

[This text only serves as a reference, it is a translation of the official terms and conditions (Resolution (E) N ° 688, of November, 2020) of the Entrepreneurship Office. In case there is any difference between this text and the content in the official text, the Spanish version signed by the Chief of the Entrepreneurship Office of CORFO must always be considered as the official version.]

## I. TECHNICAL CONDITIONS OF LINES 1-3 OF THE START-UP CHILE PROGRAM

### A. General Background

Start-Up Chile was created in the year 2010 by the Ministry of the Economy, Production, and Tourism and executed by Corfo, with the objective of contributing to positioning Chile as the pole of innovation and entrepreneurship in Latin America.

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

Subsequently, during the year 2016<sup>1</sup>, Start-Up Chile was recognized as the top business accelerator, and in the year 2017<sup>2</sup> as the most innovative Latin American organization and furthermore, within the largest and most diverse accelerators in the world, which has contributed to positioning Chile in the foremost rankings of innovation, entrepreneurship and technology; In addition, according to data from the Internal Revenue Service, the ventures incorporated in Chile have generated, as of December 2018, sales of \$ 200,236 million pesos and 7,241 advanced human capital jobs.

After the "Start-Up Chile" Program was created, around 50 countries created similar initiatives. Every year Start-Up Chile receives around 100 delegations (governments, universities, NGOs, among others) that seek to learn the methodology of the work. At the press level, between 2010 and 2017, more than 12,000 publications were generated in the mass media in 116 countries, of these, more than 8,000 in international media.

More than 1,900 startups from 85 countries have participated in the Start-Up Chile Program since it began in October 2010. Of this portfolio, as of June 2019, 26% correspond to Chilean entrepreneurs and 74% to foreigners. In terms of gender, 26% of the supported ventures are led by women and 74% by men.

The Start-Up Chile Program has three lines that merge into this instrument; in the first place "Build" (Line 1), formerly called "The S Factory", whose purpose is pre-acceleration focused on the development of MVP, prototypes and entrepreneurial skills; secondly, "Ignite" (Line 2), formerly known as "Seed", which aims to accelerate startups that use Chile as a platform for the commercial growth of new businesses; and third, "Growth" (Line 3), whose aim is to support growth-stage startups in fundraising, exponential sales growth, and internationalization, attraction, and retention of advanced human capital.

The "The S Factory" Program, created in 2015, today called "Build", was born with the aim of increasing female participation in high-impact technological ventures, enhancing skills / knowledge to launch business and lead.

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<sup>1</sup> Global Accelerator Report 2015 <http://gust.com/global-accelerator-report-2015/> y GIMI Institute 2016. <https://www.giminstitute.org/top-10-innovation-accelerators/>

<sup>2</sup> Ranking 2017 y 2016 Revista Fast Company: <https://www.fastcompany.com/company/startup-chile>

Currently, the majority of enterprises led by women tend to be micro-enterprises, with traditional products, based in the informal economy, all of which reduces the potential returns of these businesses<sup>3</sup>. There are still strong barriers, personal as well as cultural, that make difficult the possibility of growing and scaling technology businesses led by women. within which are the following:

- Globally, only 20% of startups that raised their first round of funding have at least one woman on their founding team (Teare, G. (2020). EoY 2019 Diversity Report. Crunchbase).
- Companies with only male founders raised USD \$ 195 billion in 2019, companies founded only by women raised only USD \$ 6 billion in the same period (Crunchbase. (2020). Funding to the Female Founders Report).
- On average, startups supported by Start-Up Chile that are led by men have raised 4 times more capital than startups led by women (Start-Up Chile 2019 annual survey).

Between the years 2015 and 2019, with its “The S Factory” program, now called “Build”, Start-Up Chile has funded more than 222 early-stage ventures led by women. Most of them have achieved market validation, increasing the probability of subsequent financing to develop the company. One of these co-financing possibilities is the Seed line of the Start-Up Chile Program, which, since 2017, has achieved the highest percentage of ventures with female founders since its creation.

Currently, the objective of “Build” is focused on supporting early-stage ventures, through the development of leadership and entrepreneurship skills, promoting the reduction of the gaps between technological ventures led by men in relation to those led by women. To reduce this gap, at least 50% of the selected projects will be led by women, increasing the total number of female leaders supported by Start-Up Chile in all its lines, from approximately 70 per year, to 90 a year. Thus, projects led by women would represent more than 40% of the total projects supported annually, which implies a significant increase compared to the current 26%.

This measure is aligned with the incentive that is incorporated for Line 2 "Ignite", as a result of which, maintaining the maximum amount of subsidy, the percentage of co-financing for projects led by women will be increased by 10%. In this way, support for women entrepreneurs is intensified and it becomes a cross-cutting factor in Start-Up Chile, regardless of the business development stage. Additionally, this support is complemented with the access of women leaders selected in any line of Start-Up Chile to the "Female Founder Factor", an initiative that has instances and methodologies that aim to reduce the gender gap in entrepreneurial leaders from the community, academy, talent, ecosystem and acceleration methodology.

Line 2: “Ignite”, from Start-Up Chile, previously called “Seed”, and previously “Programa Start-Up Chile”, is the acceleration program that began in 2010 with the objectives of contributing to positioning Chile as the hub of innovation and entrepreneurship for Latin America and create an ecosystem of technological entrepreneurship.

In 2020, a new line called “Growth” was incorporated, which is typology of Line 2. The program seeks to place a greater emphasis on entrepreneurs who have begun to sell and need the skills to exponentially grow in other markets, need to raise capital, and are in the stage of internationalization, and attracting and retaining advanced human capital.

Currently, the program aims to generate socioeconomic impact in Chile through the acceleration of innovative technological ventures that allow the development and

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<sup>3</sup> Banco Mundial, Banco Interamericano de Desarrollo, GTZ, “Women’s Economic Opportunities in the Formal Private Sector in Latin America and the Caribbean: A Focus on Entrepreneurship”, 2010.

diversification of the economic base. This, along with the objectives of attracting and accelerating technology-based entrepreneurs with global markets (both domestic and foreign) who see Chile as an asset to their businesses, increase the economic impact in Chile of the ventures supported by the program, contribute to the creation of a sustainable, democratic and diverse entrepreneurship ecosystem, facilitating connection instances between entrepreneurs, investors, companies and organizations, positioning Chile as a benchmark in innovation and entrepreneurship worldwide. Additionally, the reduction of gaps between women and men founders of successful ventures corresponds to a transversal element of the financing instrument, in all its lines.

## **B. Line 1: “Build”**

### **1. General Objective**

Attract, empower and create new high-impact technological ventures with a global vision, also promoting the environment of female entrepreneurship and supporting the strengthening of skills for the development of new businesses that enhance skills / knowledge to start companies and lead, and in this way, promote the creation of high-impact technology businesses in the early stages and reduce the gaps between technology ventures led by men versus women.

### **2. Specific Objectives**

- a. Create and pre-accelerate technological ventures, with potential of global growth.
- b. Develop and enhance leadership and business development skills.
- c. Contribute to the creation of a sustainable, democratic, and diverse entrepreneurship ecosystem, facilitating instances of connection between entrepreneurships, investors, companies, and organizations.

### **3. Expected Results**

- a. Advance the development of the enterprise to a new phase, that is, from idea or concept to prototype; from prototype to minimum viable product; from minimum viable product to validated product; from validated product to product with sales or fundraising; and product with sales and/or fundraising to international scalability.
- b. Leadership skills and techniques related to business development that allow for the growth of the entrepreneur.
- c. Connection of the venture to the national ecosystem, attending meetings with potential investors and organizations, with the intention of raising capital and/or generating new customers and partners.

### **4. Project Participants**

The project participants are the following:

#### **4.1. Beneficiary (only one, mandatory)**

The beneficiary is the participant that benefits from the granting of the subsidy for the execution of a project. In the event that his/her project is awarded, the recipient of the subsidy will be responsible for the execution of the project before Corfo, and will be an active and passive subject of all the rights and obligations established in the subsidy agreement or contract, including the delivery of detailed reports of expenses and activities carried out by it, other participants and third parties.

The beneficiary must be the founder or owner in the execution of a global project (in early stages of development, understood as those with a commercial development of up to 12 months) that uses Chile as a platform, which will be verified in the relevance analysis.

May apply as Beneficiaries:

#### **4.1.1 Natural Person**

Chilean or foreign natural persons, who at the time of application are over eighteen years of age, and are founders or partners in the execution of a global project (technology-based) that uses Chile as a platform. Natural persons who have participation in the capital of a legal entity incorporated

in Chile that executes or is the owner in the execution of the global project will not be able to apply in this capacity.

The natural person will participate in the category of "Team Leader" (only one, and mandatory), and corresponds to that natural person, duly individualized in the application as beneficiary, who must act as responsible to Corfo. In the event that the Team Leader acts on behalf of a company incorporated abroad, he must have at least a 10% direct or indirect participation in the capital of the foreign company (see Annex N ° 3).

The person designated as the beneficiary must participate in the Program in Chile during the entire execution period of the project, and with exclusive dedication to its development.

#### **4.1.2 Legal Entity**

For-profit legal entities, incorporated in Chile, that execute a global project (technology-based) that uses Chile as a platform, and that do not have initiation of activities before the Internal Revenue Service for a period exceeding 12 months, may apply. counted backwards from the date of opening of the respective call, which will be verified during the admissibility stage of the project, with the information available on the website of the aforementioned service.

Within the work team of the applicant legal entity, a "Team Leader" (only one, and mandatory) will be considered, corresponding to the natural person, duly individualized in the application, who must act on behalf of the beneficiary legal entity, as responsible to Corfo. The person designated as Team Leader must be one of the founders or partners of the project and have a direct or indirect participation of at least 10% of the capital of the beneficiary legal entity (see Annex N ° 3). In addition, they must participate in the Program in Chile during the entire execution period of the project and with exclusive dedication to its development.

#### **4.2. Sponsoring Entity**

The Sponsoring Entity is an institution that acts as a specialist intermediary between Start-Up Chile and the Beneficiary, which must provide technical, financial and adequate infrastructure management services for entrepreneurs to carry out the correct execution of the respective project, accompanied by the methodology of acceleration of Start-Up Chile, in order to increase the chances of success of your ventures.

This entity, which will be selected according to public procurement rules, must be included in the list that Corfo will carry for these purposes .

The application must be made directly by the applicants (entrepreneurs).

Notwithstanding the aforementioned, applicants that are awarded the grant, within the deadline that Corfo indicates in the respective notification of the Resolution executed by the Agreement of the Subcommittee that awards the project and grants the subsidy, must obtain the formal commitment of the Sponsoring Entity on behalf of Start-Up Chile, through the presentation of a contract that regulates the essential aspects established in Appendix N° 4, which must be signed between said entity and the Beneficiary.

### **5. Fundable Activities and Expenses**

The projects that are submitted should consider the following activities and/ or expenses fundable (with subsidy and/ or contributions), which must be exclusively aimed at achieving its objectives:

- a) Commercial packaging of products or services.
- b) Prospecting, validation and commercial advertising.
- c) Preparation and/ or updating of business plans (marketing, commercial strategy, among others).
- d) Product certifications by regulatory entities.
- e) Activities to increase sales.
- f) Acquisition of assets considered critical, from Corfo's point of view, for the development of the venture.
- g) Activities that support the expansion of technology-based projects with high global growth potential and that use Chile as a platform.
- h) Technical, financial and infrastructure management services performed by the Sponsoring Entity, according to what is indicated in number 9.2 below, which will be paid directly by Corfo to said entity. This activity is mandatory.

Projects may not consist of consultancies and/ or franchises. Likewise, the activities and/or expenses to be financed must correspond to projects in early stages of development, understood as such those with a development of less than twelve months and that are in the stage of idea, concept or prototyping.

## 6. Program Activities

During her participation in the Program and during the project execution period, at minimum, the Beneficiary, must participate, compulsorily, in the following activities:

- a) Execution of the project in the territory of the Republic of Chile.
- b) Implementation of necessary activities for completion of the proposed goals of the project.
- c) **"Intro Day"**: Presentation of the project, following the requirements duly informed by Corfo, in order to identify the specific stage of development in which it is. 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 duly reported by Corfo, in order to determine progress in its development. This presentation will be made to the Program participants and Corfo representatives, on the date duly informed to the beneficiary.
- e) **Attendance at the orientation presentation of the TSF Program (Orientation Day)**, in which the team, acceleration, and accountability workshops will be introduced and explained, on a date duly communicated to the beneficiary.
- f) **Other Program activities** that are **classified as mandatory** by Corfo, a circumstance that will be communicated to the beneficiary in a timely manner.

In justified cases and exceptional circumstances, Corfo may authorize the Beneficiary (founder) to not participate in any of these activities and determine the necessary measures to ensure compliance with the goals of the Program, such as, for example, that another person may attend on her behalf. In this decision, Corfo will take into consideration, among other factors, the level of participation of the Beneficiary in the activities of the Program.

If the Beneficiary does not participate in the previously identified activities and/or events, without having authorization, Corfo may terminate the project early, applying the rules established in section 13.2 of the administrative Conditions to receive reimbursement the subsidy.

## 7. Project Contents

### 7.1. Mandatory Content

Applications **must** contain, at minimum, the following information, in accordance with the details and requirements stated on the application form:

- a) Background of each of the participants identified on the project application, that is, their nationality, education, technical experience and employment history. The background and achievements reported by each of the participants must be verifiable.
- b) Chilean natural persons participating in the project must submit a simple photocopy of their current Chilean identity card. In the event that said document is in process, the document certifying this situation must be attached.
- c) Foreign natural persons who are part of the project, who do not have a Chilean identity card, must attach a simple photocopy of the identification page of their current passport and/or their current national identification document. In the event that said document is pending, the document that substantiates this situation must be attached.
- d) The dedication of participants to the project.
- e) Description of the leadership history of the applicant.
- f) Identification of the entire founding team (including those who will not participate in the project).
- g) Email account and/or contact information of, at minimum, one reference. This person may be contacted by Corfo before the application deadline and/or during the evaluation process.
- h) The product and/or service to develop and/or commercialize.
- i) Description of the competition and this project's differentiation.
- j) Development stage of the project
- k) A 90-second maximum video that should address, at minimum, the following subjects:
  - Description of the team.
  - Description of the problem to be solved.
  - Description of the product/service.

In the case that the attached video exceeds the designated time limit, only the first 90 seconds will be reviewed, and the rest of the information contained will not be reviewed.

Additionally, the video should be password-free and can be located on platforms or web services that are convenient for the Beneficiary, show the file upload date, and prohibit changes once the application period is closed for the respective contest. If the video does not fulfill the requirements stated in this paragraph, the application will be considered incomplete and it will be declared inadmissible.

### 7.2. Optional Content

Applications **may** additionally contain the following background information:

**a) Regarding the Participants:**

- Motivation to develop the project in Chile.
- Participation in entrepreneurship and innovation-related organizations.
- Existing relationships with national networks to leverage in the country.
- Relationships with international networks to position Chile as a hub of innovation.
- Activities to enhance interaction, networks, transfer of knowledge, skills and best practices towards local entrepreneurs and their environment.

**b) Regarding the Project:**

- Commercialization strategy.
- Barriers to entry and exit.
- Progress to date and plan during the stay in Chile.
- Market challenge or opportunity addressed by the project.
- Target market and size.
- Market position.

Incomplete applications, understood as those that present, in relation to the mandatory contents indicated in section 7.1, two or more empty application fields, and/or three or more empty dropdown fields, will be declared inadmissible.

The aforementioned, notwithstanding other consequences regulated in this Conditions, as a result of the lack of information.

**8. Execution period**

The project execution period will be up to **4 (four) months**. Said period may be extended only once for up to **1 (one) additional month**, upon a justified request by the Beneficiary. Such a request must be sent before the expiration of the original period. The above is notwithstanding the length of the project, in accordance with section 11.

**9. Support**

**9.1. Corfo Subsidy for the Beneficiary**

Corfo will co-finance up to **90%** of the total cost of the project, with a limit of **\$10,000,000.-** (ten million Chilean pesos).

Additionally, in case of extension of the project according to modality N° 1 "Extension Build", in accordance with the provisions of numeral 11. below, the subsidy will be increased by up to **\$ 5,000,000.-** (five million Chilean pesos ) additional.

