

2009 OFFICIAL RULES AND REQUIREMENTS

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GENERAL INFORMATION

- Welcome to the Nanochallenge and Polymerchallenge 2009 business plan competition. Qualification to participate in the Competition is determined by the criteria outlined below.
- Please keep in mind the following key dates:

Deadline to Register Online	July 14, 2009
Deadline to submit Executive Summaries	Tuesday, July 14, 2009
Announcement of Finalist Teams	Monday, July 23, 2009
Deadline to submit Pledge to Compete	Monday, July 27, 2009
Deadline to submit Business Plan	Friday, October 30, 2009
Final Contest Event in Padova (I)	November 26-27, 2009
Investor Roadshow	From January, 2009

- By entering the Competition, contestants agree to abide by and be bound by the rules outlined herein. The decisions of the judges are final and binding in all respects.
- Teams not complying with all the requirements contained in these rules will be subject to disqualification. In particular the Organizing Committee may disqualify a Team who has deliberately or repeatedly submitted false information.
- Each entering team must nominate a Lead Member. The Lead Member will act as the main point of contact between the team and the Organising Committee.
- The Organising Committee shall not be responsible for any lost, stolen, late or misdirected e-mail, problems with electronic transmissions, with the Internet, technical, hardware or software failures of any kind, lost or unavailable network connections, or injury or damage to any computer.
- The Organising Committee reserves the right to modify or change any rules or dates at any time. All efforts will be made to provide advanced notice of such changes.

ELIGIBILITY

This is a Nanotechnology and Polymer-based Materials related business plan competition. Nanotechnologies are defined as the techniques and procedures used to manipulate matter at nanoscale level (10^{-9} m). For a broader definition please refer to classification systems of Patent Offices (i.e. USPTO, EPO, WIPO, etc.).

- The Competition is for researchers, students, university graduates, scientific staff and professors as well as for entrepreneurs, business employees, inventors and developers. Everybody with an innovative and high-growth nanotech-based or polymer-based materials business idea can participate.
- This is an international business plan competition. Teams from all over the world can enter and compete in Nanochallenge and Polymerchallenge 2009.
- No race, creed, marital status, sex, age, or education prejudices will prevent participation in this Competition.
- Entry Teams must register on-line and select from the beginning the prize they are competing for: the Nanochallenge Grand Prize or the Polymerchallenge Grand Prize. Teams must not compete for both Prizes. They are not cumulative.
- Entry teams must submit a single business project, and should be composed of at least two people representing the Chief Executive Officer (CEO) and the Chief Technology Officer (CTO) of the venture presented in the Business Plan.
- All business plans submitted must be participants' own work and contain truthful information. In case of false information the Team will be immediately disqualified from the competition.
- The Competition is for ideas for creating a new business, and not to provide expansion capital to existing businesses. Owners of existing businesses are not precluded from entering the Competition. However, the Organising Committee reserves the right to evaluate the eligibility of Teams that have already started operations (a product or service has already been delivered to customers, or a company which has already been established), on a case-by-case basis. Therefore, existing business owners are encouraged to enter within such limitations only.
- The Competition is for new, independent ventures in their seed, start-up, or early growth stages. Generally the following are excluded: buy-outs, expansion of existing companies, tax shelters, franchises, licensing agreements for distribution in a different geographical area, and spin-outs from existing corporations. Licensing technologies from Universities or Research labs are not excluded and are encouraged, assuming they have not previously been commercialised.
- The main objective of the Competition is to promote the creation of start-up ventures in Italy, in any application field of nanotechnology or polymer-based materials. Participants must aim at developing their ideas into real businesses. The winner of the Nanotechnology Grand Prize must create the start-up in the Veneto region (north-east of Italy) with the support of Veneto Nanotech, the Italian Cluster of Nanotechnology; the winner of the Polymerchallenge Grand Prize must start its operations in the Campania Region (south-west of Italy) with the support of IMAST, Technological District on Polimeric and Composite Materials Engineering and Structures.

