

# Coles Nurture Fund

## Application Guidelines



# 1. Background

In April 2015, Coles established the Nurture Fund to help small to medium sized businesses in Australia's food and grocery sector to innovate and grow.

From Australia's first quinoa processing facility, to fence posts made from recycled plastic, and a state-of-the-art factory to grow grass indoors, the Coles Nurture Fund (CNF) supports businesses to develop new market-leading products, technologies, systems and processes.

Together we hope to drive innovative and sustainable practices, differentiation, extended growing seasons and reduce imports.

To be eligible, businesses must demonstrate that they are seeking funding for a project which is unique, drives innovation and provides outstanding sustainability benefits.

Applicants must generate less than \$25 million in annual revenue and 50 or fewer full-time employees. Businesses don't need to be a supplier to Coles to apply.

The maximum single amount provided under the CNF is \$500,000.

# 2. Applications

## 2.1 CNF Application Forms

Application forms for the Coles Nurture Fund will be available when applications open at [www.coles.com.au/nurturefund](http://www.coles.com.au/nurturefund)

## 2.2 Required Information

So that Coles is in a position to properly and fairly evaluate an application to the Nurture Fund, the Applicant must provide detailed and true information on the proposed project for which CNF funding is sought.

This information would include but is not limited to, recent financial records and key governance and management systems of the Applicant's business. The specifications for the information required by Coles for the purposes of evaluating a CNF Application are detailed in the CNF Application Form.

Applications should also provide material to demonstrate the potential value of the project across several key measures, including but not limited to commercial potential, adoption of innovative technology, economic impact, and level of strategic alignment with the food and grocery sector in areas such as fresh produce, food processing, grocery, energy efficiency, logistics/transport, IT and packaging. Applicants will also be asked to demonstrate where they can achieve productivity improvements and capture new market opportunities through additional investment.

## 2.3 Possible questions that may be asked during the CNF Application and Evaluation Process

Some of the questions the Applicant may be required to answer during the CNF application and evaluation process include but are not limited to:

- Why is the Applicant applying for support from the CNF?
- How will the support from the CNF be used by the Applicant?
- What assets may need to be purchased, and what entities would supply goods and services required by the project?
- What business debt does the Applicant have, and who are the Applicant's creditors?
- Who are the members of the Applicant's management team?
- Is the proposal market-ready?

# 3. Eligibility criteria

## 3.1 Eligibility

To be eligible for funding from the CNF Applicants must:

- (a) have a turnover that is less than \$25,000,000 per annum;
- (b) employ no more than 50 full time employees (excluding casual seasonal labour);
- (c) have a registered Australian Business Number;
- (d) have been trading for a minimum of two years;
- (e) provide financial statements for a minimum of the previous two financial years;
- (f) demonstrate the project is unique and drives innovation, and provides outstanding sustainability benefits;
- (g) provide a funding declaration from an external accountant on the accountant's company letterhead confirming ability to fund applicant's share of project costs and solvency.

To be eligible to apply for the Coles Nurture Fund all of the above criteria must be met.

Applicants that have already secured co-investments for their project from other entities will be considered.

However, funds cannot be allocated for general operational expenses including purchase of real estate, rent, utilities, marketing or remuneration for existing staff. Nor can funds be used as security to obtain, or comply with, any form of loan, credit, payment or other interest or for the preparation of, or in the course of, any litigation.

## 4. Indicative timing and process

### 4.1 Process

The Applicant should complete its CNF Application Form online and submit it via email to the Coles Nurture Fund Inbox: [nurturefund@coles.com.au](mailto:nurturefund@coles.com.au). Attachments must be included with the Application Form.

Receipt of applications will be acknowledged by email.

Coles will evaluate the CNF Application in accordance with the evaluation criteria and objectives of the Coles Nurture Fund. CNF Applications will be shortlisted and these will be reviewed by the executive evaluation panel, assisted by independent industry advice where required.

### 4.2 Coles Nurture Fund Application timelines

The tenth round of funding opens on Friday, 14 January 2022 and closes at 5pm AEST on Friday, 25 February 2022.