**9.2. Overhead Payment to the Sponsoring Entity on Behalf of Start-Up Chile.**

The Sponsoring Entity will receive, for Overhead, a payment based on the services provided to the beneficiary, for the provision of infrastructure, supervision, monitoring and administration of the project, prior evaluation by Corfo.

The amount of Overhead assigned per project may not exceed **\$2,500,000.-** (two million, five hundred thousand Chilean pesos).

In case of project extension according to modality N° 1 "Build Extension",



in accordance with the provisions of number 11. below, the additional Overhead per project assigned to the Sponsoring Entity may not exceed **\$1,500,000.-** (one million, five hundred thousand pesos).

The Subcommittee Start-Up Chile, at the time of the award of projects and, where appropriate, to deciding on the extension of themselves, determine the maximum Overhead to be allocated to the sponsoring organization for the supervision, monitoring and management all the projects of the respective contest.

The Overhead is an additional amount to the subsidy approved for the project in accordance with the provisions of number 9.1 above, and will be paid directly by Corfo to the Sponsoring Entity on behalf of Start-Up Chile, in advance and upon delivery of a guarantee by the Sponsoring Entity, or for periods expired during the execution of the project, or subsequent to the delivery of the Final Report and once the work carried out by the Sponsoring Entity for Start-Up Chile is evaluated by Corfo, based on the information provided by the Beneficiary and said Entity.

### 9.3. Beneficiary Contribution

Participants must provide the remaining confinancing, equivalent to at minimum 10% of the total project cost, new or pecuniary, during its execution. For these purposes, the Sponsoring Entity's overhead is not considered.

A new or pecuniary contribution is understood as the disbursement of resources that is caused by the execution of the project and that, had it not been started, it would not have been incurred. In other words, the use of facilities, infrastructure, human resources and others, already existing for the contributor and/or in the participants at the time of application does **not** fit into this concept.

For the purposes of determining the total cost of the project and the percentages of contributions from the participants, the amount of the overhead payment for the Sponsoring Entity will not be considered.

## 10. Evaluation Criteria

Projects will be evaluated on a scale of 1 to 5 and the evaluation criteria are the following:

Criterion	Description	Weight
Participants	<b>Competence and leadership of the beneficiary (25%):</b> the adequacy of their decision-making capacities, the communities in which they are or are participating/leading and their role, and, in addition, the impact they may have on the Chilean Entrepreneurial Ecosystem will be evaluated.	40%
	<b>Composition, Qualifications and Experience of the Team (15%):</b> the sufficiency of the demonstrable achievements, the capabilities in relation to the project, the team's training, and their relevant experience in the project industry will be evaluated.	

<p><b>Value of the Project</b></p>	<p><b>Product or Service (25%):</b> the suitability of the vision and the sufficiency of the project's global impact potential, its attractiveness for future investment opportunities and the real potential of starting operations from Chile will be evaluated .</p> <p><b>Market and Competitive Position (25%):</b> the sufficiency of the market size, concept validation, competitors and growth opportunities will be evaluated.</p> <p><b>Impact in Chile (10%):</b> It will be evaluated whether the strategy makes sense with the proposed solution to be developed in Chile. Likewise, it will be evaluated that the project is coherent with the markets and industries that Chile offers.</p>	<p><b>60%</b></p>
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During the evaluation process, applicants may be asked to interview remotely.

As a result of the evaluation, a preliminary ranking will be drawn up, which will be presented to the Subcommittee, which corresponds to the collegiate body that will determine the final ranking and will decide, on its merit, on the approval and rejection of the projects, taking into consideration budget availability and also applying the following criteria:

- a) For a project to be approved, it must obtain a minimum score of 3.00 in the evaluation sub-criteria "Composition, Qualification and Team Experience" and "Product or Service".
- b) Up to 50% of the initiatives to be approved, in accordance with budget availability, may correspond, in order of grades, to projects whose team leader is male. This percentage cap will be increased only in the event that there are not enough projects whose team leader has a female registry sex, which meet the minimum qualifications indicated in the preceding letter.

At the decision stage, award and/or formalization conditions may be incorporated into the approved projects, and technical and/or budgetary modifications may be established as deemed appropriate, without altering the nature and general objective of the projects.

## 11. Project Extensions

In order to promote the development of projects that demonstrate the high possibility of market viability and obtaining financing during the first 3 (three) months of execution, the possibility will be considered for the beneficiaries to request an extension in two alternative modalities.

Before the third month of project execution is completed, and according to section 6 above, the beneficiary must submit her pitch to be evaluated by Corfo. Before presenting the pitch, beneficiaries who wants to opt for an extension must indicate that they are interested in the extension of their project.

There are two types of extension:

- i. Modality No. 1. Build Extension.
- ii. Modality No. 2. Ignite Extension.

The approval in one extension modality will imply the rejection of the project extension in the other modality.

### 11.1. First Evaluation

After the first pitch, all projects applying to an extension will be evaluated on a scale from 1 to 5, in accordance with the following criteria, forming a ranking which will be presented to the Start-Up Chile Subcommittee<sup>4</sup>.

Criterion	Description	Weight
<b>Project Team</b>	<b>Qualifications and Experience of the Team:</b> The sufficiency of the experience of the team and its capacity for the project growth will be evaluated.	<b>10%</b>
	<b>Pitch Quality:</b> The ability to present the state of the business (pitch) will be evaluated.	<b>10%</b>
<b>Value of the Business</b>	<b>Proposed solution:</b> The sufficiency of the degree of innovation and impact will be evaluated to solve the existing problem.	<b>20%</b>
	<b>Traction:</b> The adequacy of the main growth metrics of the venture will be evaluated.	<b>20%</b>
	<b>Advances, during the execution of the project:</b> The project's level of progress from its inception will be evaluated.	<b>30%</b>
	<b>Impact in Chile:</b> The sufficiency of the results and socioeconomic impact generated in Chile will be evaluated.	<b>10%</b>

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Only those projects that are pre-approved by the Start-Up Chile Subcommittee in this first evaluation stage will go on to the second stage, and must, at the time and under the conditions indicated by Corfo, carry out a new pitch. The remaining projects will be rejected for extension, and they will continue to run normally.

The Subcommittee, at the proposal of Start-Up Chile, will determine if the application will continue to be evaluated for extension modality number 1 (Extension Build) or extension modality number 2 (Extension Ignite).

### 11.2. Evaluation for modality No. 1. Build extension

It corresponds to an extension modality that allows the allocation of up to \$ 5,000,000.- (five million Chilean pesos) additional subsidy, and an extension of 3 (three) additional months in the project execution period.

After the second pitch, and in accordance with this method, the pre-approved projects to access the project extension will be re-rated with grades from 1 to 5, according to the following criteria, forming a ranking that will be presented to the Subcommittee of Start-Up Chile.

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<sup>4</sup> The Subcommittee is the body empowered to approve or reject the allocation of resources to projects.

Criterion	Description	Weight
Project Team	<b>Qualifications and Experience of the Team:</b> The sufficiency of the experience of the team and its capacity for the project growth will be evaluated.	10%
	<b>Pitch Quality:</b> The ability to present the state of the business (pitch) will be evaluated.	10%
Value of the Business	<b>Proposed solution:</b> The sufficiency of the degree of innovation and impact will be evaluated to solve the existing problem.	20%
	<b>Advances, during the execution of the project:</b> The project's level of progress from its inception, and additionally, the previous evaluation will be evaluated.	30%
	<b>Impact in Chile:</b> The sufficiency of the updated and generated results and socioeconomic impact generated in Chile will be evaluated.	10%
	<b>Traction:</b> The adequacy of the main growth metrics of the venture and the progress will be evaluated.	20%

Only for those projects that are approved by the Start-Up Chile Subcommittee in this second evaluation stage will the execution period be extended and the additional subsidy of up to **\$5,000,000.-** (five million Chilean pesos) will be granted, while the others will be rejected for their extension and will continue to run normally.

### 11.3. Modality N° 2. Ignite Extension.

Corresponds to an extension modality that allows access to the support of the "Ignite" Line detailed in section C. of these Terms and Conditions and, consequently, the evaluation and decision will be governed by the stages contemplated in number 10 of the Line Ignite.

Thus, in the event of approval by the Start-Up Chile Subcommittee, a new subsidy agreement will be concluded with the Beneficiary for the execution of a new project, which must comply with the activities, deadlines and support contemplated in the "Ignite" Line of the current Terms and Conditions.

Prior to the formalization of the new subsidy agreement, the final report of the project executed in the context of Line 1 "Build" must have been approved and, likewise, the review of the degree of compliance with the objectives and results, it must be determined that its progress is sufficient and consistent with co-financing through the Ignite instrument.

In the event that the Ignite extension is rejected, the Build extension will be evaluated in accordance with the provisions of the preceding subsection.

## **C. Line 2: "Ignite"**

### **1. General Objective**

Generate socioeconomic impact in Chile, through the support of innovative technological ventures that allow to sophistication and/or diversification of the country's economic base, through financial support and acceleration services provided by Start-Up Chile.

### **2. Specific Objectives**

- a) Attract and accelerate technology-based ventures with global markets (both domestic and foreign), that see Chile as an asset to their businesses and that they have, at least, a minimum viable product (MVP) or functional prototype of the solution.
- b) Increase the economic impact in Chile of the ventures supported by the Program.
- c) Contribute to the growth of a sustainable, democratic and diverse entrepreneurship ecosystem, facilitating instances of connection between entrepreneurs, investors, companies and organizations.
- d) Contribute to Chile's position as a leader in innovation and technological entrepreneurship worldwide.

### **3. Expected Results**

- a) Incorporation in Chile of companies with the intention of expanding operations in our country.
- b) Recruitment of advanced human capital.
- c) Connection of projects to the national ecosystem, through participation in meetings with potential investors and organizations with the intention of raising capital and/or generating new clients and partners.
- d) Beginning or increase of sales and/or fundraising.
- e) Advancement 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 a product with sales or capital raising, or a product with sales and/or capital raising at international scalability.

### **4. Project Participants.**

The project participants are the following:

#### **4.1. Beneficiary (limited to one).**

The participant that benefits from the granting of the subsidy for the execution of a project. In the event that his/ her project is awarded, the recipient of the subsidy will be responsible for the execution of the project before Corfo, and will be an active and passive subject of all the rights and obligations established in the subsidy agreement or contract, including the delivery of detailed reports of expenses and activities carried out by it, other participants and third parties.

The beneficiary must be the founder or owner in the execution of a global project in early stages of development, understood as those with a commercial development of up to 36 months, that use Chile as a platform, and that have, at less, with a minimum viable product (MVP) or functional prototype of the solution, which will be verified in the relevance analysis.

May apply as Beneficiaries:

#### **4.1.1. Natural Person**

Chilean or foreign natural persons, who at the time of application are over eighteen years of age, and are founders or partners in the execution of a global project (technology-based) that uses Chile as a platform. Natural persons who have participation in the capital of a legal entity incorporated in Chile that executes or is the owner in the execution of the global project will not be able to apply in this capacity.

The natural person will participate in the category of "Team Leader" (only one, mandatory), and corresponds to that natural person, duly individualized in the application as beneficiary, who must act as responsible to Corfo. In the event that the Team Leader acts on behalf of a company incorporated abroad, he must have at least a 10% direct or indirect participation in the capital of the foreign company (see Annex N° 3).

The person designated as the beneficiary must participate in the Program in Chile, during the entire project execution period, and with exclusive dedication to its development.

#### **4.1.2. Legal Entity**

A for-profit legal entity incorporated in Chile, that executes a global (technology-based) project, uses Chile as a platform, and has been registered with the Internal Revenue Service for no more than 36 months when the respective application date closes, which will be verified during the membership period, with the available online information of the mentioned service, may apply.

Within the work team of the applicant legal entity, a "Team Leader" will be considered (only one, mandatory), which corresponds to the natural person, duly named in the application who will act as a representative of the beneficiary legal entity, as responsible to Corfo. The designated person as Team Leader must be one of the founders or partners of the project and have a direct or indirect participation in the social rights of at least 10% of the capital of the foreign legal entity that owns the entire project (see Appendix N° 3). Additionally, he/she must participate in the Program in Chile during the whole execution period of the project and with exclusive dedication to its development.

#### **4.2. Sponsoring Entity**

The Sponsoring Entity is an institution that acts as a specialist intermediary between Start-Up Chile and the Beneficiary, which must provide support for technical monitoring, support for financial monitoring and make adequate infrastructure available so that the entrepreneurs carry out the correct execution of the respective project, accompanied by the methodology of acceleration of Start-Up Chile, in order to increase the chances of success of its ventures.

This entity, which will be selected according to public procurement rules, must be included in the list that Corfo will carry for these purposes.

The application must be made directly by the applicants as the beneficiary.

Notwithstanding the aforementioned, the applicant who is awarded the subsidy, within the term indicated by Corfo in the respective notification of the Resolution that executes the Agreement of the Subcommittee that awards the project and

grants the subsidy, must obtain the formal commitment of the Entity Sponsor for Start-Up Chile, by presenting a contract that regulates the essential aspects established in Appendix N° 4, which must be signed between said entity and the Beneficiary.

## 5. Fundable Activities and Expenses

The projects that are submitted should consider the following activities and/ or expenses fundable (with subsidy and/ or contributions), which must be exclusively aimed at achieving its objectives:

- a) Commercial packaging of products or services.
- b) Prospecting, validation and commercial advertising.
- c) Preparation and/ or updating of business plans (marketing, commercial strategy, among others).
- d) Product certifications by regulatory entities.
- e) Activities to increase sales.
- f) Acquisition of assets considered critical, from Corfo's point of view, for the development of the venture.
- g) Activities that support the expansion of technology-based projects with high global growth potential and that use Chile as a platform.
- h) Technical, financial and infrastructure management services performed by the Sponsoring Entity, according to what is indicated in number 9.2 below, which will be paid directly by Corfo to said entity. This activity is mandatory.

The projects may not consist of consultancies and/ or franchises. Similarly, the Activities and/or expenses to fund should correspond to projects in early stages of development, understood as those with less than three years of development.

## 6. Program Activities

During their participation in the Program and during the project execution period, at minimum, the Team Leader must participate in the following activities:

- a) Execution of the project in the territory of the Republic of Chile.
- b) Implementation of necessary activities to fulfill the goals proposed in the project.
- c) **"Intro Day"**: Presentation of the project, following the requirements duly informed by Corfo, in order to identify the specific stage of development in which it is. 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 duly reported by Corfo, in order to determine progress in its development. This presentation will be made to the Program participants and Corfo representatives, on the date duly informed to the beneficiary.
- e) **Attendance at the orientation presentation of the Start-Up Chile Program (Orientation Day)**, in which the team, acceleration, and accountability workshops will be introduced and explained, on a date duly communicated to the beneficiary.
- f) Meetings with the **technical and/or financial executive** to account for all the resources granted, including the one that accounts for the Final Report.
- g) **Demo Day**: Presentation of those projects that have requested extensions in accordance with the provisions of section 11. below and have been selected at Pitch Day, following the requirements duly reported by Corfo, in order to see its progress. This presentation will be made before the other participants of the program, representatives of Corfo and the Chilean entrepreneurial

ecosystem. It will be held in the last stage of the acceleration program, on a date that will be communicated in a timely manner.

- h) **Other activities** of the Start-Up Chile Program that are **classified as mandatory** by Corfo, a circumstance that will be communicated to the beneficiary in a timely manner.

In justified cases and exceptional circumstances, Corfo may authorize the Beneficiary (founder) to not participate in any of these activities and determine the necessary measures to ensure compliance with the goals of the Program, such as, for example, that another person may attend on his/her behalf. In this decision, Corfo will take into consideration, among other factors, the level of participation of the Beneficiary and that of the executor, if any, in the activities of the Program.

If the Beneficiary does not participate in the previously identified activities and/or events, without having authorization, Corfo may terminate the project early, applying the rules established in section 13.2 of the administrative Conditions to receive reimbursement the subsidy.

