

GUIDELINES FOR DISCUSSIONS WITH P&G AT ACA LEADERS WORKSHOP

P&G welcomes the opportunity to interact with ACA members at the upcoming Leaders Workshop. We hope there are companies in your portfolio (or which you are mentoring or otherwise aware of) which might be of interest to P&G, and where there could be an opportunity for joint value creation. (Please see next page for a sampling of P&G's areas of interest.)

Note that there are three possible outcomes after the conversation:

1. P&G advises immediately that the opportunity is not an area of interest. This could be because the opportunity falls outside of strategic areas for P&G, would likely be too small to warrant P&G resource investment, etc. In this case, we will be happy to suggest other contacts for the innovation if we have any.
2. P&G indicates the opportunity is of potential interest. In this case, non-confidential materials provided will be shared with relevant subject matter experts at P&G. This subsequent review typically takes 2-8 weeks depending on the complexity of the submission. Following this, we will advise whether we wish to progress to further diligence or not.
3. P&G asks for additional non-confidential information to assess whether there would be interest or not.

The guidelines below are designed to help make these brief discussions as mutually productive as possible.

- Please provide only non-confidential information. Often we see that stock presentations by start-ups and entrepreneurs contain a "confidential" flag on them. Please note that we cannot accept or review any information so designated at our initial discussion.
- In general, we are looking for innovations which have protectable intellectual property, typically in the form of a granted patent or published patent application. In some instances other form of established ownership might be sufficient. If the innovation is not yet at this stage, please provide perspective on overall IP strategy and timing.
- Help us understand the few critical elements of the innovation. This will clearly vary depending on whether the innovation is a new digital marketing app, a new molecule, a supply chain intervention, or something else. Broadly, we want to learn:
 - What makes this innovation special?
 - Address an unmet need for consumers
 - Represent a superior upgrade or improvement to solutions currently in use
 - Offer a significantly better value to consumers
 - Increase productivity and/or decrease costs
 - Increase efficiency (e.g. manufacturing, marketing, etc.)
 - Develop a new product category
 - What is the stage of development of the innovation (proof of concept, prototypes, lab bench quantities, ready for market, in market, etc.)
 - What is the expected business model? How would the entrepreneur anticipate making money (licensing, supply, direct commercialization, etc.)
 - What critical challenges remain to be addressed, and what are the key next steps in development, and timings?

We are often asked how P&G might work with a start-up, and what a typical deal structure might be. The answer is, it depends. We strive to create the simplest underlying deal structure that can incentivize the right behavior and support value creation for both sides. We use joint develop agreements, option agreements, in-licenses of patents or other IP, etc. Structures such as equity investments, joint ventures or acquisition are always available to us, but tend to be much more complicated for both sides and are used rarely. Importantly, we focus our early discussions on the hypothesis for what joint value could be created, what would need to be true, etc., with deal structuring questions usually following.

P&G NEEDS

As the world's leading consumer packaged goods company, with over 300 brands worldwide and sales of roughly \$85 billion, our innovation needs are vast. The information below is intended to provide some guidance on areas most likely to be of strategic interest to P&G. However, please do not be limited by these areas, as we are happy to consider innovations in other fields.

Product Innovations	Beauty & Grooming	<ul style="list-style-type: none"> • Skin care products at the intersection of health and beauty • Products that promote hair growth or the appearance of fuller, more youthful hair
	Household Care	<ul style="list-style-type: none"> • Device-enabled cleaning • Disinfection
Business/Commercial Innovations	Digital Marketing	<ul style="list-style-type: none"> • Capabilities to curate, create, and distribute digital content • Digital capabilities that increase purchase opportunities at every consumer touch point by reducing "friction" • Digital capabilities to better reach consumers in developing markets
	Market Research	<ul style="list-style-type: none"> • Predictive analytics • Big data solutions to analyze consumer habits and practices, and identify unmet needs
	Supply Chain	<ul style="list-style-type: none"> • Flexible/mobile manufacturing • High-speed filling
Technology	Packaging	<ul style="list-style-type: none"> • Improved dosing • Novel delivery systems and applicators • High quality/low cost/novel decoration methods • E-Commerce compatible packaging
	Films	<ul style="list-style-type: none"> • Improved barrier properties
	Particles	<ul style="list-style-type: none"> • Improved deposition, retention and protection of actives • Core-shell type micro-capsule manufacturing
	Chemistry	<ul style="list-style-type: none"> • Long-lasting cleaning of surfaces • Surface aesthetics enhancements
	Life Sciences	<ul style="list-style-type: none"> • Novel ingredients that improve skin health or reduce signs of aging • Chemistry that can improve transportation of biological actives across the skin barrier • Biofilm reduction/prevention
	Devices	<ul style="list-style-type: none"> • Very low cost sensors • Hair removal devices
Innovation Productivity		<ul style="list-style-type: none"> • Rapid prototyping