SECTION 1: STARTING TECHNICAL BASES CHILE PHASE 1 (THE S FACTORY) AND PHASE 2 (SEED)

BACKGROUND

Start-Up Chile was created in 2010 by the Ministry of Economy, Development and Tourism and executed by Corfo, with the objective of contributing to position Chile as a center for innovation and entrepreneurship in Latin America.

In its origins, it sought to change the Chilean culture in entrepreneurship issues, moving from a mentality of traditional entrepreneurship to a technological one, with markets and global impact. For this, mainly, talent was attracted from abroad offering seed capital for the creation of new ventures, in exchange for social impact activities whose objectives were to promote and foster the ecosystem of innovation and entrepreneurship.

Currently, Start-Up Chile is recognized as the main business accelerator 2016\(^1\) and the most innovative organization in Latin America 2017\(^2\), and one of the largest and most diverse accelerators in the world, which has positioned Chile in the main rankings of innovation, entrepreneurship and technology. In a complementary manner, according to data from the Internal Revenue Service, the ventures incorporated in Chile have generated sales of $24,774 million pesos and 4,907 jobs of advanced human capital by December 2015.

After the Start-Up Chile Program was created, around 50 countries created similar initiatives. Annually Start-Up Chile receives around 150 delegations (governments, universities, NGOs, among others) which seek to learn the working methodology. At the press level, between 2010 and 2017, more than 12,000 mass media publications were generated in 116 countries, with more than 8,000 of them in international media.

More than 1,800 enterprises from 85 countries have passed through Start-Up Chile since its beginning in October 2010. From this portfolio, as of June 2019, 26% are Chilean and 74%}


\(^{2}\) Ranking 2017 and 2016 Revista Fast Company: [https://www.fastcompany.com/company/startup-chile]
correspond to foreigners. In terms of gender, 26% of the projects supported are led by women and 74% by men.

Start-Up Chile has two programs for startups, The S Factory (Phase 1) and the Start-Up Chile Program (Phase 2), also known as Seed.

In 2015, the "The S Factory" (TSF) program was created, with the aim of increasing women's participation in high-impact technological ventures, strengthening their skills/knowledge for entrepreneurship and leadership.

At present, most of the enterprises led by women tend to be microenterprises, with traditional products, based on an informal economy, which reduces the potential returns of these enterprises\(^3\). There are still strong personal and cultural barriers that hinder the possibility of growing and escalating technological businesses led by women.

Between 2015 and 2018, Start-Up Chile with its TSF program has financed more than 187 early-stage enterprises led by women. These have, for the most part, achieved market validation, increasing the likelihood of subsequent financing to develop the company. One of these financing possibilities is the Start-Up Chile Program, which since 2017 has achieved the highest percentage of entrepreneurships with women founders since its creation.

Start-Up Chile Seed, is the acceleration program born in 2010 with the objectives of positioning Chile as center for innovation and entrepreneurship in Latin America and creating an ecosystem of technological entrepreneurship.

Today, the program seeks to generate a socioeconomic impact in Chile, through the acceleration of innovative technological ventures that allow for the sophistication and diversification of the economic matrix. This, with the objective of attracting and accelerating technology-based entrepreneurs ready for global markets that see Chile as an asset, increases the economic impact in Chile of the ventures supported by the program. They contribute to the creation of an ecosystem of sustainable entrepreneurship, democratic and diverse and facilitate instances of connection between entrepreneurs, investors, companies and organizations. All in all, this helps to position Chile on the forefront of innovation and entrepreneurship worldwide.

Thus, Start-Up Chile is composed of two programs. Firstly, The S Factory (Phase 1), a pre-acceleration program focused on the development of MVPs, prototypes and entrepreneurial skills. Second, Seed, an acceleration program that seeks to have startups use Chile as a platform, orienting the commercial growth of new businesses.

I. PHASE I: THE S FACTORY (TSF)

1. OBJECTIVE.

Attract, empower, and create new high-impact technological ventures under the wing of female leaders with a global vision. They also aim to promote the environment of female entrepreneurship and strengthen skills for the development of new businesses. TSF hopes to increase female participation in high-impact technological ventures by enhancing skills/knowledge to undertake and lead, in order to reduce gaps between technological ventures led by men versus women, in idea phase and up to one year of development.

1.1 Specific Objectives.

a. To create and pre-accelerate technological enterprises with global growth potential led by women.
b. To develop and strengthen leadership and business development skills.
c. Contribute to the creation of a sustainable, democratic and diverse entrepreneurship ecosystem, facilitating instances of connection between entrepreneurs, investors, companies and organizations.

2. EXPECTED RESULTS.

- Pass to a new phase of development of the enterprise (in this sense: from prototype to minimum viable product, from minimum viable product to validated product, from validated product to product with sales or capital raising and from product with sales and/or capital raising to international scalability).
- Leadership skills and techniques related to the development of businesses that allow the growth of the enterprise.
- Connection of the enterprise with the national ecosystem, attending meetings with potential investors and organizations, with the intention of raising capital and/or generating new clients and partners.

3. WHO CAN APPLY.

The applicants must be natural persons, Chilean or foreign, over eighteen years of age, who are founders or owners in the execution of a global project (in idea stage and maximum twelve months of development) that uses Chile as a platform.

In no case may more than two natural persons be participants in the Project.

The following categories of participation will be considered:

3.1 Beneficiary (only one).
It is the natural person with a female gender identity, declared during the application process, who must act in her name and on behalf of the executor, as responsible before Corfo. The person designated as beneficiary must participate in the Program in Chile during the entire period of execution of the Project, and with exclusive dedication to its development; likewise, he will be the active and passive subject of all the rights and obligations established in the subsidy agreement, including detailed reports of the expenses and activities, carried out by him or by third parties.

3.2 Executor (only one).

The participation of a natural person who is part of the founding team and who is duly specified during the application process may be considered.

4. ACTIVITIES ELIGIBLE FOR FUNDING.

Projects submitted must include the following eligible activities, which must be aimed exclusively at achieving the objectives of the project:

A. Commercial packaging of products or services.
B. Prospection, validation and commercial diffusion.
C. Elaboration and/or updating of business plans (marketing, commercial strategy, etc.).
D. Certifications of products in regulatory entities.
E. Activities to obtain or increase sales.
F. Acquisition of assets considered critical for the development of the enterprise.
G. The execution of the project may consider those activities that allow to initiate projects with high global growth potential that use Chile as a platform.

The projects may not consist of consultancies and/or franchises. Likewise, it must be a question of projects in early stages of development, being understood as such, those with a development less than twelve months and that are in stage of concept or of prototyping.

5. ACTIVITIES OF THE PROGRAM.

During its participation in the Programme and during the period of execution of the project, at least the Beneficiary must compulsorily participate in the following activities:

a. Execution of projects in Chile.
b. Carrying out of activities necessary for the fulfillment of the goals proposed in the projects.
c. "Intro Day": Presentation of the project, following the requirements informed by Corfo, in order to identify the specific stage of development. This presentation will be made at
the beginning of the project execution period, on the date duly informed to the beneficiary.

d. **"Pitch Day"**: Presentation of the project, following the requirements informed by Corfo, in order to determine the progress in its development. This presentation will be made before the participants of the Program and representatives of Corfo, approximately halfway through the project execution period, on the date duly informed to the beneficiary.

e. **Attendance at the induction presentation on the TSF Program (Orientation Day)**, in which the team, the acceleration and workshops on accountability will be presented and explained on the date duly informed to the beneficiary.

f. **Other activities** of the Start-Up Chile Program that are **catalogued as obligatory** by Corfo, circumstance that will be communicated with the due anticipation to the beneficiary.

In well-founded cases, and exceptionally, Corfo may authorize the non-participation of the Beneficiary in any of these activities, and determine the necessary measures to ensure compliance with the goals of the Program. For this decision, Corfo shall take into consideration, among others, the level of participation of the Beneficiary and of the executor, if any, in the activities of the Program.

If the Beneficiary does not participate in the previously individualized activities and/or events, without having authorization to do so, Corfo may evaluate the early termination of the project, and the rules established in numeral 12.3.2 of the Administrative Bases shall apply to the return of the subsidy.

The participation of the project executor, if any, in the activities detailed above shall be optional.

6. **CONTENTS OF THE PROJECT.**

6.1 The applications must contain at least the following antecedents:

a. Antecedents of each of the participants designated in the Project application, stating their nationality, education, technical experience and work history; likewise, in the case of the beneficiary, she must declare that her gender identity is female. The background and achievements indicated by each of the participants must be demonstrable.

b. Only in case of foreign participants who do not have RUT in Chile:

Simple photocopy of the identification sheet of your valid passport and/or your national identification document.