### 4.3 Coles Nurture Fund and maximum funding amount

The maximum single allocation of funds under the CNF is \$500,000.

### 4.4 Executive evaluation

A panel of Coles representatives (including members of the Coles Executive Leadership Team) will evaluate Applications in accordance with the evaluation criteria and upon competitive, merit-based principles. The panel that evaluates the CNF Applications may also be assisted by independent industry advisors and consultants, as reasonably required by Coles for the purposes of completing evaluations.

### 4.5 Meetings with Coles

As a part of the CNF evaluation process, Coles may require CNF Applicants to attend meetings as reasonably required by Coles. If Coles requires the Applicant to attend any meetings, Coles will provide the Applicant with reasonable notice.

# 5. Terms and conditions

## 5.1 Reservation of Coles rights

Coles may in its absolute discretion:

- request clarification or further information in relation to a CNF Application;
- accept or reject any CNF Application Form submitted after the closing date;
- accept or reject the whole or part of any CNF Application Form to the extent, in the case of part acceptance, that part of the CNF Application is capable of partial acceptance and whether it is an option included in the CNF Application or otherwise;
- accept or reject:
  - (i) the lowest amount of funding sought in a CNF Application;
  - (ii) the best CNF Application; or
  - (iii) any CNF Application;
- consider or accept, or refuse to consider or accept, any non-conforming CNF Application;
- vary the CNF Application process at any time in which case Coles will provide the Applicant with reasonable notice to this effect;
- at any time terminate the CNF Application process or suspend any part of the process with respect to any Applicant;
- vary the eligibility criteria, in which case Coles will provide applicants with reasonable notice to this effect; and
- vary the total aggregate amount allocated to the CNF in any year.

Applicants have no claim against Coles in connection with the exercise or the failure to exercise any of the rights of Coles.

## 5.2 No collusion

The Applicant must not engage in collusion, anti-competitive conduct or any similar conduct with another person involved with a competing CNF Application. If Coles reasonably believes there has been a failure by the Applicant to comply with this clause, Coles may exclude the Applicant from further participation in the CNF Application process without any claim for compensation or other liability the Applicant may allege against Coles.

## 5.3 License to Coles and Disclosure Rights

The Applicant grants Coles and its Related Bodies Corporate an irrevocable, non-exclusive, royalty-free licence to use and reproduce and modify the whole or any part of a CNF Application or any other documentation or information provided by the Applicant as part of the CNF Application process, only for the purposes of evaluating the CNF Application Forms, and providing support from the CNF pursuant to a CNF Funding Agreement.

## 5.4 CNF Agreements

Coles may in its discretion at any time after the closing time on the closing date select any CNF Applicant as a preferred Applicant to receive funds from the CNF.

Coles will not be seeking equity in any entity that receives funds from the CNF. However, prior to receiving funding from the CNF, Applicants must first enter into a CNF Agreement with Coles.

The Applicant acknowledges and agrees that if the Applicant is not selected to negotiate a CNF Agreement with Coles, the Applicant will not have any recourse against Coles in relation to Coles' decision to select another Applicant or any other person with whom to sign a CNF Agreement.

## 5.5 Confidentiality of CNF Applications

Coles will not disclose any submitted CNF Application Form to any person other than to the employees, consultants and advisors of Coles who require access to the submitted CNF Application Forms for the purposes of evaluating the CNF Application Forms.

## 5.6 Coles decisions are confidential

Final decisions whether to grant funding are confidential and Coles does not provide details of decisions made in connection with the CNF Application evaluation process.

## 5.7 Coles not liable

To the extent permitted by law, Coles and its Related Bodies Corporate and their respective directors, officers, employees and consultants are not and will not be under any liability, whether arising from negligence or otherwise, for any representation contained in or any omission from the CNF Applicant Form or for any error, inaccuracy, incompleteness or other defect in the CNF Application Form or this CNF Guide for Applicants.

## 5.8 Applicants to seek independent advice

The receipt of funding from the CNF may have taxation and legal implications for Applicants. Coles recommends that all Applicants obtain independent GST, taxation and legal advice in relation to the rights and obligations that may arise as a result of entering into a Funding Agreement with Coles.