## 7. Project Contents

### 7.1. Mandatory Content

Applications **must** contain, at minimum, the following information, in accordance with the details and requirements stated on the application form:

- a) Background of each of the participants identified on the project application, that is, their nationality, education, technical experience and employment history. The background and achievements reported by each of the participants must be verifiable.
- b) Chilean natural persons participating in the project must submit a simple photocopy of their current Chilean identity card. In the event that said document is in process, the document certifying this situation must be attached.
- c) Foreign natural persons who are part of the project, who do not have a Chilean identity card, must attach a simple photocopy of the identification page of their current passport and/or their current national identification document. In the event that said document is pending, the document that substantiates this situation must be attached.
- d) The dedication of participants to the project.
- e) Identification of the entire founding team (including those who will not participate in the project).
- f) Email account and/or contact information of, at minimum, one reference. This person may be contacted by Corfo before the application deadline and/or during the evaluation process.
- g) product and/or service to develop and/or commercialize. Background information must be provided to prove that the beneficiary has at least a minimum viable product (MVP) or functional prototype of the solution.
- h) Scalable growth model.
- i) Description of the competition and this project's differentiation.
- j) A 90-second maximum video that should respond to the following questions:
  - What is the product or service, and the attributes that make it innovative?
  - Does it solve a global, national, or local problem, and why?

In the case that the attached video exceeds the designated time limit, only the first 90 seconds will be reviewed, and the rest of the information contained will not be reviewed.

Additionally, the video should be password-free and can be located on platforms or web services that are convenient for the Beneficiary, show the file upload date, and prohibit changes once the application period is closed for the respective contest. If the video does not fulfill the



requirements stated in this paragraph, the application will be considered incomplete and it will be declared inadmissible.

## 7.2. Optional Content

Applications **may** additionally contain the following background information:

### a) Regarding the participants:

- Motivation to develop the project in Chile.
- Number of times he/she has founded a startup.
- Participation in entrepreneurship and innovation-related organizations.
- Existing relationships with national networks to leverage in the country.
- Relationships with international networks to position Chile as a hub of innovation.
- Activities to enhance interaction, networks, transfer of knowledge, skills and best practices towards local entrepreneurs and their environment.

### b) Regarding the project:

- Commercialization strategy.
- Barriers to entry and exit.
- Progress-to-date and the plan during the program.
- Investors.
- Mentors.
- Competitive advantage.
- Market challenge or opportunity addressed by the project.
- Target market and size.
- Market position.
- Project's stage of development.

Incomplete applications, understood as those that present, in relation to the mandatory contents indicated in section 7.1, two or more empty application fields, and/or three or more empty dropdown fields, will be declared inadmissible.

The aforementioned, notwithstanding other consequences regulated in this Conditions, as a result of the lack of information.

## 8. Execution period

The project execution period will be up to **6 (six) months**. Said period may be extended only once for up to **1 (one) additional month**, upon a justified request by the Beneficiary. Such a request must be sent before the expiration of the original period. The above is notwithstanding the length of the project, in accordance with section 11.

## 9. Support

### 9.1. Corfo Subsidy for the Beneficiary

Corfo will co-finance up to 80% of the total cost of the Project, with a ceiling of up to \$ 25,000,000.- (twenty-five million Chilean pesos). Regarding the project leader whose registered gender is female, Corfo will co-finance up to 90% of the total cost of the project.

Additionally, for each application period, Corfo may increase the subsidy up to \$25,000,000.- (twenty-five million Chilean pesos).

## 9.2. Overhead Payment to the Sponsoring Entity on Behalf of Start-Up Chile

The Sponsoring Entity will receive, for Overhead, a payment based on the services provided to the beneficiary for the provision of infrastructure, supervision, monitoring and administration of the project, preceding evaluation by Corfo.

The amount of Overhead assigned per project may not exceed \$4,000,000.- (four million Chilean pesos).

In case of project extension according to modality N° 1 "TSF Extension", in accordance with the provisions of number 11. below, the additional Overhead per project assigned to the Sponsoring Entity may not exceed **\$2,500,000.-** (two million Chilean pesos).

The Start-Up Chile Subcommittee, at the time the projects are awarded and, when appropriate, when deciding on their extension, will determine the maximum Overhead to be allocated to the Sponsoring Entity for the supervision, monitoring and administration of the all the projects of the respective contest.

The Overhead is an additional amount to the subsidy approved for the project in accordance with the provisions of number 9.1 above, and will be paid directly by Corfo to the Sponsoring Entity on behalf of Start-Up Chile, in advance and upon delivery of a guarantee by the Sponsoring Entity, or for periods expired during the execution of the project, or subsequent to the delivery of the Final Report corresponding and once the work carried out by the Sponsoring Entity for Start-Up Chile is evaluated by Corfo, based on the information provided by the Beneficiary and said Entity.

## 9.3. Beneficiary Contribution

Participants must provide the remaining cofinancing, equivalent to at least 20% of the total project cost, new or pecuniary, during its execution. In the event that the project leader has a female registry sex, the contribution must be at least 10% of the total cost of the project. For these purposes, the Sponsoring Entity's overhead is not considered.

A new or pecuniary contribution is understood as the disbursement of resources that is caused by the execution of the project and that, had it not been started, it would not have been incurred. In other words, the use of facilities, infrastructure, human resources and others, already existing for the contributor and/or in the participants at the time of application does **not** fit into this concept.

For the purposes of determining the total cost of the project and the percentages of contributions from the participants, the amount of the overhead payment for the Sponsoring Entity will not be considered.

## 10. Evaluation Criteria

Projects will be evaluated on a scale of 1 to 5 and ranked in accordance with the following evaluation criteria:

Criterion	Description	Weight
<b>Participants</b>	<p><b>Qualifications and Experience of the Beneficiary (25%):</b> the sufficiency of the demonstrable achievements, the number of ventures in which he/she has participated, his/her capabilities in relation to the project, and the academic training of the beneficiary will be evaluated.</p> <p><b>Composition, Qualifications and Experience of the Team (15%):</b> the sufficiency of the demonstrable achievements, the number of ventures in which they have participated, their capacities in relation to the project and the academic training of the executors, if any, will be evaluated.</p> <p>Additionally, in each case, the suitability of the support networks available to the beneficiary and the executors, if any, as mentors, academics and/or others will be evaluated.</p>	<b>40%</b>
<b>Value of the Project</b>	<p><b>Market and Competitive Position (25%):</b> the target segment, the sufficiency of the size and growth of the market, its validation and traction, and the competitive advantages over the competitors will be evaluated.</p> <p><b>Product or Service (25%):</b> whether the product/service is attractive to investors, the sufficiency of the amount of technological innovation, and if the problem to be solved is important to the users/customers it targets will be evaluated</p> <p><b>Impact in Chile (10%):</b> It will be evaluated that the strategy makes sense with the solution proposed to be developed in Chile. Likewise, it will be evaluated that the project is consistent with the markets and industries that Chile offers.</p>	<b>60%</b>

During the evaluation, applicants may request an interview by remote means. As a result of the evaluation, a preliminary ranking will be drawn up, which will be presented to the Start-Up Chile Subcommittee of the Corfo Entrepreneurship Committee<sup>5</sup>, which will determine the final ranking and decide on the approval and rejection of the projects, taking into consideration budget availability.

Likewise, for a project to be approved, it must obtain a minimum score of 3.00 in the evaluation sub-criteria "Composition, Qualification and Team Experience" and "Product or Service". At the decision stage, award and/or formalization conditions may be incorporated into the approved projects, and technical and/or budgetary modifications may be established as deemed appropriate, without altering the nature and general objective of the projects.

## 11. Project Extensions

In order to promote the development of those projects that generate an impact in the country and show high possibilities of viability in the market and of obtaining financing during the first 4 (four) months of execution, the possibility will be considered for the beneficiaries to request an extension of an additional **\$25,000,000.-** (twenty-five million Chilean pesos) subsidy allocation and an

<sup>5</sup> The Subcommittee is the authorized organ to approve or reject the allocation of resources to the projects

extension of up to 12 total months for project execution, according to the following procedure.

To request the extension, the Beneficiary must meet one of the following requirements:

- a) The beneficiary of the project is a legal entity.
- b) The beneficiary who was awarded the subsidy as a natural person, must, at the time of the second stage of evaluation and decision on the extension of the project, regulated in subsection 11.2 below, have established an Individual Company of Limited Responsibility, or have at least 10% participation in the rights or share capital of a company incorporated in Chile with an age not greater than the date of opening for application to the Program.

The decision of the Start-Up Chile Subcommittee, or the entity that substitutes it, will take place in two stages, and an evaluation must be made, prior to each one of them, according to the criteria detailed below:

### 11.1. First Evaluation and Decision Stage for Extensions

On **Pitch Day**, the Beneficiary must present their first pitch for evaluation by the Corfo team. This may be supported by external evaluators with experience in investing in high impact companies and/or accelerators.

The date of the Pitch Day will be informed in due course. In addition, the beneficiary must explicitly request an evaluation for project extension at the end of their presentation.

Projects will be evaluated on a scale of 1 to 5 and ranked in accordance with the following evaluation criteria:

Criterion	Description	Weight
Project Team	<b>Team Qualifications and Experience:</b> The experience of the team and its capacity for project growth will be evaluated.	10%
	<b>Pitch Quality:</b> The ability to present the state of the business (pitch) will be evaluated.	10%
Value of the Businesses	<b>Proposed Solution:</b> The degree of innovation and impact will be evaluated in terms of solving the existing problem.	20%
	<b>Traction and Progress:</b> The main growth metrics of the venture and the progress of the project from its inception will be evaluated.	40%
	<b>Impact in Chile:</b> The sufficiency of the results and socioeconomic impact generated in Chile will be evaluated.	20%

Only those projects that are pre-approved by the Start-Up Chile Subcommittee in this first evaluation stage will go to the second stage and must present a second pitch on Demo Day. The rest will be rejected, and will continue to develop their projects as normal.

### 11.2. Second Evaluation and Decision Stage for Extensions

For the evaluation of the second pitch, external evaluators with experience in investing in high impact companies and/or accelerators may assist. The date of the Demo Day will be informed in due time by Corfo.

Projects will be evaluated on a scale of 1 to 5 and ranked in accordance with the following evaluation criteria:

Criterion	Description	Weight
Project Team	<b>Team Qualifications and Experience:</b> The experience of the team and its capacity for project growth will be evaluated.	10%
	<b>Pitch Quality:</b> The ability to present the state of the business (pitch) will be evaluated.	10%
Value of the Business	<b>Proposed Solution:</b> The degree of innovation and impact will be evaluated in terms of solving the existing problem.	20%
	<b>Traction and Progress:</b> The main growth metrics of the venture and the progress of the project from its inception, as well as its prior evaluation, will be evaluated.	40%
	<b>Impact in Chile:</b> The sufficiency of the results and socioeconomic impact generated in Chile will be evaluated.	20%

The Start-Up Chile Subcommittee will be responsible for deciding which projects that will obtain the extension of the subsidy and execution period, in accordance with the provisions of section 11, while the others will be rejected and will continue to develop their projects in the normal way.

#### D. Line 3: "Growth"

##### 1. General Objective

Generate socioeconomic impact in Chile, through the support of innovative technological enterprises that allow for the development and diversification of the national economic base through the financial support and acceleration services provided by Start-Up Chile.

##### 2. Specific Objectives

- a) Exponentially accelerate the sales growth of innovative technological enterprises.
- b) Attract and retain advanced human capital to the program's supported enterprises.
- c) Increase capital invested into supported enterprises.
- d) Commercial expansion to international markets.
- e) Contribute to the growth of a sustainable, democratic, and diverse entrepreneurial ecosystem, that facilitates connections between entrepreneurs, investors, companies, and other organizations.
- f) Contribute to Chile's position as a leader in innovation and technological entrepreneurship worldwide.

### 3. Expected Results

- a) Incorporation in Chile of companies with the intention of expanding operations in our country.
- b) Recruitment of advanced human capital.
- c) Connection of projects to the national ecosystem, through participation in meetings with potential investors and organizations with the intention of raising capital and/or generating new clients and partners.
- d) Sales growth and/or fundraising.
- e) Job retention in Chile.

### 4. Project Participants

The project participants are the following:

#### 4.1. Beneficiary (limited to one)

The participant that benefits from the granting of the subsidy for the execution of a project. In the event that his/ her project is awarded, the recipient of the subsidy will be responsible for the execution of the project before Corfo, and will be an active and passive subject of all the rights and obligations established in the subsidy agreement or contract, including the delivery of detailed reports of expenses and activities carried out by it, other participants and third parties.

Who May Apply as a Beneficiary:

##### 4.1.1. Natural Persons

This corresponds to a Chilean or foreign natural person, who at the time of the application is over eighteen years of age and is the founder, or partner of a foreign legal person, that executes a global (technology-based) project that uses Chile as a platform.

It must be shown that the overall project (both in Chile and abroad) has had sales income, in the 12 months prior to the opening month of the contest, of at least \$80,000,000.- (eighty million Chilean pesos) and up to \$800,000,000.- (eight hundred million Chilean pesos). In the case that sales are expressed in foreign currency, it will be converted at the exchange rate observed by the Central Bank of Chile, at the closing date of the respective application period.

The natural person will participate in the category of "Team Leader" (only one, mandatory), and corresponds to that natural person, duly individualized in the application as beneficiary, who must act as responsible to Corfo. He/ she must participate in the Program in Chile, as a permanent platform throughout the project's execution period, except in qualified and exceptional cases previously authorized by Corfo, for the execution of specific activities, of a temporary nature and essentially critical to achievement of the objectives of the line. The Team Leader must also exclusively dedicate himself to the development of the project.

Finally, the Team Leader must be one of the founders or partners of the project and have, from the application and until the end of the execution of the project, a direct share or participation in the social rights of at least 10% of the capital of the foreign legal entity that owns the global project (see Appendix N° 3).

#### **4.1.2. Legal Entities**

A for-profit legal entity incorporated in Chile, that executes a global (technology-based) project, uses Chile as a platform, and has been registered with the Internal Revenue Service when the respective application date closes, which will be verified during the membership period, with the available online information of the mentioned service, may apply.

It must be shown that the global project (both in Chile and abroad) has had sales income in the 12 months prior to the opening month of the contest of at least \$80,000,000.- (eighty million Chilean pesos) and up to \$800,000,000.- (eight hundred million Chilean pesos). In the case that sales are expressed in foreign currency, it will be converted at the exchange rate observed by the Central Bank of Chile, on the closing date of the respective application period.

Within the work team of the applicant legal entity, a "Team Leader" (only one, mandatory) will be considered, corresponding to the natural person duly identified during the application period, who must act on behalf of the beneficiary legal entity, as responsible to Corfo. He/ she must participate in the Program in Chile, as a permanent platform, throughout the project's execution period, except in qualified and exceptional cases previously authorized by Corfo, for the execution of specific activities, of a temporary nature and essentially critical to achievement of the objectives of the line. The Team Leader must also exclusively dedicate himself to the development of the project.

Finally, the Team Leader must have, from the application and until the end of the execution of the project, a direct or indirect share or participation in the social rights of at least 10% of the capital of the foreign legal entity that owns the entire project (see Appendix N° 3).

In the case that any serious inconsistency is detected between the declared and actual shareholding or social rights participation, after the admissibility analysis, after the period of execution of the project activities and/ or during the review of its final report. the project will be considered withdrawn, or an early term will be charged against it, as appropriate, without prejudice to the additional measures that Corfo adopts, in accordance with the provisions of article 470 N° 8 of the Penal Code.

#### **4.2. Sponsoring Entity**

The Sponsoring Entity is an institution that acts as a specialist intermediary between Start-Up Chile and the Beneficiary, which must provide technical, financial and adequate infrastructure management services so that the entrepreneurs carry out the correct execution of the respective project, accompanied by the methodology of acceleration of Start-Up Chile, in order to increase the chances of success of its ventures.

This entity, which will be selected according to public procurement rules, must be included in the list that Corfo will carry for these purposes.

The application must be made directly by the applicants as the beneficiary.

Notwithstanding the aforementioned, the applicant who is awarded the subsidy, within the term indicated by Corfo in the respective notification of the Resolution that executes the Agreement of the Subcommittee that awards the project and grants the subsidy, must obtain the formal commitment of the Entity Sponsor for Start-Up Chile, by presenting a contract that regulates the essential aspects

established in Appendix N° 4, which must be signed between said entity and the Beneficiary.