In case these documents are processing, the document accrediting this situation must be attached.

c. The dedication of the participants to the Project.
d. Description of the leadership history of the person applying as beneficiary (a).

e. E-mail and/or contact details of at least one person who recommends the Project. This person may be contacted by Corfo before the closing of the applications and/or during the evaluation process.

f. The product and/or service to be developed and/or commercialized.

g. Description of the competition and its differentiation.

h. Stage of development of the Project.

i. Video of maximum 90 seconds, which must contain at least the following topics:
   • Description of the team.
   • Description of the problem to be solved.
   • Description of the product/service.

If the attached video exceeds the time limit, it will only be reviewed up to the first 90 seconds, not considering the rest of the information it contains.

6.2 In addition, the application may contain the following background information:

   a) Concerning the participants:
      • Motivation to develop the Project from Chile.
      • Participation in organizations related to entrepreneurship and innovation.
      • Relationship with national networks to strengthen those existing in the country.
      • Relationship with international networks to position Chile as a pole of innovation.
      • Activities to promote interaction, networks, transfer of knowledge, skills and best practices to local entrepreneurs and their environment.

   b) Concerning the Project:
      • Marketing strategy.
      • Entry and exit barriers.
      • Progress to date and plan during your stay in Chile.
      • Challenge or market opportunity addressed by your Project.
      • Target market and its size.
      • Position in the market.

Incomplete applications will be considered not submitted, meaning those that present 2 or more empty application fields, or 3 or more empty dropdowns.

7. DEADLINES.

The duration of the projects must be 4 months, which may be extended once and for up to 1 additional month, following a justified request from the beneficiary. Such request must be sent before the original term expires. The foregoing, without prejudice to the extension of the project, in accordance with the provisions of numeral 11.
The Project shall be understood to have begun as from the date of the total processing of the Corfo Resolution approving the subsidy agreement.

The beneficiary and the executor may not have received any other type of co-financing from the Corfo Entrepreneurship Committee or from any instrument of the former Entrepreneurship Sub-Committee of the InnovaChile Committee.

8. CO-FINANCING.

Corfo will grant a subsidy, i.e., a non-refundable money transfer of up to 90% of the total cost of the Project, with a ceiling of up to $10,000,000 (ten million Chilean pesos).

Additionally, in case of extension of the project, according to the provisions of numeral 11 below, the subsidy will be increased by up to $5,000,000 (five million Chilean pesos).

The participants, during the execution of the Project, must contribute at least the remaining 10% in cash.

9. EVALUATION CRITERIA.

Projects will be evaluated with grades from 1 to 5 (with 1 being the minimum score and 5 the maximum score) and the evaluation criteria are as follows:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants</td>
<td>Competence and leadership of the beneficiary (35%): Decision making, communities in which they have or are currently participating in/leading and their role, the impact that they can make in the entrepreneur ecosystem in Chile. Composition, qualification and experience of the team (15%): Demonstrable achievements, capacity in relation to the project, team formation, relevant experience in the project industry.</td>
<td>50%</td>
</tr>
<tr>
<td>Value of the Project</td>
<td>Product or service (25%): vision and potential global impact, attractiveness for future investment opportunities and real potential of initiating operations from Chile. Market and competitive position (25%): market size, validation of concept, competitors, and growth opportunities.</td>
<td>50%</td>
</tr>
</tbody>
</table>
During the evaluation, applicants may be requested to be interviewed by video conference.

10. PROJECT EXTENSION

With the purpose of promoting the development of projects that demonstrate high possibilities of viability in the market and of obtaining financing during the first 3 months of execution, the allocation of an additional $5,000,000 (five million Chilean pesos) of subsidy is contemplated.

10.1. First Evaluation

Until the third month of execution of the project, the beneficiary must pitch and be evaluated by CORFO. For this, you could potentially have the support of external judges with experience in investment in high impact companies and/or accelerators. Prior to the presentation of the pitch, the beneficiary will have to indicate the interest in the extension of $5,000,000 (five million Chilean pesos) and 3 months of the project.

Projects will be evaluated with grades from 1 to 5 (with 1 being the minimum score and 5 the maximum score). According to the following criteria, a ranking will be presented by the Subcommittee of Ecosystems of Entrepreneurship:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team</td>
<td><strong>Qualification and experience of the team:</strong> The experience of the team and their capabilities to scale the business.</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td><strong>Pitch quality:</strong> The ability to present your business properly (pitch)</td>
<td>10%</td>
</tr>
<tr>
<td>Value of the Business</td>
<td><strong>Solution:</strong> Innovation and impact when solving a real problem.</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td><strong>Traction:</strong> Main metrics in terms of the growth of the startup</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td><strong>Progress during the program:</strong> The progress of the startup since the beginning of the program</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td><strong>Impact in Chile:</strong> The results of the socio-economic impact made in the country.</td>
<td>10%</td>
</tr>
</tbody>
</table>
Only those projects that are pre-approved by the Start-Up Chile Subcommittee in this first stage of evaluation will pass to the second stage, while the others will be rejected, and will continue developing their projects in a normal way.


During this evaluation the projects pre-approved to access the extension of the project will be rated again with grades of 1 to 5 (being 1 the minimum grade and 5 maximum), according to the following criteria, forming a ranking that will be presented to the Subcommittee of Start-Up Chile.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team</td>
<td>Qualification and experience of the team: The experience of the team and their capabilities to scale the business.</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Pitch quality: The ability to present your business properly (pitch)</td>
<td>10%</td>
</tr>
<tr>
<td>Value of the Business</td>
<td>Proposed solution: Degree of innovation, growth potential and principal metrics of growth obtained.</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Progress during the program: The progress of the startup since the beginning of the project.</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Impact in Chile: The results and the socio-economic impact made in the country</td>
<td>30%</td>
</tr>
</tbody>
</table>

Only those projects approved by the Subcommittee of Start-Up Chile in this second stage of evaluation will be extended and will be granted the additional subsidy of up to **$5,000,000 (five million Chilean pesos)** while the others will be rejected and continue executing projects in a normal manner.

II. PHASE 2: SEED

1. GENERAL OBJECTIVE.

To generate a socioeconomic impact in Chile, through the support to innovative technological enterprises that allow to sophisticate and/or diversify the economic matrix of the country, through the financial support and acceleration services provided by Start-Up Chile.

2. SPECIFIC OBJECTIVES.
Attract and accelerate technology-based ventures with global markets (both domestic and foreign), which see Chile as an asset for their business.

To increase the economic impact in Chile of the ventures supported by the Program.

Contribute to the growth of a sustainable, democratic and diverse entrepreneurship ecosystem, facilitating instances of connection between entrepreneurs, investors, companies and organizations.

Contribute to the positioning of Chile as a reference in innovation and technological entrepreneurship worldwide.

3. EXPECTED RESULTS AND IMPACTS.

The projects and their participants are expected to achieve the following results:

- Formalization of projects in Chile, as companies with the intention of developing operations in our country.
- Hiring of advanced human capital.
- Connection of projects with the national ecosystem, attending meetings with potential investors and organizations, with the intention of raising capital and / or generate new customers and partners.
- Start or increase of sales and/or capital raising.
- Advance of the projects to a new phase of development of the enterprise, in this sense, it is sought for example, that the projects that participate advance from prototype to minimum viable product, or from minimum viable product to validated product, or from validated product to product with sales or capital raising, or from product with sales and/or capital raising to international scalability.

4. WHO CAN APPLY.

Applicants may be natural or legal persons, with a distinction being made between the following participants in the program:

4.1 Natural persons, Chilean or foreign, over eighteen years of age, who are founders or owners in the execution of a global project that uses Chile as a platform.

Natural persons may participate in any of the following categories:

4.1.1. Team Leader (only one):

It is the natural person, duly individualized during the application process as beneficiary (a), who must act in his name and on behalf of the other participants, as responsible to Corfo. The

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4 For these purposes, the business idea to be developed and with which the Program is proposed will be considered as a project.
person designated as beneficiary (a) must participate in the Program in Chile, during the entire project execution period, and with exclusive dedication to its development. Likewise, it shall be the active and passive subject of all the rights and obligations established in the subsidy agreement, including detailed reports of the expenses and activities carried out by it or by third parties. If the team leader represents a company incorporated in Chile, he or she must be one of the founders of the project and have a direct participation in the company's shares or social rights.

4.1.2.Executor(s) (optional):

Optionally, the participation of up to two natural persons who are part of the founding team and who are duly identified during the application process may be considered. The elimination or substitution of a person as executor of the project must be approved by the assigning body.

Under no circumstances may more than three natural persons participate in the project.