STRUCTURE AND DEADLINES

- The Nanochallenge and Polymerchallenge 2009 business plan competition has four main phases. In the first phase, Teams entering the Competition must select the prize they compete for through the on-line registration and then submit an executive summary of their business project using the model they will receive from the Organizing Committee. The Concept Jury will screen the executive summaries, evaluate the business potential, and select the most promising ones for the nanotechnology and for the polymer-based materials category. In the second phase, the selected teams will be asked to write and submit a complete business plan of their projects. A Mentor will be assigned to each team. In the third phase, the finalist Teams will compete by presenting and discussing their technology and business plan before the Contest Jury. In the fourth phase Veneto Nanotech will organize an Investors Roadshow for the winners and other Teams selected by the Contest Jury of both categories.
- The Competition has the following scheme:
 1. FIRST PHASE: Selection of most promising business projects through the Executive Summary
 - ✓ Entry teams must register on line to compete for the Nanochallenge or Polymerchallenge. It is not possible to compete for both the prizes. In the online registration form teams will find all details about the areas of competence of each prize.
 - ✓ After Registration teams will receive an executive summary model they will have to follow.
 - ✓ Each entry team must submit an executive summary in PDF Format of its business project at the latest by July 14 2009 at 11:59 pm (GMT + 1.00h) to info@nanochallenge.com.
 - ✓ Teams stating ownership of patents, must enclose a copy of it to let the Concept Jury verify the truthfulness of the information.
 - ✓ Submissions after such date will not be taken into consideration. Early submissions are encouraged.
 - ✓ Prior to Concept Jury evaluation, the Organising Committee reserves the right of undertaking a preliminary screening of registrations and submissions, in order to validate the objectivity and the consistency of executive summaries. If necessary, the Organising Committee reserves the right to contact the Lead Member of each registered team to verify the accuracy and regularity of the submitted information.
 - ✓ The aim of the preliminary screening is to avoid the submission of pretentious information and/or results. The Organising Committee will proceed with verifications only when the suspiciousness of data has been proved. Submissions found to be conflicting with the aim of the Competition will not be admitted to the judges' evaluation.
 - ✓ The most promising business projects for the Nanotechnology and for the Polymer-based materials category will be selected by the Concept Jury .

- ✓ Teams selected for the Second Phase will be announced on 23 July, 2009. Communication will be given by email and the list will be published on the website (www.nanochallenge.com).
- ✓ By Monday, 27 July, 2009, Finalist Teams must accept invitation and pledge themselves to compete. Each selected Team will be asked to sign a Pledge to Compete within three days following the communication via e-mail. If a Team does not respect this term, it will be disqualified

2. SECOND PHASE; Writing of the business plans

- ✓ Each selected team must submit a complete business plan at the latest by 30 October, 2009 by 11:59 pm (GMT + 1.00h) at info@nanochallenge.com
- ✓ Submissions after such date will not be taken into consideration. If a team does not respect this term, it will be disqualified. Early submissions are encouraged.

Each selected team will have the opportunity to be supported by a Mentor who will provide advice and assistance throughout the process of writing the business plan. Each Team will receive a Model to write the business plan. The mentoring program is designed to provide all finalist teams with one-on-one access to accomplished professionals. Mentors will assist selected teams throughout the second phase of the Competition in developing their concepts and planning successful business, regardless of their success in the Competition. Attending the mentoring sessions is compulsory. Mentoring will be organized through Skype®. A special Skype® account will be created for the Teams. The Organizing Committee will send the dates and time of the mentoring session after the selection of the Finalist Teams. Each mentoring session will last 1 hour at the most.

3. THIRD PHASE: Final Contest

- ✓ Nanochallenge and Polymerchallenge 2009 finalist Teams will compete at an event that will be hosted at the University of Padova, Italy. All members of a team are allowed to participate in this event. However, only two designated members per team shall make a presentation before the judging panel. Those people are to represent the Chief Executive Officer (CEO) and the Chief Technology Officer (CTO) of the venture presented in the business plan. Furthermore, the Organising Committee will provide free lodging only for two members per team during the Final Contest.
- ✓ The Final Contest is organised as follows:
 - a. Opening Speech and Introduction of Judges (Thursday 26 November, 2009 – morning): welcome greetings followed by the presentation of the Contest Jury members. Each Judge will introduce him/herself before teams
 - b. First Round (Thursday 26 November, 2009): each team will present its business project to the Contest Jury and to a selected audience composed of investors, entrepreneurs and scientists. The presentation will last 20 minutes: this time limit will be strictly enforced. Both designated team members will be able to participate and speak. Projection equipment will be available. There will only be a few minutes between each presentation. Therefore, each team should be ready at least 10 minutes prior to its designated presentation time. Teams presentations' order will be communicated on the previous day

- c. Poster Session (Thursday 26 November, 2009 – all day long): each team will be provided with a table, stationary and a poster holder to present its product or service. Each team should create a tabletop and/or display of its product/service. This session will offer teams the possibility to present their projects and attract the interest of attendees and judges.
- d. Contest Jury Final Evaluation (Friday 27 November 2009 – all day long): all teams will participate in a 25-minute closed-door Q&A session with the judges who analyse technical and business issues in particular. The time limit will be strictly enforced. Both members of the team can participate in the Q&A session. Projection equipment will be available. There will only be a few minutes between each presentation. Therefore, each team should be ready at least 10 minutes prior to its designated presentation time.
- e. Winners Announcement (Friday 27 November 2009): at the end of all presentations, the Contest Jury will discuss privately the choice of the Winners for the nanotechnology and polymer-based materials category. The President of the Contest Jury will then announce the 2009 winners
- f. In case of draw among Teams, the Contest Jury reserves the right to divide the € 300.000 Grand Prize among the selected Teams.