## 5. Fundable Activities and Expenses

The projects that are submitted should consider the following activities and/ or expenses fundable (with subsidy and/ or contributions), which must be exclusively aimed at achieving its objectives:

- i) Commercial packaging of products or services.
- j) Prospecting, validation and commercial advertising.
- k) Preparation and/ or updating of business plans (marketing, commercial strategy, among others).
- l) Product certifications by regulatory entities.
- m) Activities to increase sales.
- n) Acquisition of assets considered critical, from Corfo's point of view, for the development of the venture.
- o) Activities that support the expansion of technology-based projects with high global growth potential and that use Chile as a platform.
- p) Technical, financial and infrastructure management services performed by the Sponsoring Entity, according to what is indicated in number 9.2 below, which will be paid directly by Corfo to said entity. This activity is mandatory.

The projects may not consist of consultancies and/ or franchises.

## 6. Program Activities

During their participation in the Program and during the project execution period, the Team Leader at minimum must participate in the following activities:

- a) Execution of the project in the territory of the Republic of Chile.
- b) Implementation of necessary activities to fulfill the goals proposed in the project.
- c) **Attendance at the induction presentation on the Start-Up Chile Program**, in which the team will be introduced and exposed to the system of social impact, acceleration, and accountability workshops, on the date duly communicated to the beneficiary.
- d) **Meetings with the technical and/ or financial executive** to account for all the resources granted, including the meeting that accounts for the Final Report.
- e) **Advisory sessions**, where the beneficiaries must present progress and receive feedback from Corfo and/ or support mentors.
- f) **Other activities** of the Start-Up Chile Program that are classified as mandatory by Corfo, a circumstance that will be communicated to the beneficiary in a timely manner.

In justified cases and exceptional circumstances, Corfo may authorize the Team Leader to not participate in any of these activities and determine the necessary measures to ensure compliance with the goals of the Program, such as, for example, that another person may attend on his/her behalf. In this decision, Corfo will take into consideration, among other factors, the level of participation of the Team Leader and that of the executor or executors, if any, in the activities of the Program.

If the Team Leader does not participate in the previously identified activities and/or events, without having authorization, Corfo may terminate the project early, applying the rules established in section 13.2 of the administrative Conditions to



receive reimbursement the subsidy.

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

## **7. Project Content**

### **7.1. Mandatory Content**

Applications must contain, at minimum, the following information, in accordance with the details and requirements stated on the application form:

- a) Background of each of the participants identified on the project application, that is, their nationality, education, technical experience and employment history. The background and achievements reported by each of the participants must be verifiable.
- b) Foreign natural persons who are part of the project, who do not have a Chilean identity card, must attach a simple photocopy of the identification page of their current passport and/or their current national identification document. In the event that said document is pending, the document that substantiates this situation must be attached.
- c) The dedication of participants to the project.
- d) Identification of the entire founding team (including those who will not participate in the project)
- e) Email account and/or contact information of, at minimum, one reference. This person may be contacted by Corfo before the application deadline and/or during the evaluation process.
- f) The product and/or service to develop and/or commercialize.
- g) A scalable growth model. Additionally, the methodology and hypothesis to establish an exponential growth model should be presented.
- h) Description of the competition and this project's differentiation.
- i) A 90-second maximum video that should respond to the following questions:
  - What is the product or service, and why is it innovative?
  - Does it solve a global, national, or local problem, and why?
  - Why could this project be considered highly scalable?

In the case that the attached video exceeds the designated time limit, only the first 90 seconds will be reviewed, and the rest of the information contained will not be reviewed.

Additionally, the video should be password-free and can be located on platforms or web services that are convenient for the Beneficiary, show the file upload date, and prohibit changes once the application period is closed for the respective contest. If the video does not fulfill the requirements stated in this paragraph, the application will be considered incomplete and it will be declared inadmissible.

### **7.2. Optional Content**

Applications may additionally contain the following background information:

- a) Regarding the participants:
  - Motivation to develop the project in Chile.
  - Number of times he/she has founded a startup.
  - Participation in entrepreneurship and innovation-related organizations.
  - Existing relationships with national networks to leverage in the country.
  - Relationships with international networks to position Chile as a hub of innovation.
  - Activities to enhance interaction, networks, transfer of knowledge,

skills and best practices towards local entrepreneurs and their environment.

b) Regarding the project:

- Commercialization strategy.
- Barriers to entry and exit.
- Progress-to-date and the plan during the program.
- Investors.
- Mentors.
- Competitive advantage.
- Market challenge or opportunity addressed by the project.
- Target market and size.
- Market position.
- Project's stage of development.

Incomplete applications, understood as those that present, in relation to the mandatory contents indicated in section 7.1, two or more empty application fields, and/or three or more empty dropdown fields, will be declared inadmissible.

The aforementioned, notwithstanding other consequences regulated in this Conditions, as a result of the lack of information.

## **8. Execution period**

The project execution period will be up to **12 (twelve) months**. Said period may be extended only once for up to **2 (two) additional months**, upon a justified request by the Beneficiary. Such a request must be sent before the expiration of the original period. The above is notwithstanding the length of the project, in accordance with section 11.

## **9. Support**

### **9.1. Corfo Subsidy for the Beneficiary**

Corfo will co-finance up to 50% of the total cost of the project, with a limit of **\$75.000.000.-** (seventy-five million Chilean pesos).

Additionally, for each application period, Corfo may determine a maximum co-financing amount less than that noted in the preceding paragraph, which will be determined by an administrative act, and which will be announced in the respective call for applications.

### **9.2. Overhead Payment to the Sponsoring Entity on Behalf of Start-Up Chile**

The Sponsoring Entity will receive, for Overhead, a payment based on the services provided to the beneficiary for the provision of infrastructure, supervision, monitoring and administration of the project, preceding evaluation by Corfo.

The amount of Overhead assigned per project may not exceed **\$9,000,000.-** (nine million Chilean pesos).

The Start-Up Chile Subcommittee, at the time the projects are awarded and, when appropriate, when deciding on their extension, will determine the maximum Overhead to be allocated to the Sponsoring Entity for the supervision, monitoring and administration of the all the projects of the respective contest.

The Overhead will be paid directly by Corfo to the Sponsoring Entity on behalf of Start-Up Chile, in advance and upon delivery of a guarantee by the Sponsoring Entity, or for periods expired during the execution of the project, or subsequent to the delivery of the Final Report corresponding and once the work carried out by the Sponsoring Entity for Start-Up Chile is evaluated by Corfo, based on the information provided by the Beneficiary and said Entity.

### 9.3. Participant Contribution

Participants must provide the remaining confinancing, equivalent to at minimum 50% of the total project cost, new or pecuniary, during its execution. For these purposes, the Sponsoring Entity's overhead is not considered.

A new or pecuniary contribution is understood as the disbursement of resources that is caused by the execution of the project and that, had it not been started, it would not have been incurred. In other words, the use of facilities, infrastructure, human resources and others, already existing for the contributor and/or in the participants at the time of application does **not** fit into this concept.

For the purposes of determining the total cost of the project and the percentages of contributions from the participants, the amount of the overhead payment for the Sponsoring Entity will not be considered.

## 10. Evaluation and Decision Criteria

The decision of the Start-Up Chile Subcommittee<sup>6</sup>, or the entity that replaces it (hereinafter and indiscriminately "Subcommittee") will be made in two stages, and an evaluation must be carried out, prior to each of them, according to the following criteria:

Projects will be evaluated on a scale of 1 to 5 and ranked in accordance with the following evaluation criteria:

Criterion	Description	Weight
<b>Participants</b>	Founding Team's Qualifications and Experience (20%): the capacity of the demonstrable achievements, the number of ventures in which the founders have participated, the capabilities in relation to the project, and the academic training of the beneficiary will be evaluated. Additionally, links with mentors, academics and/or others will be evaluated.	<b>20%</b>

<p><b>Project Value</b></p>	<p>Product or Service (20%): the degree of technology-based innovation and competitive advantage against substitutes and competitors will be evaluated.</p> <p>Opportunity (20%): the relevance of the problem the completeness and adequacy of the description will be evaluated. Additionally, the target market segment, the size and growth of said market, and the business's potential to capture market share and/or solve the identified problem will be evaluated.</p> <p>Traction (20%): The global enterprise's achieved results to date will be evaluated, considering the business model, the total sales amount and frequency, the number of users and/or customers, the growth rates, the amount of private investments raises, and other criteria.</p>	<p><b>60%</b></p>
<p><b>Growth Methodology</b></p>	<p>Methodology (20%): The suitability of the methodology and the hypotheses to establish an exponential growth plan will be evaluated.</p>	<p><b>20%</b></p>

During the evaluation process, applicants may be asked to interview remotely.

As a result of the evaluation, a preliminary ranking will be prepared, which will be presented to the Subcommittee<sup>6</sup>, which will determine the final ranking and decide on the approval and rejection of the projects, taking into account budget availability.

At the decision stage, award and/or formalization conditions may be incorporated into the approved projects, and technical and/or budgetary modifications may be established as deemed appropriate, without altering the nature and general objective of the projects.

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<sup>6</sup> The Subcommittee is the authorized organ to approve or reject the allocation of resources to the projects.

## **II. ADMINISTRATIVE CONDITIONS OF LINES 1-3 OF THE START-UP CHILE PROGRAM**

### **1. General Aspects**

#### **1.1 Scope**

This administrative Conditions regulates the processes and procedures that must be fulfilled from the stage of the proposal submission, until the end of the project and, when appropriate, of the contractual relationship - and of all the obligations that it originates between Corfo and the Beneficiary.

#### **1.2 Deadlines**

It is understood that all the named deadlines in the respective technical and administrative Conditions are paramount and are in effect from the day following the day that the respective act is reported. If days are mentioned, it is understood as business days, unless noted otherwise. Non-business days are Saturdays, Sundays, bank holidays, and public holidays in Chile. When the last day of the deadline falls on a non-business day, it is understood to be extended to the next business day.

### **2. INTERPRETATION**

Corfo reserves the power to resolve all disputes and questions as to the correct meaning and scope, manner and time of application, and all other interpretive conflict that could arise from the application of the technical and administrative Conditions and the subsidy agreement that, in due course, may arise. The aforementioned is without prejudice to the resources established by law.

References to established bodies, authorities or operating units de Corfo, will also be understood as those units that substitute or replace the completion of the respective functions.

### **3. NOTIFICATIONS**

Notifications will be done in the manner established in Law N°19.880.

Additionally, under the provisions of Article 30, point a) and Article 19, first paragraph of the same law, the Beneficiary may authorize and consent expressly to administrative acts issued by Corfo related to the project will be notified by sending a copy, to the email informed in your application. In these cases, the notification will take effect from the business day following its dispatch. The beneficiary will agree to keep updated email informed and any such change shall be communicated to Corfo.

Once the amendment incorporated into Law N° 19.880, by Law N° 21.180, comes into force, electronic notifications will be made in the manner established in Article 46 of the first of those legal bodies.

## 4. APPLICATIONS

### 4.1 Application Methods

**Each line of this funding instrument will be posted for interested applicants through the mode of a recurrent contest.**

### 4.2 Publicity for the Beginning of the Application Period

Communication about the beginning of the application period will be made by a notice published in a newspaper of national and/or regional circulation, according to the territoriality of the call and contain, at the least the following information: identification of the line(s) of the present instrument which are taking applications, the mode of application, the date, and the place where the Technical and Administrative Conditions will be available, and the day and start time of the application period and closing date, email for inquiries and the application method, information that will also be published on the Corfo website, [www.corfo.cl](http://www.corfo.cl), and on [www.startupchile.org](http://www.startupchile.org).

In any case, Corfo may, additionally, report the respective call in any other means of communication that ensures its proper dissemination.

### 4.3 Focus

The opening of applications may be focused thematically and/or territorially, which will be communicated in the respective notice.

Targeting is the administrative decision to concentrate or directing to or more lines to a territory and / or certain subject.

a) **Thematic:** applications may be limited to specific productive/ economic area(s) and/or challenge(s) and, in such a case, these may be developed in a complementary document which will be made available to applicants on the Corfo website.

b) **Territorial:** geographical territory, in accordance with the political-administrative division of the country.

Additionally, in the act of targeting, it may determine a maximum amount of the subsidy less than that indicated in the respective technical Conditions.

### 4.4 Application Methods

The projects, together with the requested background information, must be entered through the online application system that Corfo makes available for these purposes.

### 4.5 Application Language

All the background and information requested in the electronic system must be completed in Spanish and/or English. In the case that documents that are in another language, a simple translation into Spanish or English must be accompanied. In addition, the attachments must be text documents, electronic spreadsheets or other formats compatible with the system (formats such as doc, xls, jpg, pdf).

### 4.6 Application Content

The project should be formulated in accordance with the established contents in the Technical Conditions of the respective line, in accordance with the details and requirements signaled on the application form.

#### 4.7 Application Limit

**a) Line 1 “Build”:**

Each Beneficiary may only apply as a part of project per application cycle.

Additionally, people who have participated or participated as Beneficiaries and/or Executors, partners, and/or founders, of approved projects, which have begun their execution period or are finished, of “Seed”, “ignite”, “Build” and/or “The S Factory,” in any of its versions, may not apply again.

**b) Line 2 “Ignite”:**

Each Beneficiary and Team Leader may only apply as a part of one project per application cycle.

In addition, those who have participated or are participating as Beneficiaries, Team Leaders, and/or Executors, and/or are partners and/or founders, of approved projects, who have started their period of execution or are finished, of the “Start-Up Chile” Program, in any of its versions. The foregoing does not apply to those who have participated in “The S Factory” or “Build”.

**c) Line 3 “Growth”:**

Each participant (Beneficiary, Team Leader and Executor) may apply as part of only one project per application cycle.

In addition, those who have participated or are participating as Beneficiaries, Team Leaders, Executors, and/or are partners and/or founders, of approved projects, that have started their execution period or that are complete, may not re-apply for “Growth.”

#### 4.8 Incompatibility with Previous or Ongoing Financing

Projects that are being or have been co-financed previously through any of the financing instruments (in any of their versions), noted below for each line, will not be admissible, regardless of previous or current name or being put forward or not by the same Beneficiary.

Likewise, those Beneficiaries, for whom the project has been approved and who, prior to its formalization, have received other co-financing for the execution of the same project through another instrument of Corfo and/or its Committees, must choose one of the subsidies granted. In case of detecting an infraction to the indicated, the application will be considered withdrawn, or the project will be terminated early, as appropriate.

**a) Line 1 “Build”:**

- “The S Factory” or “Build” Program.
- “Seed” or “Ignite” Program.
- “Growth” Program.
- “Huella” Program.
- “Semilla Expande” Program.
- “Escalamiento” Program.

- Phase 2 of an Innovation Enterprise from a “Subsidio Semilla de Asignación Flexible” Fund – SSAF.
- Phase 2 of an Innovation Enterprise from a “Subsidio Semilla de Asignación Flexible para el Apoyo a Emprendimientos de Innovación” Fund.

**b) Line 2 “Seed”:**

- “Scale-Up Expansión” Program.
- “Start-Up Chile” or “Seed” Program (Projects supported through “The S Factory” or “Build” line of financing may apply).
- “Growth” Program.
- “Huella” Program.
- “Escalamiento” Program.
- Phase 2 of an Innovation Enterprise from a “Subsidio Semilla de Asignación Flexible” Fund – SSAF.
- Phase 2 of an Innovation Enterprise from a “Subsidio Semilla de Asignación Flexible para el Apoyo a Emprendimientos de Innovación” Fund.