4.2. **Juridical Persons**, that execute a project of technological base and potential global market that uses Chile as a platform, with aims of profit, constituted in Chile and that do not have initiation of activities before the Service of Internal Taxes for a period superior to 36 months counted back from the date of opening of the respective call, which will be verified by the Management of Entrepreneurship during the stage of pertinence, with the information available in the web site of the Service of Internal Taxes.

The following categories of participants will be considered within the work teams of the applicant legal entity:

4.2.1.Team Leader (only one):

It is the natural person, duly individualized during the application process, who must act on behalf of the beneficiary legal person, as responsible to Corfo. The person designated as team leader must be one of the founders of the project and have a direct shareholding or participation in the social rights of the legal person; and must also participate in the Program in Chile during the entire project execution period and with exclusive dedication to its development.

4.2.2.Executor(s) (optional):

Natural persons, duly individualized during the application process who may participate in the execution of the project as members of the founding team of the legal person, and who are duly identified during the application process.

The projects may not consist of consultancies and franchises. Likewise, they must be projects in the early stages of development, meaning those with a development of less than three years.
5. ACTIVITIES ELIGIBLE FOR FUNDING.

Projects submitted must include the following eligible activities, which must be aimed exclusively at achieving the objectives of the project:

A. Commercial packaging of products or services.
B. Prospection, validation and commercial diffusion.
C. Preparation and/or updating of business plans (marketing, commercial strategy, etc.).
D. Product certifications in regulatory bodies.
E. Activities for obtaining or increasing sales.
F. Acquisition of assets considered critical for the development of the enterprise.
G. The execution of the project may consider those activities that allow to initiate projects with high global growth potential that use Chile as a platform.
H. Those activities that allow the initiation of technology-based projects with high growth potential that use Chile as a platform.

6. PROGRAM ACTIVITIES

During participation in the Program and during the term of execution of the project, the beneficiary must participate in the following mandatory activities:

a) Execution of the project in Chile.

b) Execution of mandatory activities necessary to accomplish the goals purposed in the project.

c) “Intro Day”: Presentation of the project, following the requirements opportunely informed by Corfo, with the purpose of identifying the project’s current development phase, specifically. This presentation must be made at the beginning of the project execution term, on the date duly informed by Corfo.

d) “Pitch Day”: Presentation of the project, following the requirements opportunely informed by Corfo, with the purpose of determining its progress and development. This presentation will be conducted among the Program participants and representatives of Corfo, during the weeks in the middle of the execution term for the project, on the date duly informed by Corfo.

e) Attendance to orientation about the Start-Up Chile Program (Orientation Day), staff, social impact system, acceleration and workshops about expenses approved by the program. This orientation will take place around the middle of the execution period for the project, in the date properly informed.

f) “Meetings”: meetings with the technical and/or financial executive to account for all of the resources granted, including the Final Report.
g) “Demo Day”: Presentation of a project that has requested an extension in accordance with section 12 of the technical rules and has been selected on the Pitch Day—following the requirements informed by Corfo—to see its progress. This presentation will be presented to both the participants of the program, representatives of Corfo and the Chilean entrepreneurship ecosystem. This will occur in the last stage of the acceleration program, on a date that will be communicated in a timely manner.

h) Other activities within the Start-Up Chile Program that are determined by Corfo to be mandatory, a circumstance that will be communicated with advance notice.

In justified cases, and exceptionally, Corfo may authorize the beneficiary not to participate in one of these activities and determine the measures necessary to ensure fulfillment of the Program goals. In making this decision, Corfo may take into consideration, among other things, the level of participation by the beneficiary and the executors in the Program activities.

If the beneficiary does not participate in the activities and/or events specified herein above, without having been authorized not to participate, Corfo may evaluate putting an early end to the Project, applying the rules established in subsection 13.3.2 of the Administrative Requirements (Section 2) to the return of the grant.

Participation of the project executors, if these exist, in the activities detailed above will be optional.
7. CONTENTS OF THE PROJECT.

7.1. Applications **must** contain at least the following information:

a. Antecedents of each one of the individualized participants in the application of the project, where its nationality, education, technical experience and labor antecedents are stated. The background and achievements indicated by each of the participants must be demonstrable.

b. Applicants foreign natural persons who do not have Chilean RUT must accompany a simple photocopy of the identification sheet of their valid passport and/or their national identification document. In case these documents are in processing, the document accrediting this situation must be attached.

c. The dedication of the participants to the project.

d. Video of maximum 90 seconds, which must answer the following questions:

e. What is the product or service, its attributes and reasons that make it innovative?

f. Does it solve a global problem, a country problem or a local problem and why?

   If the attached video exceeds the indicated time limit, it will only be reviewed up to the first 90 seconds, not considering the rest of the information it contains.

g. E-mail and/or contact details of at least one person recommending the project. This person may be contacted by Corfo before the closing of the applications and/or during the evaluation process.

h. The product and/or service to be developed and/or marketed.

i. Description of the competition and its differentiation.

7.2. In addition, the application **may** contain the following background:

a. **Concerning the participants:**

   - Motivation to develop the project from Chile.
   - Number of times a start-up has been founded.
   - Participation in organizations related to entrepreneurship and innovation.
   - Relationship with national networks to strengthen those existing in the country.
   - Relationship with international networks to position Chile as a pole of innovation.
   - Activities to promote interaction, networks, transfer of knowledge, skills and best practices to local entrepreneurs and their environment.

b. **Concerning the project:**

   - Marketing strategy.
   - Entry and exit barriers.
   - Progress to date and plan during your stay in Chile.
   - Investors.
   - Mentors.
   - Competitive advantage.
- Challenge or market opportunity that addresses your project.
- Target market and its size.
- Market position.
- Project development stage.

Incomplete applications will be understood as not having been submitted.

8. DEADLINES

The project duration could be up to 9 months, which may be extended only once and for up to 1 additional month, upon founded request by the beneficiary. This request must be submitted before the original deadline.

In the case that the projects are approved, the deadline will be modified to 14 months in total.

The project will be understood to have begun from the date of complete processing of the Corfo Resolution approving the grant agreement.\(^5\)

9. CO-FINANCING

Corfo will provide a grant, in other words, a non-refundable transfer of money for up to 90% of the total project cost with a ceiling of CL$25,000,000.- (twenty five million Chilean pesos).

Additionally, if the project is extended in agreement to the following number 12., the grant will be increased to an additional CL$25,000,000.- (twenty five million Chilean pesos).

Participants must contribute at least the remaining 10% in cash during the project execution.

10. EVALUATION CRITERIA

After the pertinence analysis, the pertinent will go into the evaluation stage.

The decision of the Subcommittee Start-Up Chile\(^7\), or any substitute entity (from now on and interchangeably the Subcommittee) will be done in two stages, and prior to these, an evaluation must be completed, according to the following criteria:

\(^5\) The subsidy agreement is between the beneficiary (a) and Corfo, which governs the conditions for the provision of the subsidy as well as the obligations and rights of the parties.

\(^6\) The Resolution approving the subsidy agreement is understood to be fully processed once it is notified to the beneficiary.

\(^7\) The Subcommittee is the body empowered to approve or reject the allocation of resources to projects.
10.1 First Evaluation Stage and Decision

Projects will be evaluated with grades from 1 to 5 (with 1 being the minimum score and 5 the maximum score) and the evaluation criteria are as follows:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Details</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Participants</strong></td>
<td>Beneficiary’s Qualification and Experience (a) (25%): the demonstrable achievements, the number of ventures in which he/she has participated, the capacities in relation to the project, and the academic formation of the beneficiary (a) will be evaluated. Composition, Qualification and Experience of the executors (25%): the demonstrable achievements, the number of ventures in which it has participated, the capacities in relation to the project, and the academic formation of the executors, if any, will be evaluated. Additionally, in each case, the support networks of the beneficiary (a) and the executors, if any, as mentors, academics and/or others will be evaluated.</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Project Value</strong></td>
<td>Market and Competitive Position (25%): the target segment, the size and growth of the market, its validation and traction, and the competitive advantages over competitors will be evaluated. Product or Service (25%): it will be evaluated if it is attractive for investors, the degree of innovation based on technology and if the problem to be solved is important for the users/clients it targets.</td>
<td>50%</td>
</tr>
</tbody>
</table>

After this evaluation, the 100 best projects will be presented for approval to the Subcommittee session. The Subcommittee will determine how many startups will be moving to the third stage and the ones that will be rejected.

10.2 Second Evaluation Stage and Decision

Only those projects that have been pre-approved by the Subcommittee in the first decision stage will go through a second decision stage.

