3. To enter the Competition, a Team must submit a complete application. A link to the application and instructions for completing the application are available at the IH2O application instructions page (the "IH2O Application Page") (<http://www.imagineh2o.org/prizes/howdoienter.php>)
4. A complete application includes:
  - a. Paying a non-refundable entry fee of \$100, or \$50 if all Team members are full-time students at the time of submitting the complete application (both subject to the entry fee discount) and
  - b. Providing all information required on the application including resumes and an Executive Summary that meets the criteria described below in "Round One – Executive Summaries."
5. The complete application must be submitted prior to the Round One Submission Deadline.
6. Payment and all materials for all rounds must be submitted via the Internet following the instructions at the IH2O Application Page (<http://www.imagineh2o.org/prizes/howdoienter.php>)

## **ROUND ONE – EXECUTIVE SUMMARIES**

### **Required Submission:**

1. Each Team must answer all questions on the online application.
2. Each Team must submit an executive summary using the Word template provided by Imagine H2O (“the template”). The executive summary briefly describes the business’s proposed business plan relating to a water-energy nexus business. The following formatting specifications must be maintained when using the template:
  - a. Maximum length is 4 pages and 1,000 words, including any appendices and exhibits.
  - b. Font: Arial; Size 12
  - c. Margins: minimum of 1” for top, bottom, left and right
  - d. Name of company in footer
  - e. Page numbers included
3. Each Team must submit a resume for each Team member (or, in the event that you have a team of 5 or more individuals, please submit resumes for the 5 Team members you anticipate will be most involved with management of your team’s proposed business). Maximum length per resume is 1 page.
4. Each Team’s submission (the executive summary and resumes) must be compiled and uploaded as one document (either Word or PDF), titled “[CompanyName]\_Round1Entry”.

### **Round One Submission Deadlines:**

1. To be eligible to compete in Round Two, a Team’s complete application, entrance fee, resume(s) and Executive Summary must be received by IH2O between September 1, 2010 and November 15th, 2010 at 11:59 pm (PST), according to Sponsor’s time clock (the “Round One Submission Deadline”).
2. To be eligible for the entry fee discount, the intent to compete email must be received by IH2O by November 1, 2010 at 11:59 pm (PST), according to Sponsor’s time clock (the “Intent to Compete Deadline”).
3. All Round One materials must be submitted online following the instructions on the IH2O Application Page.

## **ROUND TWO – BUSINESS PLANS AND PRESENTATIONS**

From the pool of Round One submissions, the Selection Committee will select up to ten finalist Teams (“Finalists”) based on the judging criteria outlined below. IH2O will attempt to contact Finalists on or about December 15, 2010 at the e-mail address or phone number included in each Finalist’s application. Finalists will receive additional instructions regarding the required submissions and presentations for Round Two.

## **Required Submissions:**

1. **Executive Summary:** Each Finalist will re-submit the Executive Summary it submitted in Round One. A Finalist may update or otherwise edit its Executive Summary prior to the Round Two Submission Deadline (defined below).
2. **Summary Slides:** Each Finalist will submit a summary slide deck. Detailed requirements will be provided to finalists relating to page count, attachments, and format, however we expect to allow about 10 slides.
3. **Final Business Plan:** Each Finalist will submit a full business plan containing a more detailed explanation of the proposal outlined in its Executive Summary. The document must adhere to the following format:
  - a. Maximum of 10 pages
  - b. Font: Arial, Size 12
  - c. Margins: minimum of 1" for top, bottom, left and right
  - d. Name of company in footer
  - e. Page numbers included

**Round Two Submission Deadline:** IH2O must receive all required submissions for Round Two by 11:59pm (PST) February 1, 2011, according to Sponsor's time clock (the "Round Two Submission Deadline"). All Round Two materials must be submitted online following the instructions at the IH2O Application Page. In connection with submitting your Round Two materials you will be asked to confirm your ability to present – if asked – at the IH2O Showcase.

**Final Presentation:** Each Finalist will also be required to make an interactive presentation to the Selection Committee regarding its Final Business Plan. Presentations will be by webcast, will consist of a live pitch using the Summary Slides, and will occur on or about February 5, 2011. Each presentation will last approximately 20 minutes. More information about the presentation will be provided to Finalists.

## **ROUND THREE – OPPORTUNITY TO PRESENT AT IMAGINE H2O SHOWCASE**

The three Finalists eligible to participate in Round Three that receive the highest scores for their Round Two submissions and presentations from the Selection Committee will have the opportunity to present (live or via webcast) at the Imagine H2O Showcase, which will be held on or about March 10, 2011. The Showcase location is to be determined and expected to be in Northern California. The Grand Prize and the Runner Up Prizes will be awarded at the Imagine H2O Showcase based on Round Two rankings.

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## **PRIZES**

### **Grand Prize:**

1. Eligibility to participate in the IH2O Incubator Program (you can find more information about the Incubator Program here: <http://www.imagineh2o.org/incubator>)
2. Total prizes valued at up to \$50,000 including:
  - a. \$20,000 in cash
  - b. Up to \$15,000 of in-kind legal services from Cooley LLP
  - c. Up to \$15,000 of in-kind accounting services from PricewaterhouseCoopers

### **Second Place Prize and Third Place Prize:**

1. Eligibility to participate in the IH2O Incubator Program
2. Total prizes valued at up to \$25,000 each, including:
  - a. \$10,000 in cash
  - b. Up to \$7,500 of in-kind legal services from Cooley LLP
  - c. Up to \$7,500 of in-kind accounting services from PricewaterhouseCoopers

Each winning Team must use its prize only to develop and promote the business described in the final business plan presented at the Competition. Prior to receiving a prize, winning Teams must have formed a for-profit entity that owns all rights relating to the winning Team's business proposal. All winnings are taxable, and each winning Team will be required to complete a form W-9 (or other appropriate federal or state tax forms) prior to receiving any prize.