**5. PROJECT ADMISSIBILITY**

Before the evaluation, Corfo will carry out an analysis of the admissibility of the projects, in accordance with what is indicated in the following paragraphs:

**5.1 Participant Admissibility**

Corfo Prosecutor's Office will verify that the respective project, from the moment of application, meets the following requirements:

**a) Line 1 “Build”:**

REQUIREMENT	
i.	Regarding applications whose beneficiary is a natural person: <ul style="list-style-type: none"> <li>▪ That the beneficiary corresponds only to a Chilean or foreign natural person who, at the time of application, is over 18 years of age.</li> </ul>
ii.	Regarding applications whose beneficiary is a legal entity: <ul style="list-style-type: none"> <li>▪ That the beneficiary corresponds only to a legal person for profit, incorporated in Chile, at the time of application.</li> <li>▪ That the team leader corresponds only to a natural person.</li> </ul>

**b) Line 2 “Ignite”:**

REQUIREMENT	
i.	Regarding applications whose beneficiary is a natural person: <ul style="list-style-type: none"> <li>▪ That the beneficiary only corresponds to a Chilean national or foreigner, who at the time of application is older than 18 years.</li> </ul>
ii.	Regarding applications whose beneficiary is a legal entity: <ul style="list-style-type: none"> <li>▪ That the beneficiary corresponds only to a for-profit legal entity incorporated in Chile at the time of application.</li> <li>▪ That the team leader corresponds to only one individual.</li> </ul>

**c) Line 3 “Growth”:**

REQUIREMENT	
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	i) Regarding applications whose beneficiary is a natural person: <ul style="list-style-type: none"> <li>▪ That the beneficiary only corresponds to a Chilean national or foreigner, who at the time of application is older than 18 years.</li> </ul> ii) Regarding applications whose beneficiary is a legal entity: <ul style="list-style-type: none"> <li>▪ That the beneficiary corresponds only to a for-profit legal entity incorporated in Chile at the time of application.</li> <li>▪ That the team leader corresponds to only one individual.</li> </ul>
2	In the case that the participation of executor(s) is considered, that they do not exceed two executors and that each corresponds to a natural person.

If, as a result of the admissibility analysis of the participants, it is concluded that the application does not meet all the requirements established for said examination, the project will not advance to the next evaluation stage.

## 5.2 Project Admissibility

Corfo will verify that the respective project, from the moment of the application, meets the following requirements:

N°	REQUIREMENT
1	That the project be submitted using the application form and the forms and documents attached to it, available in the online project application system.
2	The coherence between the objective of the project and the objectives of the line to which it is applying, verifying the consideration of Chile as a platform to access global markets and the scalability of the project.
3	In the case that the line is focused thematically or territorially, that the project is framed in the themes or challenges or that it has scope of application or execution in the territory established for the respective opening or call.
4	That the application is not incomplete, that is, that in relation to the mandatory contents indicated in section 7.1, it has two or more fields of the application empty, and/or three or more empty dropdown fields.
5	That the video contained in the application complies with the requirements established in letter i) or j) of number 7.1 of the Technical Conditions, as appropriate.

Additionally, the following will be verified:

### a) Line 1 “Build”:

#### i. Natural Person Applicant

N°	REQUIREMENT
1	That the beneficiary is the founder or owner of a global technology-based project that uses Chile as a platform.
2	That the team leader (beneficiary): <ul style="list-style-type: none"> <li>• Contemplate their permanence in Chile throughout the project execution period and their exclusive dedication to its development.</li> <li>• In the event that the Team Leader acts on behalf of a company incorporated abroad, which, in accordance with the statement in Annex N ° 3, has a direct or indirect participation, in, at least, 10% of the capital of the foreign company.</li> </ul>
3	That the applicant in the category of natural person does not have participation in the capital of a legal person incorporated

	in Chile that executes or is the owner in the execution of the global project.
4	That the projects do not consist of consultancies and / or franchises, and that they propose a scalable growth model.
5	That the commercial development of the project is up to 12 months from the date of opening of the call

**ii. Legal Entity Applicant**

N°	REQUIREMENT
1	That the team leader: <ul style="list-style-type: none"> <li>▪ Consider his/her stay in Chile throughout the project execution period and your exclusive dedication to its development.</li> <li>▪ Be one of the founders or partners of the project.</li> <li>▪ That, in accordance with the statement in Annex N 3, it has a direct or indirect participation in, at least, 10% of the capital of the beneficiary legal entity.</li> </ul>
2	That the projects do not consist of consultancies and / or franchises, and that they demonstrate a scalable model of growth.
3	That the commercial development of the project lasts up to 12 months from the opening date of the call.
4	That the beneficiary legal entity: <ul style="list-style-type: none"> <li>▪ Does not have the initiation of activities before the Internal Revenue Service for a period exceeding 12 months counted back from the date of opening of the call.</li> <li>▪ Execute a global project (technology-based) that uses Chile as a platform,</li> </ul>
5	That a maximum of one team leader and two executors attend the project.

**b) Line 2 “Ignite”:**

**i. Natural Person Applicant:**

N°	REQUIREMENT
1	That the Beneficiary is a founder or owner in the execution of a global technology-based project that uses Chile as a platform.
2	That the team leader (beneficiary): <ul style="list-style-type: none"> <li>• Consider your stay in Chile throughout the project execution period and your exclusive dedication to its development.</li> <li>• In the event that the Team Leader acts on behalf of a company incorporated abroad, which, in accordance with the statement in Annex N ° 3, has a direct or indirect participation in, at least, 10% of the capital of the foreign company.</li> </ul>
3	That the applicant in the category of natural person does not have participation in the capital of a legal person incorporated in Chile that executes or is the owner in the execution of the global project.
4	That the projects do not consist of consultancies or franchises, and that they present a scalable growth model.
5	That the project has a functional and / or validated prototype of the proposed solution.
6	That the commercial development of the project lasts up to 36 months from the date of opening of the call
7	That a maximum of one team leader attend the project.

**ii. Legal Entity Applicant:**

N°	REQUIREMENT
1	That the team leader: <ul style="list-style-type: none"> <li>Contemplates his/her stay in Chile during the entire project execution period and his/her exclusive dedication to its development.</li> <li>Is one of the founders or partners of the project.</li> <li>In accordance with the declaration of Appendix N° 3, has a direct or indirect shareholding or participation in the social rights of at least 10% of the capital of the foreign legal entity owner of the global project.</li> </ul>
2	That projects are not consulting firms and/or franchises, and that they lay out a scalable model for growth.
3	That the project has a functional prototype and / or minimum viable product of the proposed solution.
4	That the commercial development of the project lasts up to 36 months from the date of opening of the call
4	That the beneficiary legal entity: <ul style="list-style-type: none"> <li>Has an initiation of activities before the Internal Revenue Service for a period of more than 36 months counted backwards from the date of opening of the call.</li> <li>Executes a global (technology-based) project that uses Chile as a platform.</li> </ul>
5	That a maximum of one team leader participate in the project.

**c) Line 3 “Growth”:**

**i. Natural Person Applicant:**

N°	REQUIREMENT
1	That the beneficiary is a founder or partner of a foreign legal entity that executes a global technology-based project that uses Chile as a platform.
2	That the beneficiary (team leader), in accordance with the declaration of Appendix N° 3, has a direct or indirect shareholding or participation in the social rights of at least 10% of the capital of the foreign legal entity owner of the global project .
3	That the team leader anticipates his/her stay in Chile throughout the project execution period and has exclusive dedication to the project.
4	That the global project (both in Chile and abroad) has had sales revenues, in the 12 months prior to the opening month of the contest, of at least \$80,000,000. - (eighty million Chilean pesos) and up to \$800,000.000. - (eight hundred million Chilean pesos). In the case that sales are expressed in a foreign currency, it will be converted at the exchange rate observed by the Central Bank of Chile, on the closing date of the respective application period.
5	That projects are not consulting firms and/or franchises, and that they lay out a scalable model for growth.
6	That the project has innovative characteristics and high scalability potential.

**ii. Legal Entity Applicant:**

N°	REQUIREMENT
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<b>1</b>	<p>That the team leader:</p> <ul style="list-style-type: none"> <li>▪ Anticipates his/her stay in Chile throughout the project execution period and has exclusive dedication to the project.</li> <li>▪ Is one of the founders or partners of the project.</li> <li>▪ In accordance with the declaration of Appendix N° 3, has a direct or indirect shareholding or participation in the social rights of at least 10% of the capital of the foreign legal entity owner of the global project .</li> </ul>
<b>2</b>	<p>That the global project (both in Chile and abroad) has had sales revenues, in the 12 months prior to the opening month of the contest, of at least \$80,000,000. - (eighty million Chilean pesos) and up to \$800,000.000. - (eight hundred million Chilean pesos). In the case that sales are expressed in a foreign currency, it will be converted at the exchange rate observed by the Central Bank of Chile, on the closing date of the respective application period.</p>
<b>3</b>	<p>That projects are not consulting firms and/or franchises, and that they lay out a scalable model for growth.</p>
<b>4</b>	<p>That the project has innovative characteristics and high scalability potential.</p>
<b>6</b>	<p>That a maximum of one team leader and two executors attend the project.</p>

If, as a result of the technical admissibility analysis, it is concluded that the application does not meet all the requirements established for said examination, the project will not advance to the next evaluation stage.

During the process of admissibility analysis of the participants and the project, Corfo may request additional or complementary clarifications and/or background information, which must be submitted within 5 days of its request. In the event that the required minimum background is not provided, or the information provided does not allow the requirements to be proven, the proposal will be declared inadmissible.

In no case the clarifications and/or additional or complementary background may mean the modification of the proposed project, rectify errors in it and/or correct the breach of legal and/or technical requirements.

Notwithstanding the foregoing, Corfo may allow the presentation of background that is the subject of the admissibility analysis and that the applicants have omitted attaching at the time of presenting their project, provided that such background has occurred or accounts for non-mutable and previous situations to the aforementioned application and that they be submitted within the period indicated in the following paragraph.

The term to carry out the admissibility analysis of the proposed projects will be 30 days, counted from the end date of the application period. This 30-day period includes the period to request and send clarifications and/or additional or complementary information.

The results will be communicated to applicants within 10 days of being declared inadmissible.

## 6. EVALUATION PROCESS

The projects declared admissible will be evaluated by Corfo, with internal and/or external personnel, in one or more stages, and according to the scale and to the criteria established in the Technical Conditions of each line, which will be assessed in the manner and weighting established in the Conditions.

The evaluation of the projects will be carried out by means of a methodology that allows

analysis of the relevant aspects, and that ensures fair and equitable treatment during the process, with due protection of confidentiality. During this process, Corfo will be able to hire external consultancies for a better analysis of the projects.

In addition, during the evaluation process, Corfo may request information from other member bodies of the State Administration, which may be pertinent in relation to the objectives of the project.

Corfo may request the applicant, during the evaluation, the information it deems necessary for an adequate understanding of the projects, and the proposal and the principle of equality between the applicants cannot be altered. The information must be sent to Corfo, within a period of 10 days, counted from the corresponding request.

In addition, during this stage Corfo may request that applicants do one or more presentations on their project, which may be witnessed by other applicants if Corfo so arranges. The places, means, dates and times of said presentations will be duly informed by the Corporation, with a notice of no less than 7 business days prior to the date of its execution. Likewise, in said opportunity the requirements, contents and format of the presentation itself will be indicated. In the event that the applicant does not do his/her presentation, or it does not meet the required conditions, the project will be understood to be withdraw.

With the information contained in the project and the aforementioned inputs, an evaluation report will be prepared, with the corresponding recommendation for approval or rejection, to be presented to the decision-making body.

## **7. DECISION AND ALLOCATION**

Once the evaluation process is completed, the project will be presented to the competent allocation body, which will decide, based on the evaluation carried out, about its approval and consequent award of the subsidy, or justly about its rejection. The allocation body may establish award and/or formalization conditions for the approved projects and, in addition, establish the technical and/or budgetary modifications that it considers pertinent, provided that the nature and general objective of these are not altered. Likewise, at the time of the award, the competent body may establish one or more reports and/or continuity milestones for the project.

The appropriate allocation body will determine the final ranking.

When deciding on the approval and rejection of projects, it must take into account budget availability.

The deadline for submitting draft decisions may not exceed 70 days, counted from the admissibility analysis of all the projects submitted to the respective call.

The resolution that executes the respective agreement will be issued within 10 days from the date on which the adopted certificate or agreement has been issued.

Within a period of 7 days, counted from the issuance of the aforementioned resolution, Corfo will communicate the decision to the applicant in a justified and complete manner, constituting this formal communication for all purposes.

Corfo may inform the sole decision of having approved, rejected or left the project pending, within the business day following the meeting of the respective collegiate body.

## **8. PROJECT FORMALIZATION**

After the approval of the project, the formalization stage begins, the purpose of which is to sign a subsidy agreement between Corfo and the Beneficiary, a document that will state the rights and obligations of the parties in relation to the execution of the initiative.

In particular, in said instrument, the Beneficiary accepts the subsidy that was awarded to it and is obliged to execute the project, to use the resources in the conditions in which its project was approved, observing for what is established in the applicable regulations, the Technical Conditions and in the subsidy agreement.

## **8.1 Background of Formalization of a Subsidy Agreement**

The beneficiary must present, during the formalization stage, legal background and, as appropriate, technical background, in those cases that the Conditions of the line so requires.

The term for the delivery of the legal and technical background by the Beneficiary will be the one that Corfo determines in the formal communication of approval of the project. This term may be extended, upon a justified request from the Beneficiary, presented before the expiration of the original term.

### **8.1.1 Legal Background of Formalization of Subsidy Agreements or Contracts**

The legal background that must be presented is the following:

#### **A. Beneficiary National Legal Entity (incorporated in Chile):**

- a) Simple copy of the instrument of incorporation and its modifications. If the entity has been incorporated by law, its number must be indicated.
- b) Simple copy of the registration of the excerpts of the constitution, with proof, when appropriate, of its publication.
- c) Certificate of validity issued by the respective authority, the age of which cannot be greater than 90 calendar days from the date of its presentation.
- d) Simple copy of the instrument stating the name of the representative (s), and their powers to sign the respective subsidy agreement with Corfo.
- e) Copia simple, por ambos lados, de la cédula de identidad vigente, o bien, copia simple del pasaporte vigente, en que conste el sexo registral del líder del equipo
- f) Contract between the Sponsoring Entity and the Beneficiary (Appendix N ° 4).
- g) Background that Corfo considers pertinent, according to the legal nature of the entity, in order to comply with the provisions of Law N° 19,862.
- h) Present the sworn statement contained in Annex N ° 2, related to Decree Law N° 211, of 1973, which Sets Rules for the Defense of Free Competition.

With respect to legal entities incorporated in Chile, which are covered by the system of Law N° 20.659, which simplifies the system for constitution, modification and dissolution of commercial companies, and its Regulations, it will not be necessary to present that legal background that may be obtained from the “Registry of Companies and Societies” referred to in Title IV of said Law.

In the event that the records have been previously submitted to Corfo, they must only update those that have been modified or that are not in effect according to the terms, for example, within the term established in literal c) above. Consequently, the documents that account for modifications made between the last formalization of an agreement or subsidy contract and the formalization of a new one, such as: change of representative, company name or name, address, transformations, among others, must always be presented.

It will not be necessary to present the validity certificate of those legal

entities that have current agreements in Corfo.

**B. Natural Person Beneficiary:**

- a) Simple copy, on both sides, of the current identity card, or simple copy of the current passport.
- b) Contract between the Sponsoring Entity and the Beneficiary (Appendix N ° 4).
- c) Background information that Corfo deems pertinent for correct identification of the Beneficiary.

Once the legal background of the formalization has been received, Corfo will carry out its analysis, and may request, by email, clarifications and/or missing, additional or complementary information. These clarifications and/or background information must be sent to Corfo within 10 days from its request. If such records are not sent within the aforementioned deadlines, the project will be considered withdrawn.

Regarding projects awarded by application of the rule contained in letter b) of number 10 of line 1, if the information received does not allow to prove the female registration sex of the team leader, of a project awarded as a result of the application of said rule, the project will be considered abandoned.

**8.1.2 Formal Technical Records for Line 3 “Growth”**

Projects approved in the context of Line 3 “Growth” must present records confirming that the global project (in Chile as well as abroad) has had sales income in the has had sales income, in the 12 months prior to the opening month of the contest, of at least \$80,000,000.- (eighty million Chilean pesos) and up to \$800,000,000.- (eight hundred million Chilean pesos). In the case that sales are expressed in foreign currency, it will be converted at the exchange rate observed by the Central Bank of Chile, at the closing date of the respective application period.

Once the formal technical records have been received, Corfo will carry out its analysis, and may request, by email, clarifications and/or missing additional or complementary information. These clarifications and/or background information must be sent to Corfo within 10 days of its request. If such records are not sent before the aforementioned deadlines, or do not allow verification of compliance with the sales revenue requirement, indicated above, the project will be considered withdrawn.