Previously to their presentation to the Subcommittee, in the third decision stage the pre-
approved projects will be submitted to a second evaluation, in which those will be called for an interview through telephone and/or videoconference between the applicant and an executive of the program, and also the requirements of the following number 13., will be reviewed. Projects will be evaluated with grades from 1 to 5 (with 1 being the minimum score and 5 the maximum score) and the evaluation criteria are as follows:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants</td>
<td>Composition, qualification and experience of the team: the demonstrable achievements, the number of ventures in which it has participated, the capacities in relation to the project, and the academic formation of the team and the support networks of mentors, academics or others will be evaluated.</td>
<td>20%</td>
</tr>
<tr>
<td>Value of the Project</td>
<td>Market and competitive position (20%): the target segment, the size and growth of the market, its validation and traction, and the competitive advantages over competitors will be assessed. Product or service (25%): it will be evaluated if it is attractive for investors, the degree of innovation based on technology and if the problem to be solved is important for the users/clients it targets.</td>
<td>45%</td>
</tr>
<tr>
<td>Impact in Chile</td>
<td>Benefits of the operation of the Project in Chile: will evaluate the demonstrated capacity to carry out activities in Chile during the project using Chile as a platform to operate towards Latin America and the world, and the real potentialities of consolidating operations in Chile.</td>
<td>35%</td>
</tr>
</tbody>
</table>

Once finished this evaluation, a ranking will be presented to the Subcommittee, who will determine which are the startups to be accepted and the ones to be rejected.

11. EXTENSION OF THE PROJECTS

To enhance the development of the startups that generate an impact in the country and can prove high chances of viability in the market and obtain new capital during the first 5 months of execution, an allocation of an additional \textbf{CL}$25,000,000.- (twenty-five million Chilean pesos) subsidy and an extension of the program to 14 months total, will be considered according to the following procedure:
To request the extension, the beneficiaries should present a market strategy and a
projection with the reliable and measurable metrics to prove the progress of the project
and meet one of the following requirements.

a. The beneficiary is a legal person
b. The beneficiary that has been awarded the subsidy as a natural person, must,
   when extending its project, have constituted an Individual Limited Liability
   Company, or to have at least a participation of 10% in the rights or social capital
   of the society constituted in Chile and incorporated no longer than the specified
date since the application to the program.

The decision of the Subcommittee Start-Up Chile\(^8\), or any substitute entity (from now on
and interchangeably the Subcommittee) will be done in two stages, and prior to these, an
evaluation must be completed, according to the following criteria:

**11.1. First Evaluation**

On **Pitch Day**, the beneficiary will present its first pitch for evaluation from part of the
team at Corfo. This evaluation can also count with external evaluators with experience in
high impact investment and accelerators.

The date of Pitch Day will be informed in a timely manner. The beneficiary also, should
solicit explicitly request an evaluation for the extension of the project at the end of their
presentation.

Projects will be evaluated with grades from 1 to 5 (with 1 being the minimum score and 5
the maximum score) and the evaluation criteria as follows:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Details</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team</td>
<td><strong>Qualification and Experience of the Team:</strong> The experience of the team and its capacity for the growth of the enterprise.</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td><strong>Pitch Quality:</strong> Ability to present the state of the business (pitch).</td>
<td>10%</td>
</tr>
<tr>
<td>Value of Business</td>
<td><strong>Proposed Solution:</strong> The degree of innovation and impact in terms of solving the existing problem.</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td><strong>Traction:</strong> The main growth metrics of the venture.</td>
<td>10%</td>
</tr>
</tbody>
</table>

---

\(^8\) The Subcommittee is the body empowered to approve or reject the allocation of resources to projects.
Progress during the execution of the project: The progress of the undertaking since the beginning of the project.

Impact on Chile: The results and socioeconomic impact generated in Chile.

It is the decision of the Sub-Committee of Start-Up Chile to decide whose projects will go to the second stage of evaluation for the extension. The others will continue to develop their projects under the original conditions.

11.2. Second Evaluation

Only the projects pre-approved by the Subcommittee in the first stage of the decision will move to the second stage, the rest will be rejected. The beneficiary will have to present its second pitch for evaluation (after the Pitch Day). This evaluation can also count with external evaluators with experience in high impact investment and accelerators. The date of the Demo Day will be communicated in a timely manner.

Projects will be evaluated with grades from 1 to 5 (with 1 being the minimum score and 5 the maximum score) and the evaluation criteria as follows:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Details</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team</td>
<td>Qualification and Experience of the Team: The experience of the team and its capacity for the growth of the enterprise.</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Pitch Quality: Ability to present the state of the business (pitch).</td>
<td>10%</td>
</tr>
<tr>
<td>Value of the Business</td>
<td>Business model: Potential for growth and scalability.</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Traction: The main metrics of business growth in Chile.</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Progress during the execution of the project: The progress of the undertaking since the beginning of the project.</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Impact on Chile: The results and socioeconomic impact generated in Chile.</td>
<td>20%</td>
</tr>
</tbody>
</table>

The Subcommittee Start-Up Chile will decide on the projects that will obtain the extension of the subsidy and execution period, according to numeral 11., the rest will continue the
development of their projects according to the original conditions.

SECTION 2: ADMINISTRATIVE REQUIREMENTS
PHASE 1 AND PHASE 2

1. GENERAL ASPECTS

The Administrative Requirements, hereinafter and without distinction, are intended to regulate the processes and procedures to be observed from the project application until the end of the grant agreement concluded between Corfo and the beneficiary.

All deadlines specified in these requirements will be understood to be the maximum limit. If days are referred to, these shall be construed as business days unless otherwise noted. Non-working days are Saturdays, Sundays and holidays.

The mention by name of certain organisms or operative units of Corfo will be understood to refer also to any entity that substitutes or replaces that entity in fulfillment of the respective function.

Corfo and its Entrepreneurship Division reserves the right to settle any dispute or doubt as to the proper meaning and scope, form and timing of application, and any other interpretive conflict that might arise from the application of these requirements. The foregoing is without prejudice to the remedies provided in the Law.

Requirements will be available in electronic and downloadable format, on the websites www.corfo.cl and www.startupchile.org/apply.

2. APPLICATION

2.1. Procedure

Each phase of the program will be made available to interested parties at least once a year in the form of announcements.9

Communication about the opening call for applications will be conducted by means of a notice published in a nationally circulated newspaper with the following information: identification of the instrument, its form, date and place in which the requirements will be available, starting day of the call for applications, email for questions, the means of

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9 Corfo will make the announcement available to interested parties, setting the start and end dates of the respective application periods.
application and the date and time of the closing of applications. This information will also be posted on the websites www.corfo.cl and www.startupchile.org.

Corfo may, additionally, communicate the opening of the respective call for applications in any other communication media that ensures adequate publicity.

2.2. Channel for Application

The projects, together with the requested technical-economic background, will be entered only through the electronic project entry system available at www.startupchile.org/

All background and information requested in the electronic system must be completed in Spanish and/or English. In addition, attachments must be in text documents, spreadsheets or other files compatible with the system (such as doc, xls, jpg, pdf).

2.3. Deadline for Applications

In Phase 1 (TSF):

Each participant (Beneficiary and Executor) may apply for only one project per call.

On the other hand, those people who have participated as beneficiaries and/or as executors of approved projects or who are finished of the "Start-Up Chile" and/or "The S Factory" Program will not be able to apply again.

In Phase 2 (Seed):

Each applicant may submit only one project per call.

In addition, those persons who have participated or participate as Team Leaders and/or as executors of approved "Start-Up Chile" projects that have started their execution period or are completed, with the exception of those who have participated in the "The S Factory" Program or in Phase 1 of this Program, may not apply again.

2.4. Restriction on Request for Resources to Projects from other Instruments.

Resources may not be granted to those Beneficiaries who are currently executing the project, through a Corfo instrument and/or one of its Committees. In order to determine the non-occurrence of this situation, the Beneficiary must expressly indicate it in the application form.

Likewise, those Beneficiaries, for whom the granting of the subsidy has been approved, and prior to the formalization of the agreement between Corfo and the beneficiary, have been granted co-financing for the execution of the mentioned project by means of another
instrument of Corfo and/or one of its Committees, must opt for only one of the granted subsidies.

In Phase 1 (TSF):

Projects that have previously received resources (regardless of the denomination of the project previously), through the "Seed Capital Program", the InnovaChile Committee and/or Corfo, and/or any of the Regional Support Programs for Entrepreneurship - PRAE, and/or through the "Start-Up Chile" Program, and/or "Expand Seed"; and, likewise, those that have executed their Phase 2, through any of the following instruments, may not receive co-financing under this instrument: "Subsidio Semilla de Alignación Flexible" - SSAF, from the Comité InnovaChile or "Subsidio Semilla de Alignación Flexible para el Apoyo a Emprendimientos de Innovación", from Corfo. In the event of any non-compliance with this restriction being detected, the application shall be deemed withdrawn or the subsidy agreement shall be terminated in advance, as the case may be.

