

DECEMBER 17, 2024

**102338 - REJUVINATE DRUGSTORE**

**175215010 - Poblacion I (VICTORIA (ORIENTAL MINDORO))**

Dear Valued Trade Partner:

The following are the agreed program details of **2025 PHARMACY ACCESS PROGRAM**:



ACTIVITY NAME	2025 PHARMACY ACCESS PROGRAM																																		
OBJECTIVES	<ul style="list-style-type: none"> <li>Drive ease of shopper navigation and earn an incentive by compliance to execution of prescribed IFFO GUM home shelf planogram.</li> <li>Earn Incentive as we ensure availability of Must Have skus as Pharmacy is an important recruitment and go-to channel for Milk.</li> <li>Create shopper excitement and increase shopper basket by highlighting corporate brands (non-milk code) during Power Period Campaigns</li> </ul>																																		
DURATION	January 01, 2025 - December 31, 2025																																		
	<b>MECHANICS:</b> <p>These are the main payout criteria of the Growth Incentive Program:</p> <table border="1"> <thead> <tr> <th>PAYOUT CRITERIA</th> <th>Incentive Weight</th> <th>Annual Incentive</th> </tr> </thead> <tbody> <tr> <td>1. Availability via brand and stage representation</td> <td>70%</td> <td>30,201.61</td> </tr> <tr> <td>2. Market Hygiene Reduction</td> <td>30%</td> <td>12,943.55</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>100%</b></td> <td><b>43,145.15</b></td> </tr> </tbody> </table> <p>Please see below for the details of each criteria:</p> <p><b>(1) Compliance to Home Shelf Planogram of IFFO GUM, Children's Milk, Adult Milk</b></p> <p>IFFO GUM Homeshelf will be measured based on the following:</p> <ul style="list-style-type: none"> <li>Planogram compliance will be Quarterly by a third party agency via a Digital Image Recognition Program</li> </ul> <p>Payout basis as follows:</p> <ul style="list-style-type: none"> <li>Compliance to Share of Shelf for products of Nestle Infant Nutrition, Wyeth Infant Nutrition and Bear Brand Junior, NHS (If Applicable)           <ul style="list-style-type: none"> <li>Bear Brand Powdered Milk, Bear Brand Adult Plus, Cerelac,</li> </ul> </li> <li>Compliance to Brand Arrangement</li> </ul> <table border="1"> <thead> <tr> <th>Categories</th> <th>Agreed Share of Shelf Target in Inches</th> <th>Incentive</th> <th>Incentive</th> </tr> </thead> <tbody> <tr> <td>Nestle Infant Nutrition: NAN, Nestogen, Nido GUM</td> <td rowspan="6"><i>See attached Planogram to see SOS Target</i></td> <td rowspan="6"><i>See attached Planogram to see SOS Target</i></td> <td>5,393.14</td> </tr> <tr> <td>Wyeth Infant Nutrition: S26, Promil, Bonno, Bonikid</td> <td>7,550.40</td> </tr> <tr> <td>Bear Brand Junior</td> <td>7,550.40</td> </tr> <tr> <td>Bear Brand Powdered Milk</td> <td>1,078.63</td> </tr> <tr> <td>Bear Brand Adult Plus</td> <td></td> </tr> <tr> <td>Baby Food in Diaper Section NHS Products (If Applicable)</td> <td></td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>21,572.58</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Payout is on a per category achievement of Share of Shelf and brand arrangement.</li> <li>Share of Shelf measurement will be taken in Inches. Measurement will include placement of participating brands in home shelf only.</li> <li>Share of Shelf Target is computed based on our agreed measurement</li> </ul> <p><b>(2) Availability of Must Have skus</b></p> <ul style="list-style-type: none"> <li>Must Have availability will be measured either via (1) On Shelf Availability (OSA) score c/o our Merchandisers or (2) Repurchase Rate for 3-Month Period via Distributor data</li> <li>Payout will be based on the total availability score of all Must Have skus:</li> </ul> <p>OSA based measurement: Target is 95% monthly Repurchase based measurement: Target is 85% 3-Month Everbought</p> <ul style="list-style-type: none"> <li>See attached list of Must Have skus for your store.</li> <li>Full Year Incentive Pot: <b>8,629.03</b></li> </ul> <p><b>(3) Market Hygiene Reduction Program</b></p> <ul style="list-style-type: none"> <li>Participate in Nestle's Market Hygiene Reduction Initiatives for 2024</li> <li>2x a year GWP</li> <li>Visibility of warehouse and store Inventory</li> <li>Inclusion in Stock Rotation Tool Report</li> <li>Run your own In-store Market Hygiene Reduction Initiatives such as (but not limited to): Proper BO warehouse segmentation Increasing warehouse palletizing space for Nestle Products In-Store clean up/Infestation Initiatives</li> <li>A tiered Incentive for reduction in Market Hygiene will be awarded on a Quarterly basis. See sample tiering below:</li> </ul> <p>Full Year Incentive Pot: <b>12,943.55</b></p>			PAYOUT CRITERIA	Incentive Weight	Annual Incentive	1. Availability via brand and stage representation	70%	30,201.61	2. Market Hygiene Reduction	30%	12,943.55	<b>TOTAL</b>	<b>100%</b>	<b>43,145.15</b>	Categories	Agreed Share of Shelf Target in Inches	Incentive	Incentive	Nestle Infant Nutrition: NAN, Nestogen, Nido GUM	<i>See attached Planogram to see SOS Target</i>	<i>See attached Planogram to see SOS Target</i>	5,393.14	Wyeth Infant Nutrition: S26, Promil, Bonno, Bonikid	7,550.40	Bear Brand Junior	7,550.40	Bear Brand Powdered Milk	1,078.63	Bear Brand Adult Plus		Baby Food in Diaper Section NHS Products (If Applicable)		<b>TOTAL</b>	<b>21,572.58</b>
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Wyeth Products will also be included in the following