PRIZES

- The Nanochallenge € 300.000 Grand Prize and the Polymerchallenge € 300.000 Grand Prize are not cumulative.
- After the first screening the best teams will be selected to compete at the Final Contest Event in Padova - Italy. By participating, Teams will have the opportunity to establish a network with venture capitalists, early stage investors, business angels, entrepreneurs and illustrious international scientists.
- Two members of each finalist Team will also be awarded with free lodging for 3 nights to attend the Final Contest. Free lodging is intended only for the two members presenting the business project before the judging panel. Other team members are welcome and may join the presenting members at their own expenses.
- Following the Final Contest Veneto Nanotech and IMAST will organize an Investor Roadshow for the winners and other selected teams by the Contest Jury. The Investor Roadshow is intended to help teams in raising funds from investors to start the business presented during the competition.

Nanochallenge Grand Prize

- The Nanotechnology Grand Prize of € 300.000 consists of € 200,000 in cash and € 100,000 in in-kind services provided by Veneto Nanotech.

The €100.000 in-kind services include:

- One year office space and incubation services (max 10% of total in-kind).
- One year access to the Nano Fabrication Facility laboratory (www.nanofab.it), situated inside the VEGA science and technology park near Venice (max 30% of total in-kind).
- One year web site and hosting (max 5% of total in-kind).
- One year accommodation for 2 people (max 15% of total in-kind).
- Marketing and communication services by Veneto Nanotech (max 10% of total in-kind)
- In-kind consulting services (company incorporation, accounting, administration, IP protection, legal counseling, etc.) (max 20% of total in-kind)
- Investor Roadshow organized by Veneto Nanotech (max 10% of total in-kind)
- The total amount of in-kind services refers to the items listed above. Percentages cannot be shifted nor raised. If part of the established percentage of one or more services are not consumed within 12 months from the constitution of the newco, it will be lost.
- In order to receive the Grand Prize, the winning Team must incorporate a company (NewCo) in Veneto. The NewCo must own all the IP rights and be the headquarter of the be

headquarter of the operations presented in the business plan. Operations must start by June, 2010.

- By paying the Grand Prize, Veneto Nanotech is entitled to a percentage of equity of the Newco. The equity will be determined by an evaluation carried out by Veneto Nanotech and agreed with the winning Team. The equity will vary from 25% to 30% of the total equity of the Newco. Governance and exit will be established by a shareholders agreement.
- With the aim of guaranteeing the respect of the regulations, the € 200,000 cash prize will be disbursed in instalments as the winning team meets specific milestones agreed with Veneto Nanotech on the basis of the business plan, with a 10% lump sum upon establishment of a suitable legal entity in Veneto (incorporation of Newco). Thus, the disbursement of the remaining 90% of the cash prize will be ruled by the agreement signed both by the winning team and Veneto Nanotech which could provide the delay of payment for more than one year. The contract foresees that:
 1. the total sum will be deposited on a special account at Cassa di Risparmio di Padova e Rovigo bank entitled to the winning team;
 2. € 20,000 will be issued at the setting up of the company (i.e. VAT number); and € 180,000 will be paid by draw down, upon Veneto Nanotech approval of an annual budget to be submitted by the winning team.
- The winner of the € 300.000 Grand Prize will be announced by the Contest Jury on 27 November 2009. In case of draw between two or more teams, according to the scores and evaluation of the Contest Jury, Veneto Nanotech reserves the right to split the Grand Prize and reward more than one team.
- Veneto Nanotech reserves the right to disqualify the winning team/teams and claim back the total amount or part of the Grand Prize already assigned in case of verification that the team/teams have provided false information.