In Phase 2 (Seed):
Projects that have previously received resources (regardless of the name of the project), through one of the following instruments and stages of the Comité InnovaChile and/or Corfo, will not be able to receive co-financing under this instrument:

a) "Expand Seed"
b) "Scale-Up Expansion".c) Extension of the "Start-Up Chile" Program.d) Phase 2 of the "Flexible Allocation Seed Grant" - SSAF
e) Phase 2 of the "Flexible Allocation Seed Grant to Support Innovation Enterprises".

If non-compliance with this restriction is detected, the application will be considered withdrawn or the project will be terminated early, whichever the case may be.

3. ANALYSIS OF RELEVANCE AND LEGAL BACKGROUND

The Entrepreneurship Management will analyze the degree of convergence of the Project objective with the guidelines and objectives of the Program, verifying the consideration of Chile as a platform to access global markets and the scalability of the project, among others. Likewise, the fulfillment of the following requirements will be verified:

In Phase 1 (TSF):

a. That the beneficiary corresponds to a natural person whose gender identity is female, and contemplates his/her permanence in Chile during the whole period of execution of the Project and his/her exclusive dedication to it.
b. That the projects do not consist of consultancies and/or franchises.
c. That the development of the prototype of the project be less than twelve months.
d. The accompaniment of the identification documentation of the participants.

In Phase 2 (Seed):

- **Applicant Natural Person:**
  a. That the leader of the team contemplates his permanence in Chile during the whole period of execution of the project and his exclusive dedication to it.
  b. That the projects do not consist of consultancies and/or franchises, and that they demonstrate a scalable model of growth.
  c. That the development of the project is less than three years.
  d. That the application contains, at least, the antecedents indicated in numeral 8.1 of the Technical Bases.

- **Applicant Legal Person:**
  a. That the team leader contemplates his permanence in Chile during the entire project execution period and his exclusive dedication to it.
  b. That the projects do not consist of consultancies and/or franchises, and that they demonstrate a scalable model of growth.
  c. That the development of the project is less than three years.
  d. That there is no initiation of activities before the Internal Revenue Service for a period of more than 36 months counted back from the date of opening of the call.
  e. That the application contains the antecedents indicated in numeral 8.1 of the Technical Bases.

**Analysis of Legal Background:**

It will be verified that the applicant fulfills the requirements established in the technical bases, and the accompaniment of the following antecedents:

- **Applicants are Chilean and/or foreign individuals with Chilean RUT:** who are over 18 years of age.
- **Applicants foreign natural persons without Chilean RUT:** simple copy of the identification sheet of the valid passport and/or of the national identification document.
- **Applicants legal persons:** corresponding to Chilean legal persons for profit.

During these stages, antecedents and/or clarifications may be requested, which may not modify the proposed project, nor infringe the principle of equality among applicants. If background and/or clarifications are requested, the applicant must respond within a period of no more than 5 (five) days from the request.
As a result of these analyses, Corfo will evaluate whether or not the applicant has complied with them. If the "Not Relevant" is declared or the project does not comply with the Legal Background Analysis, the project will not continue with the evaluation process, and the applicant will be informed of this decision. This communication must be sent within **15 days** from the closing of the applications.

4. EVALUATION PROCESS

The projects will be evaluated by Corfo using the applicable modality, corresponding to the criteria established in the Technical Requirements, which will be weighed in accordance with the indicators and percentages established in the same section.

Corfo personnel will conduct the evaluation of projects, which will be evaluated using a methodology that enables the assessment of relevant issues and ensures fair and equitable treatment during the process, with due safeguarding of confidentiality. During this process, Corfo may engage external consultants in order to conduct a better analysis of the applications to be evaluated.

Additionally, during the evaluation process, Corfo may request information from other organisms that form part of the Chilean Government Administration, if pertinent in terms of the project objectives.

During the evaluation process, Corfo may request from the applicant additional information deemed necessary for a proper understanding of the proposals, with neither the offering nor the principle of equality among applicants being altered. Corfo should send the documentation to the email address of the applicant, within a period of **10 business days** counted from the date of the corresponding application.

5. DECISION

Once the evaluation is concluded, the Project will be presented to the Start-Up Chile Sub-Committee which will decide, at the proposal of the Entrepreneurship Management, about its approval or rejection, being able to establish conditions of adjudication and/or formalization to the approved projects.

In phase 2 (Seed), the decision will be made in two stages, each of which must be preceded by an evaluation according to the procedure established in the technical bases.

The Subcommittee may approve each project with the modifications it deems appropriate, provided that the nature and general objective of the project are not altered.

Corfo will inform the decision of whether the project has been approved, rejected or left pending within **24 hours** after the session of the subcommittee that sanctioned it.
Within **15 days** from the date on which the Project is approved or rejected, Corfo shall communicate the decision to the applicant in a complete and well-founded manner, in accordance with the legal system, this constituting the formal communication for all purposes. In case of approval, along with informing this circumstance, the name and email address of the executive in charge of the Project will be indicated or ratified, and the beneficiary will be requested to present the antecedents indicated in numeral 6 below.

### 6. FORMALIZATION OF THE GRANT AGREEMENT

After the approval of the Project, the **formalization of the subsidy agreement** will begin, a process that requires the execution of tasks by both the beneficiary and Corfo.

The process of formalization of the agreement will begin with the antecedents attached in the application. In case the antecedents are already in Corfo's possession, the beneficiary will only have to update those that have been modified.

In the case of the formalization of the subsidy agreement with a Natural Person, a simple photocopy of the valid identity card must be delivered by both sides.

In case of the formalization of the subsidy agreement with a Legal Person, the following information must be provided:

- a. Simple photocopy of the instrument of constitution and its modifications.
- b. Simple photocopy of the inscription of the extract of constitution and its modifications in the Registry of Commerce of the respective Conservator of Real Estate, together with the respective publications in the Official Gazette.
- c. Instrument stating the person of the representative and his powers to enter into the Subsidy Agreement with Corfo.

Without prejudice to the foregoing, with respect to legal entities that are covered by the system established in Law No. 20,659, which simplifies the regime of incorporation, modification and dissolution of commercial companies, and its Regulations, it shall not be necessary to present the legal antecedents indicated above, if they are and/or can be obtained from the 'Registry of Companies and Corporations' referred to in Title IV of said Law.

In the case of beneficiaries who are legal persons, prior to the drafting of the subsidy agreement, it shall be verified that the team leader has a direct shareholding or corporate rights in the latter.

The subsidy agreement to be signed between the beneficiary and Corfo shall be drafted in Spanish and shall state the rights and obligations of the parties.
The subsidy agreement will be made available to the beneficiary for signature within **7 days** from receipt of the legal background.

The rejection of the Temporary Residence Visa\(^\text{10}\) will be a reason for not formalizing the subsidy agreement.

At the time of the formalization, the Entrepreneurship Management will verify that the beneficiary or the executors participate in another type of co-financing from InnovaChile and/or Corfo, in accordance with what is established in numeral 2.4. of the Administrative Bases.

### 7. DELIVERY OF GRANT

#### 7.1. Mode of Delivery

Grant funds may be transferred in one or more installments, by means of advance payment or against the rendering of progress and/or final reports. For this purpose, the beneficiary must communicate, prior to entering into the grant agreement, the chosen mode of delivery.

#### 7.1.1. Delivery of grant by way of advance payment

Funds are delivered in advance for the purpose of carrying out project activities, subject to the submission, if applicable, of the corresponding guarantee documents, in accordance with what is stipulated in the following paragraph. The use of these resources is subsequently reported by the beneficiary through reports, which may be approved or rejected.

Prior to expenditure of the grant, or of each installment thereof, as applicable, the beneficiary must submit, to the satisfaction and in favor of CORPORACION DE FOMENTO DE LA PRODUCCION, Taxpayer ID#: 60.706.000-2, consistent guarantees, be these in the form of bank letters of guarantee for immediate execution, time deposits, insurance policies for immediate execution or Deposit Certificates granted by Mutual Guarantee Institutions with the goal of **guaranteeing the total amount of pre-paid funds provided by the grant**. The descriptive note on said guarantee instrument, in the case that the nature of the instrument includes a note, must express that its purpose consists of “guaranteeing the correct use of the grant pre-payment granted by Corporación de Fomento de la Producción, for the execution of the project (indicating the name of the project and its code)” and be current for at least **25 days** after the submission date of the respective progress report and/or final report, in accordance with the calendar.