Likewise, the verification of incompatibility with prior financing or in execution indicated in number 4.8 above will be carried out prior to formalization.

Once finished, in accordance with Corfo, the analysis of the technical records and verification of incompatibility with prior or current financing, the legal history of formalization will be made available to the Corfo Prosecutor's Office, which will proceed in its analysis, and may request, through email, additional or complementary clarifications and/or missing background information. This additional information must be sent to Corfo within 10 days of its request, which may be extended for up to 5 days.

If such records are not sent within the aforementioned deadlines, the project will be considered withdrawn.

Regarding projects whose team leader does not reside in Chile, and in the event that at the time of formalization the circumstances that the world population has faced due to the effects of the COVID-19 pandemic remain, and the temporary closure persists of places authorized for the entry and exit of foreigners in Chile, or an equivalent situation that prevents them from entering

the territory of the Republic of Chile in compliance with the provisions of number 4 of the bases, the need to persist in the formalization of the project, due to the analysis carried out by Corfo on the relevance of the project's solutions to solve health problems and pandemics; in the economic recovery of the markets, and in the urgency of the development of innovative technologies.

As a result of the foregoing, Corfo may, exceptionally, allow the formalization and initiation of certain projects, agreeing to reimburse the subsidy against the approval, to Corfo's satisfaction, of the rendering of expenses derived from the execution of the project activities. The beneficiary must enter Chile as soon as possible, once foreigners are allowed to enter the national territory.

In these cases, if, having approved the accountability to Corfo's satisfaction, the temporary closure of places authorized for the entry and exit of foreigners persists, the reimbursement will be made in the bank account individualized by the beneficiary. On the contrary, in the event that places are enabled for the entry and exit of foreigners to Chile and, consequently, the beneficiary can enter the country at the time of approval of the rendering of accounts, the reimbursement of the subsidy will only be Once the beneficiary enters Chile in compliance with the provisions of number 4 of the bases.

Consequently, the beneficiary will execute the project at its own risk and expense, as long as the conditions previously indicated are not verified. Failure to comply with these conditions will not give rise to compensation or reimbursement of the subsidy.

For the purposes of executing the project activities in Chile during the project execution term, the beneficiary will designate an agent who is within the territory of the Chilean Republic, with sufficient powers, in order to generate an impact in the country, until it is possible the entry of the beneficiary to national territory. Notwithstanding the foregoing, and during that period, the beneficiary must participate remotely in the acceleration activities that are the object of the financing instrument.

## **8.2 Writing and Sending the Subsidy Agreement**

If the legal and technical background conforms to the standards, the subsidy agreement to be executed in Spanish will be drafted, which will be sent to the beneficiary for signature, within a period of 10 days from receipt in accordance with said background.

The beneficiary will have the term that Corfo determines in the corresponding communication to send the agreement, to sign it electronically, or send the number of copies indicated therein, as appropriate, to Corfo. Before the expiration of this term, the Beneficiary may request an extension of up to 5 days from Corfo to send the duly signed copies of the agreement.

If Corfo the deadline has not been met without requesting an extension, Corfo will consider the project withdrawn.

The rejection of the Temporary Residence Visa<sup>7</sup> will be grounds for not formalizing the subsidy agreement.

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<sup>7</sup> La Visa de Residencia Temporaria es la visa que los Participantes deben obtener antes de llegar a Chile y para la cual es necesario presentar la carta de aceptación del Programa.

## **8.3 Delivery of Corfo's Support**

### **8.3.1 Modalities**



The subsidy may be transferred in one or more installments, and as an advance and/or against the rendering of progress and/or final reports (reimbursement):

- a) **Advance payment:** Resources are delivered in advance for carrying out project activities. The accountability on the investment of these resources is carried out later, through the presentation of reports, which may be approved, in whole or in part, or rejected.
- b) **Reimbursement:** The beneficiary uses his/her own resources to carry out the project activities, reports them, and then Corfo reimburses the resources corresponding to expenses that are approved.

For this, the beneficiary must communicate, before the subsidy agreement is drawn up, the chosen modality.

### 8.3.2 Conditions

The conditions for Corfo to deliver the subsidy will be:

- a) The entire paperwork of the act or the last administrative act that the subsidy agreement approves.
- b) The delivery of the guarantee documents.
- c) Confirmation to be up to date in the payment of:
  - Unemployment Insurance contributions, established in Law N° 19.728;
  - social security contributions;
  - the additional global tax or the single tax established in N° 1, of article 42 of the Law on Income Tax, in the case of natural persons or, of the tax referred to in numbers 3, 4 and 5 of article 20 of the Income Law, in the case of legal persons.For these purposes, at minimum an affidavit must be presented using the format of Appendix N°1 indicating that he/she is up to date in the fulfillment of the aforementioned obligations, authorizing Corfo to verify said information if necessary.
- d) The certification that the Beneficiary, who has the status of a legal person, is registered in the Registry of Legal Persons Receiving Public Funds from Corfo, established in Law N° 19.862, when appropriate.
- e) The presentation of the antecedents that certify that the beneficiary natural person or team leader corresponding to a foreign natural person, has a Residence Visa. In the event that the Temporary Residence Visa<sup>7</sup> is rejected with respect to the natural person beneficiary or the team leader, the application will be considered abandoned or the project will be terminated early, as appropriate.

For the method of advance delivery of the subsidy, Corfo will make delivery of an initial payment or sole payment, once the indicated conditions have been verified. The delivery of the following installments, if applicable, will be subject, at least, to the fulfillment of the conditions indicated in letters b), if applicable, b), and c) above, and to the approval of progress reports that account of the activities carried out and the delivery of the accountability of the resources previously transferred.

For the reimbursement method of delivering the subsidy, in addition to the fulfillment of the previous conditions, the technical approval and the presentation of the accountability of the expenses reported in the corresponding report will also be necessary.

Finally, the delivery of grant resources will always be subject to Corfo's budget availability.

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<sup>7</sup> The Temporary Residence Visa is the visa that Participants must obtain before arriving in Chile and for which it is necessary to present the letter of acceptance of the Program.

### 8.3.3 Guarantee Documents

In the event that the subsidy is delivered as an advance, the following guarantee documents must be turned in:

**Guarantee for advances:** Prior to the disbursement of the subsidy, or of each installment thereof, as applicable, the Beneficiary must deliver, to the satisfaction and agreement of Corfo, consistent guarantees, whether promissory notes, bank guarantee vouchers payable on demand, term deposits, insurance policies of immediate execution or at first request, or Certificates of Deposit granted by Reciprocal Guarantee Institutions, in order to guarantee the total amounts of the anticipated resources from the subsidy. The comments of said guarantee instrument, in case it is contemplated by its nature, must state that its objective is to "guarantee the correct use of the advance payment granted by Corfo for the execution of the project (indicating the name of the project and its code)", must have a validity of at least **25 (twenty-five) business days** past the date of delivery of the progress and/or final report, according to the schedule established in the agreement or subsidy contract. This guarantee will be returned once Corfo approves the respective report and corresponding submission. For the return of the guarantee corresponding to the last or only disbursement, in addition to the approval of the Final or Closing Report and corresponding surrender, the full restitution of the observed, unspent and not surrendered balances of the subsidy will be required.

In the case of an advance Overhead payment to the Sponsoring Entity, prior to the disbursement of the resources or of each installment, consistent guarantees must be delivered by said entity, to the satisfaction and in favor of Corfo, whether promissory notes, bank guarantee vouchers payable on demand, term deposits, insurance policies of immediate execution or at first request, or Certificates of Deposit granted by Reciprocal Guarantee Institutions, in order to guarantee the total amounts of the anticipated resources corresponding to the Overhead. The notes of said guarantee instrument, in case it is contemplated by its nature, must express that its objective is to "guarantee the correct use of the advance payment granted by Corfo for the provision, to the beneficiary, of the services of infrastructure supervision provision, monitoring and administration of the project (indicating the name of the project and its code)", which must be valid for at least 25 (twenty-five) business days following the delivery date of the progress and/or final report, according to the calendar established in the subsidy agreement or contract. This guarantee will be returned once Corfo approves the respective report and corresponding output regarding the services provided by the Sponsoring Entity. For the return of the guarantee corresponding to the last or only disbursement, in addition to the approval of the Final or Closing Report and corresponding accountability, the full restitution of the balances that exceed the Overhead approved by Corfo will be required.

The correct use of the advance implies, in addition to the fulfillment of expenses that are pertinent with the objectives of the project and with the norms that regulate its use (contained in the technical Conditions and in the subsidy agreement), the obligation to use the subsidy respecting the maximum percentage of co-financing approved, in accordance with the rules indicated in section 11.4.2 below.

The guarantee documents must be delivered within 30 days, counted from the day of Corfo's request. Before the expiration date of this term, the Beneficiary may request an extension of up to 30 days from Corfo.

If after the indicated terms or extensions, any of the guarantee documents has not been turned in, Corfo will withdraw the application, or will terminate the project, as appropriate.

Likewise, the non-timely renewal of any of the guarantees at Corfo's request will allow it to execute those that are in force to put an early end to the project. The

renewal will be understood to be "timely" when the guarantee documents are received in accordance with Corfo, at least 3 business days before the expiration of the documents currently in the possession of the Corporation.

The aforementioned guarantee documents may also be granted by third parties, upon prior acceptance by Corfo, mentioning in their terms, if appropriate according to their nature, that they guarantee the beneficiary (which must be identified) "the correct use of the advance of the subsidy delivered".

The financial costs associated with the guarantees, whether these be granted by third parties or by the Beneficiary, may be financed with a subsidy and/or contributions, and must be budgeted in the Operating Expenses account.

Given the purpose of the guarantee for advances, that is, to ensure the correct use of the resources of the subsidy and, therefore, the eventual and timely total or partial restitution of these funds to Corfo, it is noted that their execution, in those cases provided in the Conditions, does not have the character of a penal clause, but is limited to guaranteeing the real damages caused by the incompleteness of obligations for the Corporation.

## 9. CURRENT VERSION OF THE PROJECT AND BUDGET

### 9.1 Current version (or latest version) of the project

The current version (or latest version) of the project will be one that accounts for the decision of the competent body or authority, contains the award and/or formalization conditions established by Corfo, and details the approved budget, differentiated by budget source (Corfo subsidy and/or resources from the participants).

This version of the project must be incorporated into Corfo's Project Management System (hereinafter "SGP") or what Corfo provides, within the terms and in accordance with the operating instructions that Corfo dictates for this purpose.

### 9.2 Budget and budget accounts

The technical Conditions of each line determines which activities and/or expenses can be funded - with the subsidy and/or contributions - during the project's execution period. Said activities and/or expenses must be budgeted using the accounts defined below, indicating in each case the source of financing, that is, whether they are financed with a Corfo subsidy and/or with participants' contribution.

The budget accounts are as follows:

- a) **Human resources:** corresponds to the remuneration and/or fees for personal services (natural persons), technical and professional personnel (teamwork) directly linked to the execution of project activities, including the business salary that the participants may receive in accordance with the provisions of current legislation.

In this account, the legal (non-voluntary) social security and unemployment insurance obligations that are borne by the worker must also be budgeted.

In response to the obligation to safeguard and make good use of public resources, Corfo will adopt measures to ensure that the payment of the remuneration and/or fees of the work team is adjusted to market values, is justified and is consistent with the dedication required to the execution of the project activities.

**For the purposes of the expenses imputed in this account, the**

**limitations established in sub-section 11.4.3 of these administrative Conditions must be taken into account.**

- b) **Operating expenses:** The direct expenses associated with the execution of the project must be budgeted into this account. Depending on the activities and/or fundable expenses determined in the technical Conditions, this account may be budgeted, for example: administrative support personnel, expenses for leasing 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' health insurance, 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, participant visa procedures, and internet services.

**For the purposes of the expenses imputed in this account, the limitations established in sub-section 11.4.3 of these administrative Conditions must be taken into account.**

- c) **Investment expenses:** The expenses for the acquisition of durable goods (fixed assets) necessary for the execution and obtaining of the expected results of the project must be budgeted in this account. Notwithstanding the foregoing, the acquisition of up to one computer for each participant in the project may only be attributed to the subsidy, prior approval and technical validation by Corfo.
- d) **Administration expenses (overhead):** This account exclusively includes the payment that Corfo will make directly to the Sponsoring Entity based on the services provided to the Beneficiary, for the provision of infrastructure, supervision, monitoring and administration of the project.

The project budget must be calculated on the Conditions of demonstrable real costs and be consistent with the magnitude and technical complexity of the activities and/or expenses to be carried out, and with the period in which they are carried out, which will be evaluated by Corfo at the corresponding stage.

## 10. PROJECT START DATE

The start date of the project execution period corresponds to the total processing (notification) of the Corfo Resolution approving the subsidy agreement, or to the date indicated in the aforementioned agreement, provided that it is after the total processing of the aforementioned Resolution.

The activities included in the projects, as well as the expenses charged to the subsidy and contributions, must be carried out within the execution period and its possible extensions, whose minimums and/or maximums are established in the technical Conditions of the respective line. The above is notwithstanding the provisions of sub-section 11.4.1 below.

As indicated in the second paragraph of article 13 of Resolution N° 30 of 2015, of the Office of the Comptroller General of the Republic, which establishes procedural rules on accountability, in qualified cases, expenses may be included in the accounting executed prior to full processing, provided there are reasons for continuity or good service, which must be stated in the instrument that provides for the delivery of resources.

## 11. PROJECT MONITORING

Corfo may monitor the project activities, executed by the Beneficiary, by other participants and by contracted third parties, without the need for prior notice. For this purpose, in the case of contracting activities with third parties, the power to monitor and control must be included in the

contracts signed by the Beneficiary with these entities, and the Beneficiary shall be responsible for non-compliance with its obligations in the event of omission, and if this results in difficulties in carrying out the aforementioned monitoring tasks. However, Corfo does not assume the co-direction or co-execution of the project, being the execution of the same the exclusive responsibility of the Beneficiary.

It will be the responsibility of the official who carries out each monitoring action to ensure the tracking of the project.

The supervision, monitoring and administration of the projects carried out by the Sponsor Entity in support of Corfo, in no case relieves the latter of its obligation to monitor and control them.

Corfo will not have any participation in the activities associated to the project's objective.

The Beneficiary is not under the dependence of Corfo, notwithstanding the power to monitor and control the expenses incurred and charged to the subsidy.

### **11.1 Availability and delivery of information**

Corfo or its designee may conduct reviews, make on-site visits and request any technical and financial information it deems necessary to verify that the project is being carried out as stipulated, that the activities described in the reports correspond to reality, and to verify the correct use of the grant resources and the materialization of the committed contributions.

To do so, the Beneficiary must comply with the provisions of the technical Conditions, the operational instructions provided by Corfo in this regard, and comply with the following:

- a) Deliver the necessary information and supporting documentation, which allows the corresponding verifications to be made to Corfo and, if applicable, to the General Comptroller of the Republic. Such information and documentation must be maintained and kept for at least three years after the end of the project.
- b) Deliver information and make the required submissions by the appropriate means.
- c) Grant Corfo, the entity or person determined by it and the General Comptroller of the Republic, all the facilities and collaboration necessary to visit and verify, in the place of execution, the activities carried out and the expenses made with the subsidy and contributions.

### **11.2 Reports**

The beneficiary must comply with the delivery of reports (progress, final, extension, or those of technical continuity milestones to be determined at the time of award, as appropriate), in accordance with the schedule established in the respective agreement or subsidy contract. These reports shall at least contain the identification of the activities carried out, the results obtained and not obtained, and the accountability in the period to be reported, and shall comply with the provisions of Resolution N° 30 of 2015 of the Office of the Comptroller General of the Republic, or the rules that replace it, and with the formats, contents and conditions set forth by Corfo for such purpose.

The reporting schedule will include at least one final report, which must be submitted to Corfo within one month of the project's deadline.

In addition, and in accordance with the nature and/or duration of the project, the subsidy agreement may include the delivery of progress reports, the number and timing of which will be determined by Corfo, taking into account the characteristics of the project, its activities, results and its own budget availability.

