

Official Competition Rules

SUBMISSION OF AN ENTRY IS REQUIRED TO ENTER. NO ADDITIONAL PURCHASE NECESSARY. AN ADDITIONAL PURCHASE WILL NOT INCREASE YOUR CHANCES OF WINNING. MUST BE AGE OF MAJORITY OR OLDER IN YOUR PLACE OF RESIDENCE. VOID WHERE PROHIBITED BY LAW. By entering the Merck Predict Molecular Activity competition (the "Competition"), participants agree to be bound by these Official Competition Rules (the "Official Rules"). The Contest commence no later than at 12:00:01 a.m. Coordinated Universal Time ("UTC") on August 21, 2012 and ends at 11:59:59 p.m. UTC on October 16, 2012 (the "Competition Period").

Sponsor. The Competition is sponsored by Merck & Co., Inc. ("Sponsor" or "Competition Sponsor"), located at PO Box 100, Whitehouse Station, NJ, 08889-0100, USA.

Competition Objective. The objective of the Competition is to develop an algorithm that uses available Merck-provided biological activity and molecular descriptor data to predict biological activity.

Eligibility. The Competition is only open to individuals who are the age of majority or older in their places of residence as of time of registration. You are not eligible to participate in the Competition if you are a resident of Cuba, Sudan, Iran, North Korea, Syria or any other country designated by the United States Treasury's Office of Foreign Assets Control (see <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx> for additional information). Officers, directors, employees and advisory board members (and their immediate families and members of the same household) of Sponsor, Kaggle Inc. and their respective affiliates, agents, judges and advertising and promotion agencies (collectively, the "Competition Entities") also are not eligible to participate in the Competition. All federal, state, and local laws apply.

Registration. If you meet the eligibility requirements and would like to participate, then you must first complete the registration process at <http://www.kaggle.com/account/register> (the "Website") within the Competition Period. After you complete the registration process, you will receive access to the Data (described on the Competition page) that will enable you to develop and submit one or more Entries (as defined below). All Entries must be received during the Competition Period. To register, visit the Website and follow the onscreen instructions to complete and submit your registration. All of the registration information that you provide is collectively referred to as your "Account". (If you have already created an Account at www.kaggle.com, enter your user name and password and follow the on-screen instructions).

After you register individually, you may join a team (a "Team"), only if expressly permitted by these rules below, but you may register only once. If you register for the Competition more than once, you will be, and the remainder of your Team may be, disqualified in Sponsor's sole discretion.

You acknowledge and agree that you are solely responsible for abiding by your employer's policies regarding participation in the Competition. Sponsor disclaims any and all liability or responsibility for disputes arising between an employee and employer related to this Competition.

Once you have completed the registration process, you or your Team will be provided with access to the Data that you use to develop your Entries.

BY ENTERING THE COMPETITION YOU ACCEPT THE CONDITIONS STATED IN THESE OFFICIAL RULES, AGREE TO BE BOUND BY THE DECISIONS OF THE JUDGES AND WARRANT THAT YOU ARE ELIGIBLE TO PARTICIPATE IN THE COMPETITION. IF YOU DO NOT ACCEPT ALL OF THESE OFFICIAL RULES, THEN PLEASE DO NOT REGISTER FOR THE COMPETITION. WE RECOMMEND THAT YOU PRINT OUT A COPY OF THESE OFFICIAL RULES FOR YOUR FUTURE REFERENCE.

Teams. You may participate in the Competition individually or as a member of a Team. The maximum number of members that could be in a Team will be specified on the Competition page and each Team member must register individually. Multiple Teams from the same institution/organization are allowed, provided that no individual serves on more than one Team. You may not participate in the Competition individually if you are a member of a Team.

One Team member must serve as the Team leader. Initially, the Team leader will be the Team member who first completes the "Team Wizard" on the Website. You will not be considered a member of a Team unless and until you confirm your Team membership by responding to the Team notification message available through your Account.

In Sponsor's discretion, Teams may be permitted to merge. Team merger requests must be made via the Website before 12:00 pm UTC on October 7, 2012. Each registered individual or Team is referred to as a "Participant" in these Official Rules.

Use of Other Data. Participants may not use external data other than the Data provided to develop and test algorithms and Entries. Sponsor reserves the right in its sole discretion to disqualify any Participant who Sponsor discovers has undertaken or attempted to undertake to incorporate external Data.

Entry Submissions. Each Entry must be uploaded to the Website in the manner and format specified on the Website. All Entries must be received during the Competition Period. An "Entry" is the data submitted in the manner and format specified on the Website via the Website on Entry form. Participants may submit two (2) Entries during each calendar day of the Competition Period. Sponsor reserves the right to request that a Participant submit the algorithm associated with an Entry to Sponsor.

Selection of Winner(s). Up to three (3) Participants may be selected as winners of the Competition (each, a "Prize Winner").