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## **JUDGES; JUDGING CRITERIA**

A panel of high-profile professionals with expertise in water, entrepreneurship, and investing will evaluate Competition submissions and presentations (the "Selection Committee"). All submissions and presentations will be evaluated by the Selection Committee based on their commercial promise and viability and judged on a 100-point scale using the following criteria:

1. *Market opportunity*
2. *Customer value proposition*
3. *Go to market progress and strategy*
4. *Competition*
5. *Financial plan*
6. *Team*
7. *General quality of the presentation and pitch*

Individual members of the Selection Committee may request additional information or pose questions to Teams during the Competition. Additional

information or responses to these questions supplied to the Selection Committee will be considered part of a Team's submission.

For suggestions on what to include in Competition submissions and presentations, please see the Submission Guidelines at [www.imagineh2o.org/prizes/prizeguide.php](http://www.imagineh2o.org/prizes/prizeguide.php).

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### **CONFIDENTIALITY; INTELLECTUAL PROPERTY**

1. Each Team is solely responsible for securing and protecting its intellectual property rights. Please consult with counsel before entering the Competition regarding protection of any intellectual property rights your Team may have.
2. We will not require Selection Committee members, third party technical reviewers, IH2O staff or IH2O Showcase attendees to sign confidentiality or non-disclosure agreements.
3. By entering the Competition, each Team grants to IH2O and the Selection Committee a license to review their submitted materials during judging, and to use and publicly display any materials submitted during the Competition for publicity purposes. Except where prohibited, by electing to participate in the Competition, each participating Team and all of its Team members agree to allow IH2O to use their names, likenesses, information regarding the Team's business, and prize information in publicity and marketing efforts throughout the world, without any compensation or prior review unless specifically prohibited by law. Each Team and all of its Team members further agree to participate in marketing, publicity and promotional efforts, including but not limited to media interviews and films, relating to IH2O and the Competition.
4. All submissions must be a Team's original work product that does not infringe upon the intellectual property, any other legal or moral right of any person or entity and does not otherwise violate any laws, rules, regulations, or agreements entered into by the Team or individual Team members. IH2O does not review submissions for legal sufficiency or violation of intellectual property rights; however, if, in the sole discretion of IH2O, a Team's submission appears to infringe on intellectual property rights of another party under U.S. law, IH2O may disqualify that Team.

### **OTHER TERMS AND CONDITIONS**

1. IH2O reserves the right to cancel the Competition if: (A) it receives fewer than 25 Executive Summaries by the Round One Submission Deadline, or (B) it receives no Round One submissions that the Selection Committee determines have a judged score of at least 90 points. In addition, IH2O reserves the right, in its sole discretion, to defer any and all Competition deadlines for any reason, by up to 30 days.

2. IH2O reserves the right to disqualify or prohibit from participating in the Competition any Team that makes a submission that, in the sole discretion of IH2O, does not comply with these Competition Terms or violates the spirit of the Competition.
  3. By entering the Competition, each Team and its individual members agree to be bound by the Competition Terms and accept as final any decisions of IH2O and the Selection Committee, including determination of the winners of the Competition, and further agrees that the interpretation of any ambiguity or error in these Competition Terms, or the Competition itself, shall be resolved by IH2O in its sole discretion. By accepting a prize, each Team and its individual members agree to release IH2O, including its affiliated entities together with the respective directors, employees, officers, licensees, licensors and agents, and respective advertising and promotion entities and any person or entity associated with the production, judging, or administration of the Competition, from any and all liability, loss or damage arising from or in connection with awarding, receipt and/or use or misuse of the prize or participation in any prize-related activities.
  4. By participating, entrants agree that IH2O, its shareholders, agents and representatives, affiliates, subsidiaries, advertising, promotion and fulfillment agencies, and legal advisors are not responsible or liable for, and shall be released and held harmless from: (i) telephone, electronic, hardware or software program, network, Internet, or computer malfunctions, failures, or difficulties of any kind; (ii) any condition caused by events beyond the control of IH2O that may cause the Competition to be disrupted or corrupted; (iii) any printing or typographical errors in any materials associated with the Competition; (iv) any and all losses, damages, rights, claims and actions of any kind in connection with or resulting from participation in the Competition, or acceptance of the prize, including without limitation, claims based on publicity rights, defamation, or invasion of privacy. IH2O is not responsible or liable for Competition submissions that are not successfully submitted by the end of the applicable submission period. IH2O reserves the right, in its sole discretion, to suspend or cancel Competition at any time if a computer virus, bug, or other technical problem corrupts the administration, security, or proper conduct of the Competition. All issues and questions concerning the construction, validity, interpretation and enforceability of these Competition Terms, or the rights and obligations of participants and IH2O in connection with the Competition, shall be governed by, and construed in accordance with the laws of the State of California, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of California or any other jurisdiction), that would cause the application of the laws of any jurisdiction other than the State of California.
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## **CONTACT**

**This competition is sponsored by Imagine H2O, Inc., c/o Cleary Gottlieb Steen & Hamilton LLP, One Liberty Plaza, New York, NY 10006.** Please contact IH2O at [prize@imagineh2o.org](mailto:prize@imagineh2o.org) if you have any questions or concerns about the IH2O Competition, if you would like to receive a copy of these Competition Terms or if you would like to receive the names of prize recipients.

Thank you for competing and doing your part to improve the world's water supply and use. Good luck!