The number and schedule of reports may be modified by Corfo on its own initiative or upon a justified request from the Beneficiary or intermediary, submitted before the respective deadline.

Corfo may request additional progress reports at any time, and in the periods determined by the monitoring of project activities. In this case, it is not necessary to modify the subsidy agreement or contract.

Corfo will approve or comment on the reports within 30 days from their receipt, or from the on-site review, as appropriate.

When Corfo requests background information, modifications or complements to the reports, the Beneficiary must comply with such request within 10 days. Once the Beneficiary has submitted all the background information, modifications or complements requested, or the last term granted for such purpose has expired, Corfo will make a final decision within 45 days.

Corfo will demand the modification of the expiration date of the guarantee document, if the Beneficiary delivers the report out of time.

Reports that do not comply with the formats, contents and conditions set forth by Corfo and/or do not contain an explanation of the period to be reported shall be deemed not to have been submitted. Repeated non-compliance in the timely delivery of reports shall entitle Corfo, prior warning and setting a peremptory term to the beneficiary for the delivery of the respective report, to terminate the agreement or project in advance, as appropriate, according to the rules set forth in subsection 14.1.3.2 of this Conditions.

Likewise, Corfo reserves the right to verify that the technical and legal information declared and/or presented by the Beneficiary in the reports and/or reviewed on the merits of its own monitoring work, is effective. In the event that a serious disagreement is verified, in addition to taking corrective action, Corfo may suspend the grant and/or terminate the project in advance, in accordance with the rules established in sub-number 14.1.3.2, and, if applicable, will file a criminal complaint for any criminal act.

In order to review the reports, Corfo may request that the beneficiaries make one or more presentations on the results reported in the reports, which may be witnessed by the other beneficiaries if so stipulated by Corfo. The places, means, dates and times of such presentations shall be timely informed by Corfo, no less than 7 working days prior to the date of the presentation. Likewise, on such occasion, the requirements, contents and format of the presentation itself shall be indicated. In case the Beneficiary does not make its presentation, or it does not comply with the instructions given, the agreement may be terminated early.

### **11.3 Corrective actions, suspension of payments and expenditures, and reporting obligations**

The beneficiary must comply with the general and specific objectives, results, products, activities, deadlines, costs, contributions and financial budgets established in the respective project. Corfo shall be entitled to rate such compliance, as well as to determine and/or approve the possible changes or modifications experienced by such circumstances during the development of the project, as long as the provisions of the respective Conditions of the line and the object of the awarded project are not infringed.

The continuation of the delivery of grant resources will be subject to the evaluation by Corfo, on the Conditions of its monitoring and control tasks, of the progress and execution of the project, of the fulfilment of the obligations of the Beneficiary and/or other participants and of its budgetary availability.

Corfo may, at any time, suspend the delivery of grant resources if it finds that the project is not being carried out satisfactorily or that the Beneficiary and/or participants have failed to comply with all or part of their obligations. Similarly, Corfo may order the beneficiary to refrain from further spending of the provided grant. In this case, expenses associated with activities carried out may be

accepted, under the conditions and until the date indicated in the communication of said order.

In these situations, Corfo may provide for the application of corrective measures that it considers appropriate and necessary to correct the deficiencies identified during the execution of the project, so that the project may be developed in accordance with the conditions in which it was approved and, furthermore, in compliance with the provisions of the respective technical Conditions and other applicable regulations. The above, is notwithstanding the early termination of the agreement if it verifies the occurrence of one or more of the causes indicated in subsections 14.1.3.1 and 14.1.3.2 of this Conditions.

Likewise, the Beneficiary shall be obliged to inform Corfo or the Intermediary, as the case may be, and propose in due time the early termination of the agreement, if it becomes convinced that it will not achieve the expected results, it cannot be executed within reasonable parameters, or when it cannot find out the part of the contribution of its responsibility and/or that of the other participants in the agreement.

#### **11.4 Accountability**

Accountability shall be carried out in accordance with the provisions of Resolution N° 30 of 2015 of the Office of the Comptroller General of the Republic, which established procedural rules on accountability for public funds, or with the rules that replace it, and with the formats, contents and conditions established in the operating instructions provided by Corfo for such purpose.

The account must be presented on the Conditions of real costs, duly supported by reliable documents, and the respective payment must also be accredited.

The activities and expenses, in addition to being correctly rendered, shall require the corresponding technical relevance for their approval.

The technical relevance of an expense or activity is understood to be the verification by Corfo of the relationship and suitability of the same with respect to compliance with the objectives and results of the project, also verifying that they are framed within the activities that can be financed and the particular conditions established by the technical Conditions of each line.

##### **11.4.1 Anticipated expenses**

In relation to the resources of the subsidy, only the disbursements made after the total processing of the last administrative act that approves the respective subsidy agreement will be accepted as part of accountability measures.

In qualified cases, expenses incurred in the execution of the project since the date of communication of the approval decision, specified in section 10, may be included in the accountability measures at the risk of the Beneficiary, provided that there are reasons for continuity or good service, which must be stated in the respective subsidy agreement and/or resolution approving it or ordering the transfer.

The contributions of the participants may be paid from the date of communication of the approval of the project.

In both cases, the lack of formalization of the subsidy agreement or the contract will not lead to any compensation or reimbursement.

##### **11.4.2 Effective total project cost and proportionality rule**

If as a result of the review of the reports and their respective submissions, the actual cost of the project exceeds the total cost of the budget at the time of approval, it will be the responsibility of the Beneficiary to cover the

difference that may occur, assuming the highest cost that the project may have with respect to the calculation, in order to comply with the provisions therein.

Also, if the actual cost of the project is less than the total cost budgeted at the time of approval, the Beneficiary must return the amount of the grant that exceeds the percentage of co-financing approved by the authority or decision-making body, calculated on that actual cost, so that the relationship between the participants' contribution and the grant remains constant.

#### 11.4.3 Restrictions and limitations on project expenditures

##### a) Non-fundable activities and/or expenditure

Grant resources may not be used for funding:

- Capital market investments, such as purchase of shares, time deposits in national or foreign currency, mutual funds, debt (capital plus interest) or dividends.
- Taxes deducted from the Beneficiary.
- Non-vital capital asset investments, in the view of Corfo, for the project.
- Acquisition of real estate.
- Payment of damages of any kind.
- Personal, leisure, urban mobilization, alcohol, pet-related or any other expenses not directly related to the project.

##### b) Limitations on expenses and/or activities

- i) Costs related to the purchase of domestic and international tickets may only be funded from the grant up to the equivalent of economy class.
- ii) For the Human Resources account, the following rules shall apply:
  - In particular, for Line 1, up to **\$700,000.- (seven hundred thousand Chilean pesos)** per month per Team Leader may be allocated for their work in Chile for the project; in the case of foreign participants who can prove that they are traveling to Chile with one or more children under 12 years of age, they may allocate a total of up to **\$200,000.- (two hundred thousand Chilean pesos) additional** cash as part of their business salary.
  - In Line 2, up to \$ 1,000,000.- (one million Chilean pesos) monthly liquid for the team leader.
  - For both lines, the same rule applies to those founders or partners declared in the application.
- iii) For the Operating Expenses account, the following rules shall apply:

In the event that the Team Leader is not compensated for their dedication to the project, expenses for accommodation, common costs and basic services in Chile may be included and may be funded up to \$ 600,000.- (six hundred thousand Chilean pesos) for this concept.

#### 11.4.4 Special rules

Expenses incurred on behalf of the Beneficiary and/or Team Leader designated in the application will be accepted. Likewise, in the case of a



project with a natural person as Beneficiary, expenses will be accepted from a Limited Liability Individual Company (E.I.R.L.), whose constituent is 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 that, in addition:

- a) It is incorporated in Chile.
- b) Do not present a start of activities on a date prior to the opening of the respective application period of the program.

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

- a) Simple photocopy of the constitution instrument and its modifications.
- b) Certificate of validity issued by the competent authority, which cannot be older than **90 calendar days** from the date of submission.

In the event that the E.I.R.L. or company is approved by Corfo, they may finance (with subsidies and / or contributions), in addition, and within the categories indicated in number 5 of the bases of each line, those expenses and activities carried out by this new legal entity, from the date indicated by Corfo, at the time of verifying and communicating compliance with said requirement, which may not be earlier than the start date of the project execution period.

## 11.5 Procurement and contracts

### 11.5.1 Procedure

The beneficiary must use the procedure and limits established in the present Administrative Conditions for all acquisitions and contracts that it makes in the context of project implementation, relating to activities and/or expenses that by their nature must be budgeted for in the accounts for operating costs and investment costs.

Procurement and contracting may not be divided, in order to avoid the procedure established by Corfo. In case fragmentation is detected at the time of the respective review, Corfo shall reject the respective expenses.

During project evaluation and execution, Corfo will take the necessary steps to ensure that the amount of the funded expenses is reasonable and in line with the objectives set and with market conditions.

All acquisitions and contracts for amounts exceeding **\$2,000,000.- (two million Chilean pesos)** net for Line 1, and exceeding **\$3,500,000.- (three million five hundred thousand Chilean pesos)** net for Line 2 and exceeding **\$6,000,000.- (six million Chilean pesos)** net for Line 3, must be previously authorized by Corfo. For this purpose, the beneficiary must submit to Corfo 3 quotes from the respective suppliers. In justified cases, Corfo may authorize the acquisition or contracting with two quotes or without prior quotes.

The aforementioned authorization must be requested prior to the contract or procurement, by e-mail sent to the technical executive for its approval.

If the **three** quotes have been made in a timely manner and no prior authorization has been requested, Corfo will only recognize the lowest quote.

Corfo will reject the expense if the beneficiary has not requested authorization, nor submitted 3 prior quotes.

### 11.5.2 Procurement and contracts with related persons

In order to establish the correct control, the Beneficiary must expressly declare acquisitions and contracts with related persons, understood as such:

- **Regarding legal entity participants:** (a) The members of the business group to which the beneficiary company belongs; (b) The legal entities that have, with respect to the participant, the status of parent, affiliate, subsidiary, or associate, in accordance with the definitions contained in Law N° 18.046, and (c) The directors, managers, administrators or liquidators of the participant, and their spouses, civil partner or their relatives up to the second degree of consanguinity or affinity.

A business group is a group of people who have such ties in their ownership, management or credit responsibility that it is assumed that the economic and financial performance of its members is guided by or subordinated to the common interests of the group, or that there are common financial risks in the loans granted to them or in the acquisition of securities issued by them. In accordance with the above, a legal person and its controller; all legal persons having a common controller and the latter; and any person determined by the Superintendence of Securities and Insurance, considering the concurrence of one or more of the circumstances listed in Article 96 of Law N° 18.045 on the Securities Market, are part of the same business group.

For its part, the controller of a legal person is any person or group of persons with an agreement to act jointly who, directly or through other natural or legal persons, participates in its property and has the power to perform any of the following actions: ensure the majority of votes at shareholders' meetings and elect the majority of directors in the case of corporations, or ensure the majority of votes at meetings or gatherings of its members and appoint the administrator or legal representative or the majority of them, in other types of companies, or influence decisively the administration of the same.

- **Regarding natural person participants:** (a) Their spouse, civil partner, or relatives up to the second degree of consanguinity or affinity and (b) Legal entities in respect of which the natural person participant has the management or participation of 10% or more of their capital.

This declaration must be submitted prior to the acquisition or contracting with the related person.

If, at the time of the respective review, any omission is detected in the fulfillment of this reporting obligation, Corfo will reject the expense.

### 11.6 Modifications to the project

The beneficiary may request modifications to the project at any stage, provided that these do not alter the nature and general objective of the project. These modifications may be determined ex officio by Corfo, or at the request of the Beneficiary.

In particular, Corfo may request modifications to the project, according to the background it has regarding its execution, provided that these do not alter the elements indicated above, in order to introduce clarifications or corrections that were not foreseen in the instance of awarding the project and/or during the review of reports.

Any modification ordered or authorized by Corfo, must be incorporated into the GSP or system that replaces it, thus updating the current version of the project.

Likewise, at the time of reviewing the respective report, any reallocation between accounts that is made without prior authorization may be recognized and approved, provided that it results in the financing of activities and/or expenses that are technically relevant to Corfo, and that such reallocation does not exceed 30% of the total cost of the project. If this technical validation is not available, Corfo will object to the expense and will not recognize it for the purposes of its submission.

### **11.7 Subsidy agreement modifications**

The modifications to the projects that mean a change in the clauses of the subsidy agreement must be stated in an instrument of modification of the same, which must be approved by Resolution of Corfo and follow the corresponding procedure.

### **11.8 Suspension of project implementation**

Corfo may suspend for specific periods, at its own initiative or at the request of the Beneficiary, the period of execution of project activities, in the event of serious circumstances of a temporary nature that prevent the normal development of the project.

In case of request of the Beneficiary, it must be accompanied by the background information that justifies it. Corfo will analyze its relevance and will decide on the matter by communicating its decision to the beneficiary.

In total, suspensions of the project implementation period may not exceed half of the period originally approved. Accordingly, a project with a duration of 12 months may be suspended for up to six months in total.

Once the suspension is authorized, Corfo, at the time of surrender, will reject any expenses made against the subsidy during this period. If the Beneficiary makes any expenses charged to its contribution, these must correspond to ordinary needs and be for the normal development of the project.

In both cases, the suspension of the execution period shall be counted from the date indicated by Corfo when it communicates its decision.

## **12. ADVERTISING AND PUBLICITY**

The information that Corfo receives through the reports is public, notwithstanding the exceptions established in the regulations in effect.

In the respective application forms and for the reports, Corfo may expressly provide that certain chapters or sections be made public from the time they are submitted, and it is the responsibility of the beneficiaries not to include information of a confidential nature, or personal or sensitive data in the aforementioned fields.

The beneficiary authorizes Corfo, from the time of the project application, to use and distribute written or audiovisual material related to the project and to the other participants in the project for dissemination activities.

In addition, during the implementation of the project the Beneficiary shall undertake the following:

- a) Provide to Corfo information about activities y grant the necessary resources for said objective.
- b) Support and actively participate in the events, meetings and/or workshops

scheduled for the project by Corfo, to disseminate the partial and final results of the project.

- c) Disseminate the results in accordance with the provisions of the project and as required by Corfo.
- d) In any public activity carried out to publicize the project, whether at the end of the project or during its implementation, as well as in written or audiovisual media, he/she must expressly state that the project is supported by Corfo. Compliance with this obligation may be temporarily or permanently suspended by Corfo.
- e) Submit survey responses, reports or other information on interim or final results when requested by Corfo.

Serious or repeated non-compliance with any of these obligations shall entitle Corfo to reject the continuation of the project, terminating the agreement in advance, in accordance with the rules set forth in subsection 14.1.3.2 of this Conditions.

After the end of the project, and for a period of five years, the Beneficiary is obliged to respond to surveys, submit reports and provide any other information on the intermediate and final results or impacts of the project, when requested by Corfo, directly or through a third party.

The Beneficiary assumes this obligation simply by applying for and obtaining funding from Corfo. This information is relevant for the development of metrics, and for the evaluation of the impact of the instruments, so the compliance of the Beneficiary with this obligation may be evaluated, constituting an indicator within the evaluation criteria established in the technical Conditions.

### **13. OWNERSHIP OF GOODS ACQUIRED AND/OR GENERATED, AND INTELLECTUAL AND INDUSTRIAL PROPERTY OF THE RESULTS**

The beneficiary will be the owner of the assets and goods obtained through the funds of the subsidy.

The appropriable results derived from the execution of the project, as well as all information, inventions, technological innovations, procedures, plans and other documents, will belong to the Beneficiary and/or the other participants as stipulated by them. Consequently, it will be their responsibility to protect any creations, patentable inventions or proprietary rights over the results of the project in the corresponding records. Likewise, and when appropriate, it will be their exclusive responsibility to select the confidential information in the chapters of the report dedicated to this purpose.

### **14. COMPLETION OF THE PERIOD OF EXECUTION OF ACTIVITIES; TERMINATION OF THE PROJECT, AND TERMINATION OF THE SUBSIDY AGREEMENT OR CONTRACT**

#### **14.1. Deadline for implementation of activities**

The end date of the implementation period of the project activities will correspond to that established in the respective subsidy agreement, and in its possible modifications, if one or more extensions and/or suspensions have been authorized.