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\(^{10}\) The Temporary Residence Visa is the visa that the Participants must obtain before arriving in Chile and for which it is necessary to present the letter of acceptance of the Program.
established in the grant agreement. This guarantee will be returned once Corfo approves the respective report and corresponding reporting of expenses. For the return of the guarantee corresponding to the last or sole disbursement, as well as approval of the Final Report and corresponding records, total restitution of the observed sums that are not spent and not charged to the subsidy will be required.

The guarantee documents listed above may also be granted, in exceptional cases, by third parties, upon acceptance by Corfo, stating in the descriptive note of these, if appropriate, that they guarantee the beneficiary (who must be specified by name) for the "proper use of the delivered grant advance payment".

The financial cost of the guarantees mentioned above may be charged to the Operating Expenses account described in sub-section 9.2 of the Administrative Requirements.

7.1.2. Delivery of the grant as reimbursement against rendering of progress and/ or final reports.

The beneficiary uses his or her own resources to carry out the committed activities, yields, and then Corfo reimburses him or her the resources corresponding to approved expenses. Corfo will deliver the respective reimbursements each time it is required by the beneficiary, against approval of the progress and/or final report, to the extent that such requirements are technically pertinent in the execution of the project, a circumstance that will be qualified by Corfo.

In Phase 2 (Seed), no more than $15,000,000 (fifteen million Chilean pesos) may be reimbursed during the first three months of project execution.

7.2. Conditions for Delivery of the Grant

The conditions for Corfo to deliver the subsidy will be:

a. The total processing of the Corfo Resolution approving the subsidy agreement.

b. The delivery by the beneficiary of the guarantee indicated above, in case the delivery of the subsidy is as an advance payment (see numeral 7.1.1).

c. Affidavit from the beneficiary indicating that he or she is up to date with the payment of social security and unemployment insurance contributions. In the case of natural persons, it must also indicate that it is up to date in the payment of the complementary global tax or the single tax established in No. 1, Article 42 of the Income Tax Law, or that it is exempt from both; and in the case of legal persons, it shall be required to be up to date with respect to the tax referred to in numbers 3, 4 and 5 of Article 20 of the Income Law, in both cases authorizing Corfo to verify such information if necessary (See Annex No. 1).

d. If it is a legal person, certification that the beneficiary is registered in the Register of
Once the above conditions have been met, Corfo will pay the initial instalment in the event that an advance payment is chosen. The delivery of the following installments, if applicable, shall be subject, at least, to the fulfillment of the conditions indicated in letters b., if applicable, and c. above, and to the approval of progress reports that give an account of the activities carried out, and of the results obtained and not obtained, and of the delivery of the rendering of accounts, in relation to the previous installment.

In the case of payment against reporting, in addition to compliance with the condition established in letter c., technical approval of the corresponding progress and/or final report will be required.

Corfo reserves the right to verify that the technical and legal information declared is effective and, in the event of any serious disagreement, in addition to suspending the delivery of the subsidy or putting an early end to the project, in its case, to denounce criminally the eventual configuration of any crime.

7.3. Suspension of Payments and Expenses

The continuity in the delivery of resources will be subject to Corfo's evaluation of the progress of the project, its budgetary availability and the delivery of the respective guarantee document, if applicable.

Corfo may temporarily or definitively suspend payments if it finds that the Project is not satisfactorily developed, and/or the assistance to the obligatory activities indicated in the technical bases is not complied with or that the beneficiary has totally or partially failed to comply with its obligations. In these cases, Corfo will take the measures it considers appropriate to correct the deficiencies it notices, or to terminate the Project early.

Likewise, the beneficiary will be obliged to inform Corfo and propose the anticipated term of the Project, if he or she is convinced that it will not achieve the expected results; it cannot be executed within reasonable parameters, or when he or she cannot know the part of the contribution of his or her responsibility.

Corfo may, prior to the total processing of the resolution that puts an anticipated end to the Project, order the beneficiary to refrain from continuing to make expenses charged to the subsidy delivered. In such case, expenses associated with activities carried out up to the date of communication of said order may be accepted.

8. INCORPORATION OF THE PROJECT IN THE PROJECT MANAGEMENT SYSTEM

Corfo will incorporate the final technical and budgetary planning of the project, as well as
the award and/or formalization conditions established by the Sub-Committee to the Project Management System (PMS) or to the system that replaces it, thus generating the final version of the project for follow-up. The beneficiary (a) will then be informed of the name of the executive in charge of the project.

9. PROJECT MONITORING

9.1. Availability and delivery of information

Corfo, or whom it designates, may conduct reviews, site visits and require all the technical and financial information it deems necessary to verify whether the project is being developed in accordance with the regulations, if the activities described in the reports correspond to reality, to verify the proper use of grant funds and to determine participation of the beneficiary and/or executors in the Program activities.

To enable verification of compliance with the objectives, critical results, planned proper execution, and proper use of grant funds, the beneficiary agrees to deliver to Corfo, or to any other public or private body that Corfo indicates, all documentation required to control the investment of grant funds, pledging to provide any facilities necessary to ensure the most timely and full implementation of that task, with the obligation to provide all data, records and reports required, to prove investment of the grant awarded. The beneficiary must also abide by what is indicated in these Requirements and in the provisions of the "Guideline for Project Reporting for the Call for Applications of the" Start-Up Chile " Program".

Corfo will have no involvement of any kind in the implementation of activities associated with the project objective. However, it will deliver assistance to beneficiaries in the preparation of progress and/or final reports.

The beneficiary is not a dependent of Corfo, without prejudice to the power of monitoring and control of expenditures incurred and charged to the grant.

The beneficiary must respond for damages that occur as a result of carrying out the activities envisaged in the project, and Corfo shall bear no liability of any kind for any loss that may occur to third parties.

9.2. Accounts Eligible for Financing

The costs associated with the development of the Project may be included in the following accounts:

a. Human Resources: Includes the remuneration or fees of the technical and/or
professional personnel directly associated with the Project activities, including the corporate salary that the participants may receive in accordance with current legislation.

In Phase 1, up to $700,000.- (seven hundred thousand Chilean pesos) liquid per month per participant, for work performed in Chile; in the case of foreign participants who can prove that they are traveling to Chile with one or more children under the age of 12, up to $200,000.- (two hundred thousand Chilean pesos) additional liquid as part of the business salary may be allocated. In Phase 2, up to $1,000,000 (one million Chilean pesos) liquid per month for each of the participants.

b. Operating Expenses: Corresponds to the direct expenses associated with the execution of the Project such as: administrative support staff, expenses for renting offices, materials, national and international tickets for Program and Project activities, and national and international tickets to and from the participants' places of origin, insurance, participants' medical insurance, financial cost of guarantees up to a maximum of 3% of the total subsidy granted, product development, visits to potential clients and/or suppliers, training and/or consulting activities whose relevance will be previously validated by Corfo, activities related to the promotion and dissemination of the product/service, visa procedures for participants, and internet services.

In the event that none of the participants pays for their dedication to the project, expenses for lodging, common expenses and basic services may be included, and may be financed up to the limit and under the conditions indicated in the following tables.

Phase 1:

<table>
<thead>
<tr>
<th>Participants</th>
<th>Monthly Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to 500,000.- (five hundred thousand Chilean pesos)</td>
</tr>
<tr>
<td>2</td>
<td>Up to 700,000.- (seven hundred thousand Chilean pesos)</td>
</tr>
</tbody>
</table>

Phase 2:

<table>
<thead>
<tr>
<th>Participants</th>
<th>Monthly Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to 600,000.- (six hundred thousand Chilean pesos)</td>
</tr>
<tr>
<td>2 o más</td>
<td>Up to 800,000.- (eight hundred Chilean pesos)</td>
</tr>
</tbody>
</table>
c. **Investment Expenses**: Corresponds to the acquisition of durable goods (fixed assets) necessary for the execution and obtaining the expected results of the project, being able to impute the complete expense of the investment for the project. Notwithstanding the foregoing, only the acquisition of up to 1 computer per project participant may be imputed to the subsidy, subject to prior approval and technical validation by Corfo.

### 9.3. Project Expenses

With the funds provided by Corfo for the project, **the following items are not eligible for financing**:

a) Investments in Capital Markets, such as buying shares, time deposits in domestic or foreign currency, mutual funds, debts (principal plus interest) or mortgage.

b) Taxes recoverable by the beneficiary, taking into account its legal status and applicable tax rules.

c) Investment in capital goods that, according to the judgment of Corfo, are not crucial to the project.

d) Acquisition of property.

e) Personal expenses, leisure expenses, urban transportation, alcohol, expenses related to pets or any other item that is not directly related to the project.

If the actual project cost exceeds the total amount budgeted in the awarding of the grant, it will be the responsibility of the beneficiary to make up the difference generated assuming the higher cost that the project may have with respect to what is calculated, in order to fulfill the goals established in the project.

