HUELLA:

This text only serves as a reference, it is a translation of the official terms and conditions (Resolution (E) N° 75, of March 1, 2019) of InnovaChile Committee.

In case there is any difference between this text and the content in the official text, the Spanish version signed by the Executive Director of the InnovaChile Committee must always be considered as the official version.
1. Antecedents

1.1 Sustainable development

In 1987, the Global Commission on the Environment and Development, belonging to the UN, launched the publication "Our common future", in which for the first time sustainable development is discussed, which seeks the effective integration of economic growth, social equity and environmental protection. In this sense, for example, it is not enough to increase the productivity of a company if this has a negative impact on the environment, or does not improve the quality of employment. However, according to the Economic Commission for Latin America and the Caribbean (2013), global experience shows that economic factors continue to dominate over social and environmental factors.

In this context, social innovation emerges as a way for sustainable development, since it considers the three factors of effective integration mentioned above. In this way, and for purposes of the program, social innovation is understood as:

"Solutions to social and / or environmental problems that are more effective than previous ones. It is a process in which collaboration is sought between different actors of a given territory, especially the active participation of the target community. Also, such co-created solutions must be sustainable, replicable and scalable."

Being a broad term, it is possible to separate social innovation initiatives into different types, namely:

<table>
<thead>
<tr>
<th>Types of Social Innovation</th>
<th>Description</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>New products</td>
<td>New or significantly improved (produced object) which caters to social necessities.</td>
<td>Water-purifying machine, intelligent white cane for blind people, etc.</td>
</tr>
<tr>
<td>New processes</td>
<td>New or significantly improved production or distribution process which caters to social necessities.</td>
<td>Microcredits, crowdsourcing, fair trade, etc.</td>
</tr>
<tr>
<td>New services</td>
<td>New or significantly improved set of activities which aim at satisfying social need of a population.</td>
<td>Sustainable tourism, educational platform</td>
</tr>
</tbody>
</table>

In this context, triple bottom line entrepreneurship is an effective means to promote social innovation.

1.2 Triple Bottom Line Entrepreneurship

A triple bottom line (English version of “Triple impacto”) enterprise is that which seeks to generate social innovation by means of three categories of impacts:

- **Social**: by providing benefits to one or more groups of people with a certain level of vulnerability.
- **Environmental**: by working towards the preservation of the environment and the efficient and rational use of natural resources.

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1 For more conceptual detail see Annex 1.
• **Economic:** by making one’s initiative sustainable from a commercial perspective allowing its growth and replicability.

**Why is it important in Chile?**

Currently, doing business in the traditional form is not considered an option. In this sense, it is necessary to launch initiatives that contain the triple bottom line as following:

**Social:** Chile is one of the countries with the highest figures of economic inequality in the OECD, with a GINI coefficient\(^2\) much higher than other countries in the group.

**Environmental:** The month of November 2015 was historic for Chile, since, for the first time, the country exhausted the natural resources corresponding to one year, beginning to consume the resources of future generations (Global Footprint Network, 2018).

**Economic:** Entrepreneurs who choose to develop innovative products, processes or services aimed at social or environmental impact, rarely have the financial strength to expand and consolidate as a company in the long term.

**1.3 Huella, Acceleration Program of the Triple Bottom Line**

Through the **HUELLA** financing instrument, a positive societal impact is sought after which contributes to the construction of a more sustainable future for people and the environment.

In this context, the present instrument is intended to validate the social innovation generated by "triple bottom line enterprises", i.e. innovative undertakings aimed at solving social and / or environmental problems, and that have a viable and sustainable business model in time.

For the purposes of the foregoing, those initiatives that are selected according to the criteria of these bases, in addition to receiving co-financing, will be supported through an acceleration methodology that involves accompaniment, support, training and connections for their integral development that allows them to be a sustainable company in the three areas of action (vertices of the triple bottom line).

**What is considered in an acceleration methodology?**

- Support to grow more rapidly with the end to achieve results in less time.
- Training and delivery of knowledge for the proper development of each enterprise in the social, environmental and economic fields.
- Connections with the market to support the validation and growth phase, considering linkages with potential clients, companies, suppliers, industry experts, etc.
- Technical follow-up, establishing goals and indicators that adequately reflect the degree of compliance and progress status.
- Support provided by mentors with experience in the industry and / or processes, in order to have different points of view and specialized knowledge in the field of triple bottom line entrepreneurship, which contributes to their growth and consolidation.

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\(^2\) El coeficiente de Gini es una medida económica utilizada para determinar la desigualdad de ingresos existentes entre los habitantes de un territorio.
• Visibility to private investment sources for the next stages of the growth process of triple bottom line ventures.

What is meant by Validation of Social Innovation?

Validation of social innovation is understood as the process by which tests are carried out, in order to verify certain attributes of the solution addressed by a prototype, managing to eliminate uncertainties and determine if it has the potential for scaling and/or replicability. These attributes are distinct and differentiated from existing alternatives.

2. Objectives

2.1 General objectives

Promote the creation and/or consolidation of companies with a social and/or environmental impact with sustainable business models over time with the potential for scalability.

The present instrument addresses this objective, from the prototype phase to the validation phase.

Through HUELLA, ideas or projects are not financed in initial stages of development, but those that already have a prototype of evolution (functional prototype), with the purpose that this is validated in real conditions with the participation of the population and target customers. In this way, the initiatives to be supported are those that generate solutions for the problems we face as a country and that have not necessarily found a solution in the traditional ways of doing business.

2.2 Specific objectives

• Generate an economic, social, and environmental impact in the country, through support for triple bottom line ventures that allow them to advance towards their sustainable development.