Participants' scores and ranks on the Leaderboard on the Website will be based on a metric calculated from the predicted results in the Entry and the ground truth of a validation dataset whose instances were a fixed set sampled from the Data in the beginning. Until the last day of the competition (October 14, 2012), the scores and associated ranks on the Leaderboard on the Website are based on the predicted results and that of the rest of the testing dataset. This entails that the top-ranked Participant(s) at the time when the competition ends is/are the Prize Winner(s).

The evaluation metric will be displayed on the Competition page. For a detailed definition of the metric, please refer to the tab "Evaluation" on the Competition page.

Prize awards are subject to verification of eligibility and compliance with these Official Rules. All decisions of the Sponsor and judges will be final and binding on all matters relating to this Competition.

Prize and Conditions. The Prize Winner(s) will be notified and announced on or around October 16, 2012 on the Website.

The First, Second, and Third place Prize Winner(s) will receive **\$22,000, \$10,000, and \$6,000, respectively** (awarded as a check payable to the respective Prize Winner(s)).

If a Team wins a prize, all Team members must submit a single written statement describing how the prize is to be allocated among the Team members. If the Team fails to submit such statement within 30 days after Sponsor requests it, then Sponsor will distribute the prize among Team members in equal shares and will have no further obligation to winning Team members.

As a condition of receipt of the prize, winner must deliver the algorithm's code and documentation to Sponsor. The source code must contain a description of resources required to build and run the algorithm. The winner and if winner is a Team, each individual Participant on the winning Team will also be required to complete, sign and return a Declaration of Eligibility, Non-Exclusive License, and Release Form. The prize may be awarded to an alternate winner if the required documentation is not returned within thirty (30) days after mailing to winner, if prize notification letter/email or prize is returned as undeliverable or if winner does not respond to an email or other communication from Sponsor within ten (10) days of the date sent. Allow thirty (30) days for prize delivery. By accepting any prize/award, Winner agrees to allow Kaggle and/or the Competition Sponsor to disclose Winner's first name, first initial of last name, and city of residence, as well as prize information to the extent required by law, and if so required by law, Winner agrees to the disclosure of additional personal information, all without additional compensation.

Sponsor is responsible only for prize delivery and is not responsible for prize utility or otherwise. No substitution or transfer of prizes is permitted. All taxes, fees and expenses associated with participation in the Competition or receipt and use of a prize are the sole responsibility of the Prize Winner(s).

Participant Representations. By submitting an Entry, each Participant represents that he/she/it has the unrestricted right to submit the Entry and that the Entry (i) was not previously published and has not won any other prize/award, (ii) is the exclusive original work of the Participant (and his/her/its Team, if applicable), true and verifiable, (iii) is not unlawful or plagiarized, as determined by Sponsor in its sole discretion, (iv) does not violate or encourage others to violate any applicable law, statute, ordinance or regulation, (v) does not infringe, misappropriate or violate any third party's copyright, trademark, patent, literary, trade secret, privacy, publicity, proprietary, contractual or other right; and (vi) does not include any virus, worm, corrupt file, Trojan horse or other forms of corruptive code or content that may harm or compromise the Website and/or the proper conduct of the Competition.

Confidentiality.

1. **Confidential Information Defined.** As used in this Section, "Confidential Information" means the Competition Sponsor Materials, and any information provided by Kaggle hereunder, whether of a technical, business, or other nature (including, without limitation, information relating to a party's technology, software, products, services, designs, methodologies, business plans, finances, marketing plans, Sponsors, prospects, or other affairs), that is received by Participant. The term, "Confidential Information" will also mean and include the following: Confidential Information will also include the formula or algorithm which produces the predicted values, submitted by the Winner as part of an Entry.

2. **Exclusions.** Participant's obligations under this Section as to the disclosing party's Confidential Information does not include any information that Participant can document: (a) was known to Participant prior to receiving the same from the disclosing party in connection with this Agreement; (b) is independently developed by Participant without use of or reference to the Confidential Information of the disclosing party; (c) is acquired by Participant from another source without restriction as to use or disclosure; or (d) is or becomes part of the public domain through no fault or action of Participant.
3. **Nondisclosure.** In consideration of the terms and conditions of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, during and after the term of this Agreement Participant will: (a) use the disclosing party's Confidential Information solely for the purpose for which it is provided; (b) not disclose the disclosing party's Confidential Information to a third party unless the third party must access the Confidential Information to perform in accordance with this Agreement and the third party has executed a written agreement that contains terms that are substantially similar to the terms contained in this Section; and (c) maintain the secrecy of, and protect from unauthorized use and disclosure, the disclosing party's Confidential Information to the same extent (but using no less than a reasonable degree of care) that Participant protects its own Confidential Information of a similar nature. If Participant is required by law or by any governmental or semi-governmental agency or court to disclose the disclosing party's Confidential Information or the terms of this Agreement Participant must give prompt written notice of such requirement to the disclosing party before such disclosure and assist the disclosing party in attempting to obtain an order protecting the Confidential Information from public disclosure.
4. **Return of Information.** Upon the termination or expiration of this Agreement, or upon earlier request, Participant will destroy or deliver to the disclosing party all Confidential Information Participant may have in its possession or control.
5. **Injunctive Relief.** Participant acknowledges that any violation or threatened violation of this Section will cause irreparable injury to the other party, entitling the disclosing party to obtain injunctive relief in addition to all legal remedies.