If the actual project cost, determined in accordance with the account reports approved by Corfo, is less than the awarded budget, the beneficiary must repay the grant amount exceeding the percentage of co-financing approved by the Subcommittee, calculated on the basis of actual cost, so that the relationship of the **Beneficiary Contribution** remains constant as compared to the **Contribution of Corfo**.

### 9.4. Account Reporting

For the purposes of surrender, cash or pecuniary contribution means the disbursement of resources as a result of the execution of the Project. In other words, this concept does not correspond to the use of facilities, infrastructure, human resources, etc., already existing in the contributor.

The expenses charged to Corfo must be paid on the basis of real costs, at the price at which they were actually paid, duly backed up with reliable documents evidencing their amount, and in accordance with what is stated in these Bases and the instructions issued by Corfo for this purpose and which do not contravene the provisions of Resolution No.
30 of 2015 of the Comptroller General of the Republic.

Without prejudice to the foregoing, Corfo shall verify that the amount declared as contribution to the Project is consistent with the objectives and informed activities.

Expenses incurred in the name of the beneficiary and the executor(s) designated in the application will be accepted. Likewise, expenses will be accepted from an Individual Limited Liability Company, whose constituent corresponds to the beneficiary, or from a company in which the beneficiary has a direct participation of at least 10% (ten percent) of the shares and/or social rights, and which in addition:

a. Is incorporated in Chile.
b. It does not present initiation of activities in a date prior to the opening of the respective call of the Program.

These circumstances will be verified by Corfo, for which the beneficiary must accompany, within 10 days prior to the first expense expected to be paid by the company, the following documents:

a. Simple photocopy of the instrument of constitution and its modifications.
b. Certificate of validity issued by the competent authority, whose seniority may not exceed 90 calendar days to the date of filing.

In the event that the company is approved by Corfo, the beneficiary may present expenses in its name only from the date on which they have accompanied all the documents indicated.

Without prejudice to the foregoing, Corfo shall verify that the amount declared as a contribution to the project is consistent with the objectives and activities reported.

9.5. Early Expenses

Exceptionally, expenses incurred in the execution of the project may be accepted from the date of communication of the approval decision, in the terms established in numeral 5. of the Administrative Bases, at the risk of the beneficiary (a). Therefore, the lack of formalization of the subsidy agreement shall not give rise to compensation or reimbursement.

9.6 Procedure for Procurement and Contracting

During the implementation of the project, the beneficiary (a) shall apply the following procedure for purchases made in the context of the implementation of the project:
During the implementation of the Project, the beneficiary shall apply the following procedure for purchases made in the context of the implementation of the Project:

All acquisitions and contracts in excess of $2,000,000 (two million Chilean pesos) net for Phase 1 and in excess of $3,500,000 (three million five hundred thousand Chilean pesos) net for Phase 2 must be previously authorized by Corfo. For this purpose, the beneficiary must submit to Corfo 3 quotations from the respective suppliers.

With respect to the Human Resources account, the procedure applies only to the hiring of legal entities and individual entrepreneurs.

The aforementioned authorization must be requested prior to the hiring or acquisition, by email addressed to the technical executive for approval. Corfo will have a period of 4 days to respond to the request.

If the 3 quotations have been made in a timely manner and no prior authorization has been requested, Corfo will only recognize the quotation with the lowest value.

Corfo will reject the expense in the event that the beneficiary has not requested authorization, nor has made the 3 previous quotations.

9.7. Monitoring and Reporting

Corfo may monitor the activities carried out by the beneficiary, other participants and contracted third parties without prior notice. For these purposes, in the case of contracting activities with third parties, the power of monitoring and control must be included in the contracts that the beneficiary signs with said entities, being responsible for non-compliance with their obligations in the event of omission, and if this results in difficulties in carrying out the aforementioned monitoring tasks. Notwithstanding the foregoing, Corfo does not assume the co-direction or co-execution of the project, the execution of which is the sole responsibility of the beneficiary (a).

The beneficiary must comply with the calendar of follow-up meetings given to him/her by his/her technical executive and with the delivery of reports (progress and/or final as appropriate), in accordance with the calendar established in the respective subsidy agreement. These reports must contain at least the individualization of the activities executed, the results obtained and not obtained, and the rendering of accounts in the reporting period.

The subsidy agreement shall contemplate at least the delivery of a Final Report within 30 calendar days following the expiration of the project execution term.
Corfo may request extraordinary progress reports in the period to be determined based on the monitoring of project activities, in which case the modification of the subsidy agreement is not necessary.

Corfo will give its approval or make observations to the progress, extraordinary and final reports within 30 days, counted from their material reception, or from the field review, as appropriate.

Upon Corfo’s request for background, modification or complementation of the reports, the beneficiary must comply with such requirement within the following 10 days.

Corfo will require the extension of the expiration date of the guarantee, if applicable, if the beneficiary (a) delivers the report after the term.

Reports that do not contain all the information requested or that do not attach all the background information required for its technical and financial analysis, or are not attached in legible copy, shall be understood as not presented. Corfo shall inform the beneficiary (a) of this circumstance within 5 days from receipt of the report, establishing a period not to exceed 5 days from receipt of the communication, to resend the report in good standing.

9.8. Amendments to the Grant Agreement

Modifications to projects that involve a change in the terms of the grant agreement must be recorded in an amendment instrument to the agreement, which must be approved by Resolution of Corfo.

10. PUBLIC AVAILABILITY OF REPORTS, RELEASE AND TRANSFER OF THE RESULTS

For the purposes of the Corfo Institutional Repository (RIC), a declaration must be made by the beneficiary (a), according to the format delivered by Corfo, at the time of delivery of the progress and/or final reports, or failing that, declaring it directly in the Project Management System (PMS), if this function is available. The beneficiary (a) will always be responsible for the timely delivery of the information requested in the referred Annex. Without prejudice to the publication of the information contained in said Annex, the progress and/or final reports, in accordance with current regulations, shall be published in full in the Corfo Institutional Repository (RIC) one year after their respective approval. The dissemination and transfer of the results of the Project shall be carried out in accordance with the provisions thereof.

The beneficiary authorizes Corfo and its Committees to use and distribute written or audiovisual material related to the Project and its other participants for dissemination activities.
During the execution of the Project the beneficiary will be obliged to the following:

a. Provide Corfo with information about the activities and grant the necessary facilities for said object.
b. Support and actively participate in the events carried out by Corfo and/or the Program to promote the partial and final results of the Project.
c. Disseminate and transfer the results according to what is established in the Project and according to what is required by Corfo.
d. To transfer the results in the way foreseen in the Project.
e. Promote the Program, and Corfo, in a way that makes its contribution to the execution of its Project notorious.
f. Submit surveys, reports or other information on the intermediate or final results of the Project when requested by Corfo.

After the end of the Project, and for a period of 5 (five) years, the beneficiary undertakes to respond to surveys, submit reports and provide any other information on the intermediate, final or impact results of the Project when requested by Corfo.

It is understood that the beneficiary (a) assumes this obligation, with respect to the Project in question, by the mere fact of having applied for and obtained financing from Corfo for its execution. This information is relevant for the elaboration of metrics by Corfo, and for the impact evaluation of its instruments.

11. INTELLECTUAL AND INDUSTRIAL PROPERTY OF RESULTS

Notwithstanding the provisions of Section 10, the results derived from the project and all information, inventions, technological innovations, procedures, plans and other documents, shall belong to the beneficiary or the other participants in conformity with what they have stipulated. Consequently, it will be the responsibility of the beneficiaries and other participants to protect any eventual creations, patent-eligible inventions or other proprietary rights over the results of the project in the corresponding registries.

12. SUSPENSION AND TERMINATION OF THE PROJECT’S PARTICIPATION IN THE PROGRAM

12.1. Suspension of a project’s participation

Corfo may suspend, ex officio or at the request of the beneficiary (a), the execution of a project, and consequently, the term of the agreement, in the event of serious circumstances of a transitory nature that prevent its normal execution.
The ex officio suspension must be adopted in a well-founded manner, after the beneficiary (a) has been heard, and duly communicated to the latter.

In the case of a request from the beneficiary (a), the suspension must be based on circumstances for which the beneficiary is not responsible and must be accompanied by the background information justifying the request, which must be sent by email to the technical executive. Corfo will decide the pertinence and will pronounce on the matter, communicating its decision to the beneficiary (a) within 15 days, counted from the request. The suspension may only be requested once during the period of execution of the project, and may not exceed half of the period originally approved.

Once the suspension has been authorized, Corfo shall reject any expense incurred with respect to the subsidy granted during this period.