In accordance with Section 10 of this administrative Conditions, the activities envisaged in the projects, as well as the expenses charged to the subsidy and contributions, must be carried out within the execution period and its possible extensions. The above is notwithstanding the provisions regarding anticipated expenses and those periods in which the project has been unusually suspended.

#### **14.2. Normal project completion**

The normal end of a project occurs when, having concluded the period of

implementation of activities and delivered its final report, Corfo determines and communicates to the beneficiary the approval of that report.

### **14.3. Early termination of the project**

Notwithstanding the other grounds indicated in this Conditions, Corfo may decide to terminate the project in advance in the following cases, applying the consequences and penalties indicated for each case:

#### **14.3.1. Early termination of the project for reasons not attributable to the beneficiary:**

Corfo may terminate early, either on its own initiative or at the request of the Beneficiary, and in the following situations:

- a) Non-compliance with critical results or continuity milestones established for the project, for reasons not attributable to the Beneficiary's lack of diligence, duly qualified by Corfo.
- b) Having reached the conviction that the project will not achieve the expected results, it cannot be executed within reasonable parameters, or that the Beneficiary and/or partner will not be able to realize their share of the responsibility, for reasons not attributable to their lack of diligence, duly qualified by Corfo.
- c) Other causes not attributable to the Beneficiary's lack of diligence in carrying out its activities related to the project, duly qualified by Corfo.

If requested by the Beneficiary and accepted by Corfo, the project will be understood to be completed earlier than the date indicated in the respective administrative act, which may not be earlier than the date of application.

In the event that the request is made by Corfo, it shall be understood that the project has been completed earlier than the date indicated in the administrative act that declares it, notwithstanding the provisions of the third paragraph of section 11.3 above.

In both cases, the Beneficiary must submit a final closing report within the reasonable period of time established in the resolution that gives early termination, which may not exceed 30 days from the total processing of the project.

Once this report has been reviewed, the Beneficiary must return any unspent, unearned or unobserved balance of the subsidy in its possession as of the termination date indicated in the respective resolution, within a reasonable period of time set by Corfo, which may not exceed the third working day prior to the expiration of the guarantee of advances held by Corfo and which shall be counted from the time the balance to be returned is requested.

For the calculation of the balance to be returned, the criterion established in the last paragraph of subsection 11.4.2 of these bases shall also be applied. Corfo will redeem the advance payment guarantees if the Beneficiary does not reimburse it within the term, notwithstanding the exercise by Corfo of the corresponding legal actions in the event that the amount of the guarantees in its possession is not sufficient to cover the entire subsidy to be reimbursed by the Beneficiary.

In the event that the subsidy is delivered against approval of the report(s), Corfo will only transfer resources from the subsidy to pay the expenses attributable to Corfo whose investment is technically and financially sound, and which have been incurred up to the date of communication of the anticipated term, and the provisions of the aforementioned sub-section 11.4.2 will be applied for determination purposes.

#### **14.3.2. Early termination of the project due to an event or act attributable to the beneficiary:**

Corfo may terminate the project early, whether or not the project period has been completed, if the Beneficiary negligently or with lack of due diligence fails to meet its obligations. The following situations constitute negligent non-compliance:

- a) Refusing or impeding monitoring efforts.
- b) Negligence in the financial and technical monitoring of activities.
- c) Failure of the Beneficiary to inform Corfo in a timely manner, in accordance with the provisions of subsection 11.3 of these Guidelines, and to propose the early termination of the project, having reached the conviction that the project will not achieve the expected results; it cannot be executed within reasonable parameters and/or, about the impossibility of finding out the contributions of its responsibility and/or of the other participants.
- d) Serious discrepancies between the technical and/or legal information declared and the actual information.
- e) Failure to comply with critical results or continuity milestones established for the project, due to a lack of diligence by the Beneficiary, duly qualified by Corfo.
- f) For having reached the conviction that the project will not achieve the expected results, it cannot be executed within reasonable parameters, or that the Beneficiary and/or partner will not be able to realize their share of the responsibility, due to a lack of diligence on the part of the Beneficiary, duly qualified by Corfo.
- g) In the submissions:
  - Duplication of the reporting of expenditures on the same project or with other publicly funded projects.
  - Falsification of actions or contracts.
  - Valuation of expenses above market value.
  - Forged or adulterated accounting documents (such as invoices, bills, credit or debit notes).
- h) Other causes attributable to the Beneficiary's lack of diligence in carrying out his/her project-related activities, duly qualified by Corfo.

In this case, the Beneficiary shall return the total subsidy received (nominal value) within the period established by Corfo, that may not exceed the third working day prior to the maturity of the advance payment guarantee held by the Corporation, and that shall be counted from the return request. The advance payment guarantee delivered shall become effective if the Beneficiary does not return the funds within the term established.

In the event that the grant is paid against approval of report(s), Corfo will reject all expenditures against the grant made by the Beneficiary in the context of project implementation.

#### **14.4. Termination of the subsidy agreement**

The grant agreement or contract shall be deemed to have been terminated only when the Beneficiary has fulfilled all outstanding obligations in respect of it, including restitution of grant resources as appropriate, either as a result of revision of reports, or because the project and the agreement have been terminated early.

### **15. GENERAL OBLIGATIONS**

Applicants must comply with the specific regulations governing the activities they intend to carry out in the context of the project, and must obtain and accompany, if necessary, all required authorizations and certificates from the relevant public bodies (Ministry of Health, Agricultural and Livestock Service, Municipalities, etc.).

Likewise, researchers on projects funded by Corfo must comply with the regulations in effect and the standards that regulate scientific activity in the areas covered by the initiative.

Corfo reserves the right to directly obtain an independent opinion on ethical/bioethical and/or biosafety aspects, in the cases it deems necessary, as well as to audit the ethical/bioethical and/or biosafety aspects of the projects, taking the measures it deems appropriate, if discrepancies or non-compliance are found in relation to the approved protocols.

The beneficiary shall be liable for any damages that may occur during the development of the activities included in the project, without Corfo having any responsibility for damages that may be caused to third parties.

## **16. QUESTIONS**

Questions should be addressed to Corfo, at the e-mail address specified in the notice communicating the opening of applications.

Questions may be sent up to 3 working days before the deadline for submitting applications for the respective application period, unless the notice specifies different deadlines. In the event that questions are sent after the deadline, Corfo does not guarantee the delivery of a timely response.

**APPENDIX N° 1. AFFIDAVIT**

**AFFIDAVIT (Legal Entity)**

**[Name of the signatory]**, identity card N° **[Number of identity card of the signatory]**, in his/her capacity as representative of [legal or business name of the legal entity], RUT [tax number of the legal entity], both of whom are domiciled for these purposes in [street, commune, and region], hereby declares under oath the following:

**ON THE PAYMENT OF CONTRIBUTIONS TO UNEMPLOYMENT INSURANCE**

That, in accordance with the provisions contained in Law N° 19.728, which establishes Unemployment Insurance, the signatory is aware of the prohibition for employers who have not paid the contributions for this insurance, to receive resources from Public or Private Institutions, which are financed with Public Funds.

In this respect, the signatory, in the aforementioned statement, declares:

**[CHECK ONLY ONE OPTION]**

	That the entity you represent has <b>NO</b> workers for whom you must pay unemployment insurance contributions.
	That the entity you represent is up to date with the payment of contributions to unemployment insurance.

**ON THE PAYMENT OF SOCIAL SECURITY CONTRIBUTIONS**

The signatory, in the aforementioned statement, declares that the entity he represents is up to date with the payment of social security contributions.

**ON NON-DEFAULT OF TAX DEBT**

The signatory, in the aforementioned statement, declares under oath that the entity he represents is up to date with respect to the tax referred to in numbers 3, 4 and 5 of Article 20 of the Income Law.

Likewise, the signatory, in the aforementioned statement, authorizes Corfo to verify the veracity of this information.

I declare that I am aware of the provisions of Article 470 N° 8 of the Criminal Code, which punishes "Those who fraudulently obtain from the Treasury, municipalities, Pension Funds and centralized or decentralized State institutions, improper benefits, such as salaries, bonuses, subsidies, pensions, allowances, returns or undue charges."

Signed at **[place]** on **[day]** **[month]**, **[year]**.

\_\_\_\_\_  
SIGNATURE OF THE REPRESENTATIVE(S)



**AFFIDAVIT (Natural Person)**

[Name of the signatory], identity card N° [Number of identity card of the signatory], domiciled for these purposes in [street, town and region], hereby declares under oath the following:

**ON THE PAYMENT OF CONTRIBUTIONS TO UNEMPLOYMENT INSURANCE**

That, in accordance with the provisions contained in Law N° 19.728, which establishes Unemployment Insurance, the signatory is aware of the prohibition for employers who have not paid the contributions for this insurance, to receive resources from Public or Private Institutions, which are financed with Public Funds.

In this regard, the signatory declares:

**[CHECK ONLY ONE OPTION]**

	That you have NO workers for whom you must pay unemployment insurance contributions.
	That you are up to date with the payment of contributions to unemployment insurance.

**ON THE PAYMENT OF SOCIAL SECURITY CONTRIBUTIONS**

The undersigned declares under oath that he or she is up to date with the payment of social security contributions.

**ON NON-DEFAULT OF TAX DEBT**

The undersigned declares under oath that he or she is up to date with the payment of the complementary global tax/sole tax established in Article 42, N° 1 of the Income Tax Law.

Corfo is also authorized to verify the accuracy of this information.

I declare that I am aware of the provisions of Article 470 N° 8 of the Criminal Code, which punishes "Those who fraudulently obtain from the Treasury, municipalities, Pension Funds and centralized or decentralized State institutions, improper benefits, such as salaries, bonuses, subsidies, pensions, allowances, returns or undue charges."

Signed at [place] on [day] [month], [year].

\_\_\_\_\_  
SIGNATURE

**APPENDIX N° 2.  
AFFIDAVIT (Legal entity)**

**DECREE LAW N° 211 OF 1973, WHICH SETS STANDARDS FOR THE DEFENSE OF  
FREE COMPETITION**

**[Name of the signatory]**, identity card N° **[Number of identity card of the signatory]**, in his capacity as representative of **[business name or name of the legal entity]**, RUT **[tax number of the legal entity]**, both domiciled for these purposes in **[street, commune, and region]**, hereby declares under oath the following:

The signatory, in the aforementioned statement, declares that the entity that he represents is not affected by any of the prohibitive measures established in article 26, letter d), which prohibits him from contracting in any capacity with centralized or decentralized State administration bodies, with autonomous agencies or with institutions, agencies, companies or services in which the State makes contributions, with the National Congress and the Judicial Branch, as well as the prohibition of awarding any concession granted by the State, for up to five years after the final decision is executed, of the D. L. N° 211 of 1973, which establishes rules for the defense of free competition, preventing it from contracting with Corfo within the scope of this financing instrument, authorizing Corfo to verify the veracity of this information.

I declare that I am aware of the provisions of Article 470 N° 8 of the Criminal Code, which punishes "Those who fraudulently obtain from the Treasury, municipalities, welfare funds and centralized or decentralized State institutions, improper benefits, such as salaries, bonuses, subsidies, pensions, allowances, returns or improper charges".

Signed at **[place]** on **[day]** of **[month]** of **[year]**.

SIGNATURE OF THE REPRESENTATIVE(S)

**AFFIDAVIT (Natural person)**

**DECREE LAW N° 211 OF 1973, WHICH SETS STANDARDS FOR THE DEFENSE OF  
FREE COMPETITION**

**[Name of the signatory]**, identity card N° **[Number of identity card of the signatory]**, domiciled for these purposes in **[street, town and region]**, hereby declares under oath the following:

Declares that the entity he/she represents is not affected by any of the prohibitive measures set forth in Article 26, letter d) of Legislative Decree No. 211 of 1973, which establishes rules for the defense of free competition, preventing it from contracting with Corfo within the scope of this financing instrument, authorizing Corfo to verify the veracity of this information.

I declare that I am aware of the provisions of Article 470 No. 8 of the Criminal Code, which punishes "Those who fraudulently obtain from the Treasury, municipalities, welfare funds and centralized or decentralized State institutions, improper benefits, such as salaries, bonuses, subsidies, pensions, allowances, returns or improper charges".

Signed at **[place]** on **[day]** of **[month]** of **[year]**.

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SIGNATURE

### APPENDIX N° 3.

#### AFFIDAVIT FOR THE TEAM LEADER FOR BENEFICIARY LEGAL ENTITY

*(Name of the signatory), identity card N° (identity card number of the signatory) / passport N° (passport number of the signatory), in my capacity as team leader of the project "(name of the project applied for)" submitted by (company name or name of the legal entity incorporated in Chile), RUT (tax number of the legal entity incorporated in Chile), I declare under oath that I possess, in a direct or indirect form, a (percentage) of share participation in the social rights of (name of the juridical person constituted in Chile), RUT (tax number of the juridical person constituted in Chile), applicant to the program "Start-Up Chile".*

Likewise, the declarant authorizes Corfo to verify the veracity of this information.

Finally, I declare to be aware that, in case of detection, subsequent to the admissibility analysis, during the period of execution of the project activities and/or during the review of the final report, of any serious inconsistency between the declared and the effective shareholding or social rights, the project will be deemed to have been withdrawn or will be terminated early, as appropriate, notwithstanding the additional measures adopted by Corfo, pursuant to Article 470 N° 8 of the Criminal Code.

Signed at **[place]** on **[day]** of **[month]** of **[year]**.

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SIGNATURE OF THE DECLARANT

**AFFIDAVIT FOR THE TEAM LEADER  
BENEFICIARY NATURAL PERSON**

*(Name of the signatory)*, identity card N° (*identity card number of the signatory*) / passport N° (*passport number of the signatory*), in my capacity as beneficiary and leader of the project team "*(name of the project applied for)*", I declare under oath that I hold, directly or indirectly, a (*percentage*) *share in the social rights* of (*name of the company or name of the foreign legal entity*), (*Identification number of the foreign legal entity*) which is the owner of the global (technology-based) project.

Likewise, the declarant authorizes Corfo to verify the veracity of this information.

Finally, I declare to be aware that, in case of detection, subsequent to the admissibility analysis, during the period of execution of the project activities and/or during the review of the final report, of any serious inconsistency between the declared and the effective shareholding or social rights, the project will be deemed to have been withdrawn or will be terminated early, as appropriate, notwithstanding the additional measures adopted by Corfo, pursuant to Article 470 N° 8 of the Criminal Code.

Signed at **[place]** on **[day]** of **[month]** of **[year]**.

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SIGNATURE OF THE DECLARANT

#### APPENDIX N° 4.

### ESSENTIAL ASPECTS OF THE CONTRACT BETWEEN THE SPONSORING ENTITY FOR START-UP CHILE AND THE BENEFICIARY.

The contract must regulate at least the following aspects:

1. The regulation of the rights and obligations between the parties, the conditions and scope of the support provided by the Sponsor Entity.
2. The commitment of the Sponsor to provide the necessary information to the Beneficiary in order to comply with Corfo's requirements.
3. Services to be provided by the Sponsor to the Beneficiary and other participants, which must be considered, obligatorily, financial and technical monitoring support of the project and provide infrastructure that allows the implementation of the methodology of Acceleration of Start-Up Chile.
4. Initiation and completion of services.
5. The confidentiality conditions of the information involved,
6. The observance of what is established in the respective technical and administrative Conditions of the financing lines of Start-Up Chile.
7. Financial monitoring work plan, with a clear schedule and activities.
8. Express statement that, in case of offering additional services to the Beneficiary and other participants of the project, these are absolutely optional, and that it is strictly forbidden to link the support of the Sponsor with the hiring of additional services by such participants.
9. Duty to inform the Beneficiaries in a timely manner of any maintenance or new additions to the infrastructure of the collaborative work space.

**2<sup>nd</sup> Publish** the corresponding notice(s) and make this Conditions available on Corfo's website, [www.corfo.cl](http://www.corfo.cl), and on the website [www.startupchile.org](http://www.startupchile.org), once this Resolution has been fully processed

**Logged and filed.**

**LUIS FELIPE ORTEGA PRIETO**  
**Entrepreneurship Manager**