Polymerchallenge Grand Prize

- The Grand Prize consists of € 200,000 in cash plus € 100,000 in in-kind services provided by IMAST which include:
- The €100.000 in-kind services include:
 - One year Free office space and incubation services (max 10% of total in-kind)
 - one year free access to the IMAST district laboratories (max 30% of total in-kind)
 - one year free web site and hosting (max 5% of total in-kind)
 - one year free accommodation for 2 people (max 15% of total in-kind)
 - marketing and communication services by IMAST (max 10% of total in-kind)
 - in-kind consulting services (fiscal, administrative, IP policy, etc.) (max 20% of total in-kind)
 - Investor Roadshow organized by IMAST(max 10% of total in-kind)

- The total amount of in-kind services refers to the items listed above. Percentages cannot be shifted nor raised. If part of the established percentage of one or more services are not consumed within 12 months from the constitution of the newco, it will be lost.
- By paying the Grand Prize IMAST is entitled to a percentage of equity of the newco, to be defined after an evaluation carried out by IMAST and agreed upon by the winner team. In any case, the percentage of equity will not exceed 30% of the total equity of the newco. A special agreement will rule the relations between the parties. In any case IMAST will hold, use and dispose of those shares for the purpose of promoting its objects and fostering polymeric and composite materials entrepreneurship in the Campania Region.
- In order to receive the Grand Prize, the winning team must establish operations of the idea presented in the business plan in the Campania Region and start them by June, 2010.
- With the aim of guaranteeing the respect of the regulations, the € 200,000 cash prize will be disbursed in instalments as the winning team meets specific milestones, with a 10% lump sum upon establishment of a suitable legal entity in Campania. Thus, the disbursement of the remaining 90% of the cash prize will be ruled by the agreement signed both by the winning team and IMAST which could provide the delay of payment for more than one year. The contract foresees that:
 3. the total sum will be deposited on a special account at a indicated bank by IMAST and it will be entitled to the winning team;
 4. € 20,000 will be issued at the setting up of the company (i.e. VAT number); and € 180,000 will be paid by draw down, upon IMAST approval of an annual budget to be submitted by the winning team.
 5. The winner of the € 300.000 polymer-based materials Grand Prize will be announced by the Contest Jury on 27 November 2009. In case of draw between two or more teams, according to the scores and evaluation of the Contest Jury, IMAST reserves the right to split the Grand Prize and reward more than one team.
 6. IMAST reserves the right to disqualify the winning team/teams and take back the total amount or part of the Grand Prize already assigned in case of verification that the team/teams have provided false information.

JUDGING CRITERIA AND EVALUATION PROCESS

- Nanochallenge and Polymerchallenge 2009 is not an academic competition, and it does not reward the best written Business Plan itself. The judges function as venture capital investors deciding which business venture they would most likely fund. Ultimately, the winning teams will be the teams the judges would most likely invest their money in. To this end, judges will be asked to evaluate plans based upon their likelihood of actually becoming a viable business in Italy. This consideration will include factors such as: the degree of creativity and innovation embodied in the technology and business idea, the suitability of the strategy for taking advantage of the opportunity, the team's capability to implement the plan, and the rationality of its economic structure (capital needed, revenue and profit potential, as well as the time line to profitability, and the exit strategy). However, teams should presume the enhanced attractiveness of a well-structured piece of work.
- Two different judging panels are set up to evaluate contestants:
 1. Concept Jury: the jury is composed of judges representing the Italian business and scientific environment. They will select the best finalist teams for the nanotechnology and for the polymer-based materials category among the executive summaries submitted by July, 14. In order to classify the projects, each judge will be given a guiding scorecard to facilitate the standardisation of evaluations and make them comparable.
 2. Contest Jury: the jury is composed of judges representing the international business and scientific environment. They will be the judging panel for the Final Contest presentations on 26 and 27 November 2009. Members of this jury will be divided into two subgroups:
 - ✓ Business/management committee: professionals chosen among different VC firms, entrepreneurs, managers, consultants, etc.
 - ✓ Scientific/technology committee: illustrious professors chosen among important worldwide universities, experts in the major nanotechnology and advanced polymer-based materials related issues. The committee will be formed after the selection of the most promising business projects has been made, in order to grant a scientific view in line with the ideas that will be presented at the Final Contest.