1. Compliance to IFFO GUM Home shelf planogram – Wyeth share of shelf and brand arrangement will also be included in the audit and payout incentive.
2. Availability of Must Have skus - Combined Report of OSA or Repurchase Rate of Nestle and Wyeth participating brands will be the basis of incentive

#### GUIDELINES ON PRODUCT DISPLAY

- For Food and Beverages Category, Account shall display Nestle SKUs within the category home shelf in accordance with its planogram additional visibility in front end caps, or special display near promo section and check out counters are included in the measurement.
- For Infant Nutrition and GUM category, products should be within the designated IFFO GUM Homeshelf Only.
- Account shall allow a third-party merchandising agency to check Account's planogram execution based on the following schedules:
  - Shelf Reset: Jan – March
  - Digital Image Recognition – May, August, October

#### GUIDELINES ON MILK CODE COVERED PRODUCTS

Nestle Philippines, Inc. (NPI) strictly follows and abides by the provisions of Executive Order No. 51 or the National Code of Marketing of Breastmilk Substitutes in the Philippines and the 2006 Revised Implementing Rules and Regulations of EO 51, specifically:

##### Section 6(c) Executive Order No. 51 Section 23 Revised Implementing Rules

There shall be no point of sale advertising, giving of samples or any promotion devices to induce sales directly to the consumers at the retail level, such as special displays, discount coupons, premiums, special sales, bonus and tie-in sales for the products within the scope of this Coda.

There shall be no point of sale advertising, giving of samples or any promotion devices to induce sales directly to the consumers at the retail level, such as special displays, discount coupons, premiums, rebates, special sales, bonus and tie-in sales, loss-leaders, prices or gifts for the products within the scope of this Coda.

In line with this, targets can only be incentivized if there is no violation of EO 51 and its implementing rules.  
As such, the following are strictly prohibited in the implementation of the Growth Incentive program:

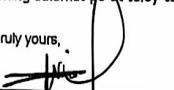
- Special displays of products covered by the Milk Code (0-36 months products), which include window displays (e.g. product's front-of-pack facing outside window); or
- Any type of promotion for products covered by the Milk Code (0-36 months products) directed at consumers at the retail level or shoppers at stores

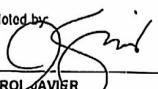
MODE OF PAYMENT	Credit Memo
OTHERS	<p>VALUE CHAIN SOLUTIONS, INC reserves the right to discontinue the Program upon thirty (30) days prior written notice to you. You may terminate your participation in the Program by giving Distributor at least thirty (30) days prior written notice.</p> <p>Account shall secure Distributor's written approval prior to the production and release of any promotional, marketing, or advertising material. Account recognizes that the copyright and trademarks on all Nestlé-branded products are the property of Société des Produits Nestlé, S.A. ("SPN"), and it shall not do any act that tends to or will jeopardize the continued validity or enforceability of the rights of SPN or Nestlé with respect to such trademarks. Account shall exercise reasonable care to avoid any action that would diminish or jeopardize the goodwill and reputation associated with such intellectual property.</p> <p>By signing this Agreement, the account owner/s or customer/s consents to the processing of their personal data, including name, address, contact information, financial data, transaction history or other related information, for the purpose of facilitating the agreement and ensuring its proper implementation, monitoring and turnover, in compliance with all applicable data protection laws and regulations. The account owner/s or customer/s' consent includes consent to the use of their personal data by the Distributor's Principal which includes Nestle Philippines, Inc. and/or Wyeth Philippines, Inc., and, and its succeeding distributors, as may be applicable for the purposes stated and/or related to this agreement.</p>
Total Budget with VAT	P 48,322.57

Sa pamamagitan ng pagbibigay ng hotspot visibility sa mga produkto ng Nestle, nariniwala kami na mas lalo pa natin mapapabilis ang bentahan sa ating tindahan.

Maraming salamat po at tuloy-tuloy tayong magtulungan sa ikauunlad ng ating negosyo.

Very truly yours,

  
N07 - Ericson Arca  
SALES REPRESENTATIVE  
VALUE CHAIN SOLUTION INC.  
12-21-24  
Date signed

Noted by:  
  
ERROL JAVIER  
GENERAL SALES MANAGER  
VALUE CHAIN SOLUTION INC.  
12/17/2024  
Date signed

Conformed:  
  
RIZAL ENTEBAN  
Signature Over Printed Name  
POSITION: Owner  
Account Name: 102338 - REJUVINATE DRUGSTORE  
12-21-24  
Date signed