License. Each Winner (a) grants to Sponsor and its designees a worldwide, non-exclusive, sub-licensable, transferable, fully paid-up, royalty-free, perpetual, irrevocable right to use, not use, reproduce, distribute, create derivative works of, publicly perform, publicly display, digitally perform, make, have made, sell, offer for sale and import each Entry and the algorithm used to produce the Entry (collectively, the "Licensed Materials"), in any media now known or hereafter developed, for any purpose whatsoever, commercial or otherwise, without further approval by or payment to Entrant (the "License") and (b) represents that he/she/it has the unrestricted right to grant the License.

Equipment and Costs of Participation. Each Participant is solely responsible for all equipment, including a computer and modem, necessary to establish a connection to the World Wide Web, access to the World Wide Web and any telephone, data, hosting or other service fees associated with such access, as well as all costs incurred by or behalf of the Participant in participating in the Competition.

Delivery and Receipt of Entries. Sponsor is not responsible for (a) late, lost, stolen, damaged, garbled, incomplete, incorrect or misdirected Entries or other communications, (b) errors, omissions, interruptions, deletions, defects, or delays in operations or transmission of information, in each case whether arising by way of technical or other failures or malfunctions of computer hardware, software, communications devices, or transmission lines, or (c) data corruption, theft, destruction, unauthorized access to or alteration of Entry materials, loss or otherwise. Sponsor is not responsible for electronic communications or emails which are undeliverable as a result of any form of active or passive filtering of any kind, or insufficient space in any email account to receive email messages. Sponsor disclaims any liability for damage to any computer system resulting from participation in, or accessing or downloading information in connection with, the Competition.

Reservation of Rights. Sponsor reserves the right to correct clerical or typographical errors in Competition materials. Sponsor reserves the right to amend these Official Rules during the Competition Period. By continuing participation in the Competition, a Participant is deemed to have accepted any such amendment. If a Participant does not wish to continue to participate in the Competition pursuant to the Official Rules, as amended, such Participant may terminate his/her/its participation in the Competition by not making any additional Entries and by destroying all Confidential Information. Participants are urged to consult the Website regularly during the Competition Period.

Sponsor reserves the right to cancel, modify or suspend the Competition should any computer virus, bugs or other technical difficulty or other causes beyond the control of the Sponsor corrupt the administration, security or proper play of the Competition. Sponsor also reserves the right, in its sole discretion, to cancel, modify or suspend the Competition at any time and for any reason, or for no reason.

Sponsor reserves the right, in its sole discretion, to disqualify any Participant (and all individual or Team Entries submitted by or on behalf of Participant) from this Competition or any other competition conducted now or in the future by Sponsor or any of its affiliates if her/his fraud or misconduct affects the integrity of this Competition.

General Release. By entering the Competition, you release and discharge the Competition Entities from any liability whatsoever in connection with the Competition or with the acceptance, possession, use or misuse of any prize including, without limitation, legal claims, costs, injuries, losses or damages, demands or actions of any kind (including, without limitation: personal injuries; death; damage to, loss or destruction of property; rights of publicity or privacy; and defamation or portrayal in a false light). The Competition Entities will not be responsible for typographical, printing or other inadvertent errors in these Official Rules or in other materials relating to the Competition. Additionally, you hereby agree to indemnify

the Competition Entities from any and all losses, damages, costs, expenses, rights, claims, demands and actions (including attorney's fees and expenses for litigation and settlement), which may be brought against any one or more of them by anyone claiming to have suffered loss or damage as a result of your participation in the Competition.

Limitations of Liability. By participating in the Competition, each Participant agrees that: (1) any and all disputes, claims, and causes of action arising out of or in connection with the Competition, or any prize awarded, shall be resolved individually without resort to any form of class action; (2) any claims, judgments and awards shall be limited to actual out-of-pocket costs incurred, including costs associated with entering the Competition, but in no event attorney's fees; and (3) under no circumstances will a Participant be permitted to obtain any award for, and each Participant hereby waives all rights to claim, punitive, incidental or consequential damages and any and all rights to have damages multiplied or otherwise increased and any other damages, other than damages for actual out-of-pocket expenses.

Construction. Sponsor shall be the sole interpreter of these Official Rules. All issues and questions concerning the construction, validity, interpretation and enforceability of these Official Rules, or the rights and obligations of any Participant vis-à-vis Sponsor, 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. The invalidity or unenforceability of any provision of these Official Rules shall not affect the validity or enforceability of any other provision. In the event that any provision is determined to be invalid or otherwise unenforceable or illegal, these Official Rules shall otherwise remain in effect and be construed in accordance with their terms as if the invalid or illegal provision was not contained herein.