In both cases, the term of the suspension shall be counted from the date on which Corfo communicates its decision.

12.1. Normal Termination

The project shall be deemed completed once Corfo gives its approval to the Final Report, and the grant agreement shall be deemed completed once the beneficiary meets all outstanding obligations with respect thereto, including the return of balances not reported, not implemented or not observed, resulting from the review of reports.

12.3. Early Termination

Without prejudice to the other grounds for early termination set forth in these requirements, Corfo may adopt such a decision in the following cases, applying the sanctions detailed below:

12.3.1. Early termination of the project for reasons not attributable to the beneficiary

Corfo may impose an early end to the project on its own initiative or at the request of the beneficiary in the following situations:

- Failure to achieve critical results or continuity milestones established in the project, for reasons not attributable to the lack of diligence of the beneficiary, duly qualified by Corfo.

- Having become convinced that the project will not achieve the expected results, that it cannot be executed within reasonable parameters, or that the beneficiary will not be able to pay the amount for which he or she is responsible, for reasons not attributable to lack of diligence by the beneficiary, duly qualified by Corfo.

- Other causes not attributable to the beneficiary’s lack of diligence in carrying out
their activities related to the project and/or to the beneficiary’s participation in the Program, duly qualified by Corfo.

If requested by the beneficiary and accepted by Corfo, it shall be understood that the project has been finished early, from the date of the request.

If affected at the initiative of Corfo, the project shall be understood to have finished early, from the total processing of the resolution that declares it, without prejudice to what is stipulated in the last paragraph of subsection 7.3 above.

In both cases, the beneficiary must deliver a Final Report of closure, within a reasonable period to be set out in the Resolution of early termination, which shall not exceed 30 days from the complete processing of the same. The beneficiary shall return any balance from the grant that has not been paid, reported or observed in their possession at the termination date indicated in the respective Resolution, within a prudential term set by Corfo, which shall not exceed the third business day prior to expiration of the guarantee for advance payments to be in the possession of Corfo and shall be counted from the date of the requirement to repay the balance. To calculate the balance to be repaid, the criteria established in the last paragraph of subsection 9.3 above shall be applied. Corfo shall make use of the guarantees if the beneficiary fails to make restitution of funds before the deadline.

In the case that the grant is paid against approval of report(s), Corfo will only transfer resources to pay the cost incurred by Corfo the investment of which is technically and financially accredited, and which have been incurred up to the date of communication of the early termination.

12.3.2. Early termination of the project by deed or act attributable to the beneficiary

Corfo may put an early end to the project if the beneficiary fails to comply through negligence or lack of due diligence of his or her obligations. The following situations may constitute a breach of the contract:

- Denial or hindrance of project’s financial and technical monitoring
- Negligence in performing financial and technical control activities
- Failure to notify Corfo in a timely manner about the impossibility of paying the contributions for which they and/or the other participants are responsible.
- Serious discrepancy between the declared technical and/or legal information and real information.
- Non-compliance with critical results or continuity milestones established in the project, for reasons attributable to the lack of diligence by the beneficiary, duly qualified by Corfo.
Having become convinced that the project will not achieve the expected results, that it cannot be executed within reasonable parameters, or that the beneficiary will not be able to pay the contribution that is his or her responsibility, for reasons attributable to a lack of diligence by the beneficiary, duly qualified by Corfo.

- In the reports of accounts:
  - Duplication in the reporting of proof of expenditures.
  - Simulation of acts or contracts.
  - Valuation of costs above the market value
  - False or altered accounting documents (such as invoices, bills, credit or debit notes)

- Other reasons attributable to the beneficiary's lack of diligence in carrying out their activities related to the project and/or to the beneficiary's participation in the Program, duly qualified by Corfo.

In this case, the recipient must repay the entire grant received, expressed in UF (Unidades de Fomento – Chilean peso-denominated unit indexed by inflation) on the date for which Corfo informed the early termination of the project through a written notice, and will be converted into national currency on the date of payment. If the product of this operation is a sum less than the nominal value of the grant given, the latter must be returned (nominal value). The refund will be made within 15 business days of the notice of early termination to the beneficiary. Corfo shall make effective the guarantee deposit constituted only if the beneficiary does not make restitution within the agreed-upon deadline.

In the case that the grant is paid against approval of report(s), Corfo will reject all expenditures charged to the grant made by the beneficiary in the context of execution of the project.

13. NOTIFICATIONS

From the indications of the LAW Nº 19.880, article 30, letter a) and article 19, first paragraph, the beneficiary, in the application platform can authorize and consent explicitly, for that any notification of his application are sent to the email specified in his application. In these cases, the notification will be sent after the date and time in which the beneficiary has access to this notification, when this received on the inbox of the confirmed email. The beneficiary is obligated to maintain this email updated, and any change in this address will have to be notified back to Corfo.

14. QUESTIONS OR CONSULTATIONS

Questions may be addressed in English or Spanish to the following email address: contact@startupchile.org. Each query shall be answered by the same means, within a maximum of 5 working days from its arrival to the inbox.
ANNEX #1

JURY DECLARATION (Natural Person)

(Name of subscriber), identity card No. (number of identity card of subscriber), domiciled for these purposes in......is declaring under oath the following:

ON THE PAYMENT OF UNEMPLOYMENT INSURANCE CONTRIBUTIONS
That, in accordance with the provisions contained in Law No. 19,728 establishing Unemployment Insurance, the undersigned is aware of the prohibition for employers who have not paid the contributions to this insurance, to receive resources from Public or Private Institutions, which are financed with Public Funds.

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<td>That expressly declares that the undersigned does NOT have workers for whom he must pay unemployment insurance contributions.</td>
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<td>As a result of the above mentioned provisions, the undersigned, under oath, declares that he is up to date with the payment of unemployment insurance contributions.</td>
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ON THE PAYMENT OF SOCIAL SECURITY CONTRIBUTIONS
The undersigned declares under oath that he is up to date with the payment of social security contributions.

ON NO LATE PAYMENT OF INCOME TAX DEBT
The undersigned declares under oath that he has no delinquent debt with respect to the global complementary tax or the single tax established in Article 42, No. 1 of the Income Tax Law, or is exempt from both. Corfo is also authorized to verify the veracity of this information.

Issued at (place) to (date)

________________________________
SIGNATURE
ANNEX #2

JURY DECLARATION (Legal Person)

(Name of subscriber), identity card No. (number of identity card of the subscriber), in its capacity as representative of (business name or name of legal person), RUT (RUT of legal person), both domiciled for these purposes in ….

ON THE PAYMENT OF UNEMPLOYMENT INSURANCE CONTRIBUTIONS
That, in accordance with the provisions contained in Law No. 19,728 establishing Unemployment Insurance, the undersigned is aware of the prohibition for employers who have not paid the contributions to this insurance, to receive resources from Public or Private Institutions, which are financed with Public Funds.

| That expressly declares that the entity it represents does NOT have workers for whom it must pay unemployment insurance contributions. |
| As a result of the aforementioned provisions, the undersigned, in the aforementioned representation, declares under oath that the entity he or she represents is up to date with the payment of unemployment insurance contributions. |

ON THE PAYMENT OF SOCIAL SECURITY CONTRIBUTIONS
The undersigned, in the aforementioned representation, declares under oath that the entity he represents is up to date with the payment of social security contributions.

ON NO LATE PAYMENT OF INCOME TAX DEBT
The undersigned, in the aforementioned representation, declares under oath that the entity he or she represents has no delinquent debt with respect to the tax referred to in numbers 3, 4 and 5 of article 20 of the Income Law.
Likewise, the declarant, in the aforementioned representation, authorizes Corfo to prove the veracity of this information.

Issued at (place) to (date)

_______________________________
SIGNATURE OF REPRESENTATIVE
ANNEX #4

JURY DECLARATION

(Name of subscriber), identity card No. (number of identity card of subscriber) / passport No. (number of passer of subscriber), in your capacity as leader of the project team "(name of the project postulated)" presented by (company name or name of the legal person), RUT (RUT of the legal person), I come to declare under oath that I have directly a shareholding in / in the social rights of (company name or name of the legal person), RUT (RUT of the legal person) applicant to the program "Start-Up Chile".

Likewise, the declarant authorizes Corfo to verify the veracity of this information. Issued at (place) to (date)

__________________________________________
DECLARANT’S SIGNATURE
#3 Publish the corresponding notices, in each nomination period, according to the provisions of numeral 2.1., of the Administrative Bases that are approved in the previous second resolution, in a national circulation newspaper, and make this Resolution and its approved Annexes available to interested parties in the Corfo website, www.corfo.cl, and in the website and www.startupchile.org, once this Resolution is fully processed.

Sign up and communicate.