EXECUTIVE SUMMARY SUBMISSION REQUIREMENTS

- After the on-line registration, entry teams will receive the Executive Summary Model and are to submit the executive summary of their business project by July 14, 2009 at 11:59 p.m. (GMT + 1.00h). The executive summary must be emailed to info@nanochallenge.com in PDF format. Confirmation will be given within 24 hours of receipt. The executive summary must be drawn according to the model that registered teams will receive from the Organizing Committee. The executive summary must not exceed 4 pages (not including title and appendices) of text typed, single spaced, 10 or 12 font size, and at least 2 cm margins on all sides. Detailed spreadsheets and appropriate appendices should follow the text portion of the executive summary, and will not be counted in the 4 page limit. However, each team should presume the judging panel will not necessarily read the appendices. Nevertheless, appendices should be included only as support to the findings, statements and observations presented.
- Executive summaries must be written in English.
- Each entry team must indicate a reference for the verification of the contents of the executive summary submitted. If necessary, this reference will act as a point of contact during the preliminary screening by the Organising Committee.
- Verification of falseness of pieces of Information contained in the Executive Summary will involve disqualification of the team from the competition, even after the first selection
- Teams stating to own a patent of their technology must enclose copy of it as appendix
- Executive summaries must include/address the following:
 1. Business concept: explain your idea and its innovation. Be direct and effective. Basically, how you would describe your business to a potential investor/customer.
 2. Opportunity and strategy: Focus on the existing problems/needs you solve/meet with your services or products. Highlight the primary benefits your idea brings to customers and how you will tackle them.
 3. Technology: Outline the technology at the base of your business idea. Do not be too technocratic, focus on the core technological features of your offering. For specific information about the technology involved use the appendices. Describe your position regarding the protection of Intellectual Property.
 4. Market analysis and competitive advantage: Describe the target market, how big it is and which are its key features and trends. Highlight why customers would buy the products, and the market opportunity for sustainable margins and growth in the long term. Consider who competitors are and how your company would face them. Highlight your competitive advantage and entry barriers for potential competitors. Keep the focus on the keys to success in your competitive environment.
 5. Economics and financials: Explain in more detail the assumptions used for revenues and expenses projections. Give an essential prospect on when cash flow would become positive. Outline your capital needs and what you would use such capital for. Try to be as clear as possible so the judges can see what your business potential is.
 6. Team and organisation: Give a short summary of each team member's background, what they would bring to the company, and how he/she would help the company to succeed. Briefly describe an implementation plan, with milestones and key success factors. Consider mentioning existing and potential risks involved.

7. Appendices: Any additional detailed or confidential information that could be useful to the readers of the executive summary but not appropriate for distribution can be presented here. Appendices can be: detailed technology description; patents; market studies; highlights of Profit and Loss statement and/or Balance Sheet; etc.

BUSINESS PLAN SUBMISSION REQUIREMENTS

- Selected teams are required to submit a complete business plan by October 30, 2009 at 11:59 pm (GMT + 1.00h). The business plan must be emailed to info@nanochallenge.com in PDF format. Confirmation will be given within 24 hours of receipt. Business plans must not exceed 20 pages of text typed, single spaced, 10 or 12 font size, and at least 2 cm margins on all sides. Detailed spreadsheets and appropriate appendices should follow the text portion of the business plan, and will not be counted in the 20 page limit. However, each team should presume the judging panel will not necessarily read the appendices. Nevertheless, appendices should be included only as support to the findings, statements and observations presented.
- Business Plans must be written in English.
- Financial data should include a cash flow statement, income statement, and balance sheet. Include an explanation of the offering to investors indicating how much money is required, how it would be used, and the proposed structure of the deal (i.e., stock, debentures, etc.). The team is not required to reveal its desired deal, although the judges may ask questions about it. Furthermore, delineate the possible exit strategies.
- A useful set of guides and resources for structuring the business plan will be provided to each finalist team after the first selection.
- Verification of falseness of pieces of Information contained in the Business Plan will involve disqualification of the team from the competition, even after the first selection
- Teams stating to own a patent of their technology must enclose copy of it as appendix

CONFIDENTIALITY AND INTELLECTUAL PROPERTY

- Confidentiality and non-disclosure agreements will be signed by all Nanochallenge and Polymerchallenge 2009 representatives with direct access to information relating to a given submission. These agreements will remain in effect for twelve (12) calendar months after the public announcement of the winners of the Competition.
- The Organisers and Affiliates of the Competition will take all reasonable measures to preserve the confidentiality of business plans submitted, and to ensure that all teams and team members retain all rights to ideas and intellectual property, as applicable. Nevertheless, they cannot take further responsibility to protect the intellectual property or other rights of the contestants.
- The Competition does not share submissions with any parties outside of the judging panel, neither before nor following the Competition, unless there is a written authorisation by the team itself.
- The Competition will require each team to provide a short description of the Business Project that is appropriate for publication in publicly available promotional materials. Please ensure that this short description does not include any proprietary information of your idea.
- The protection of intellectual property (other than that of the Organising Committee) remains the sole responsibility of the team and is encouraged.