• Contribute to the creation of an ecosystem of triple bottom line entrepreneurship, democratic and diverse, facilitating instances of connection between entrepreneurs, investors, companies and organizations.

• Position Chile as a benchmark in social innovation driven by triple bottom line ventures.

• Accelerate the growth and validation of triple bottom line ventures.

3. Expected Results of the Instrument

• Innovative solutions to social and/or environmental problems of a specific territory, validated and transferred so that they can be adopted and used by the target population.

• Project with validated model of social and/or environmental benefits measurement.

• Project with a clearly defined and validated economic sustainability model.

• Active involvement of the key actors for the project.

• Increase in the number of beneficiaries served.

• Project with high scalability potential.

4. Participants of the project
The participants of a project are the following:

a) **Beneficiary:** He/She is the one who applies for a subsidy to co-finance his project. If this is approved, he/she must sign a subsidy agreement with InnovaChile, and he/she will be responsible for the execution of the project.

The following may apply as beneficiaries:

- **Legal persons**
  Legal persons of private law, incorporated in Chile, for profit, with the initiation of activities in a first-class business nature, in accordance with the provisions of Article 20 of the Income Tax Law (D.L. 824, of 1974), and whose seniority is equal to or less than 5 years, at the date of application, counted from the date of start of activities in the Internal Revenue Service, which will be verified in the analysis of relevance, with the information available on the website of the Internal Revenue Service.

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

  **Team leader (only one):** Is the natural person, duly individualized during the application process, who must act on behalf of the beneficiary, as responsible to InnovaChile. The person designated as team leader must be one of the founders of the project and have a shareholding stake in or social rights of the beneficiary legal entity directly, of at least 10%. For these purposes, it must be accompanied by a sworn statement signed by the team leader indicating that he/she has a shareholding stake in or direct social rights of the applicant legal entity, indicating its percentage of participation, according to the format of Annex 2. In addition, the project must contemplate its participation in the program in Chile during the entire project execution period and with exclusive dedication to the development of the project, which will be verified in the pertinent analysis and monitored throughout its development.

  **Executive(s) (optional):** The participation of up to two individuals may be considered optional, who may participate in the execution of the project as members of the beneficiary's founding team, and who are duly identified during the application process.

- **Natural persons**
  Natural persons, Chilean or foreign, over eighteen years of age, who are founders of a social and/or environmental innovation project, whose seniority, at the date of application, is equal to or less than 5 years, counted backwards from the date of project application, which will be verified in the analysis of relevance.

Natural persons may participate in any of the following categories:

  **Team leader (only one):** It is that natural person, duly individualized during the application process as a beneficiary, who must act on their behalf and on behalf of the other participants or as responsible to InnovaChile. The person designated as beneficiary must participate in the program in Chile throughout the project execution period and with exclusive dedication to the development of the project, which will be verified in the analysis of relevance and monitored throughout its development.

  **Executor(s) (optional):** Optionally, the participation of up to two natural persons, who may participate in the execution of the project as members of the beneficiary's founding team, and who are duly identified during the application process.

Every project must have only one beneficiary.
b) **Beneficiaries served:** These are the potential users or recipients who would benefit from the results of the triple bottom line project, giving relevance to its execution.

The projects can not consist of consultancies and franchises, because they are not considered highly scalable innovative projects nor do they exhibit high growth potential. Likewise, these should be projects in the early stages of development, meaning those with a development of less than five years.

5. **Activities and financible expenses**

It will be possible to finance all those activities and necessary expenses, pertinent and directly related to the fulfillment of the general objective, the specific objectives, and expected results and impacts of the project, such as:

a) Tests with served beneficiaries and other actors.

b) Improvements in the self-sustainability model and its validation.

c) Development activities related to adjustments in the functionality of the prototype.

d) Materials directly linked to the development of the project (such as stationery, office supplies, construction materials, etc.).

e) Travel in and out of Chile.

f) Bringing international experts (technically justifying their participation), to advise the development of the project.

g) Actions to disseminate the project as an experience of social innovation.

h) Travel expenses and accommodation of the "team leader" necessary for acceleration activities.

i) Other relevant expenses, in the opinion of InnovaChile, for the achievement of the project's objectives.

This line does not allow to finance with resources of the subsidy nor with contributions of the participants:

- Research projects, that is, those that are not intended for immediate practical use.
- Investment projects, that is, those whose sole or main purpose is the acquisition of machinery and other capital goods.
- Franchises or consulting projects.

6. **Activities of Acceleration**

During the execution of each project, at least the person designated as leader of the beneficiary’s team, must participate in person, in the following activities to be carried out in the city of Santiago:

- Attendance of the initiating events of HUELLA, in which the acceleration program and relevant activities for the beneficiary will be presented and discussed.
- "Intro Day": Presentation of the project, according to the requirements timely published by InnovaChile, in order to identify the specific development stage in which it is located.
- "Pitch Day": Presentation(s) of the project, according to the requirements timely published by InnovaChile, in order to determine the progress in its development.
- Meetings with executives of InnovaChile and / or Corfo for the support in the rendering of accounts of the granted resources.
- Meetings with executives of InnovaChile and / or Corfo and with mentors to give an account of the activities carried out and objectives met.
• Other activities necessary for the fulfillment of the goals proposed in the projects, or that InnovaChile establishes, which will be communicated with due anticipation to the beneficiary.

In well-argued cases, InnovaChile may exceptionally authorize the team leader to withdraw from participating in any of these activities, and determine the measures necessary to ensure compliance with the goals of the Program. In order to make this decision, InnovaChile will take into consideration, among other aspects, the level of participation of the latter and that of the executors, if any, in the activities of the Program.

If the team leader does not participate in the activities and / or events previously outlined, without having authorization to do so, InnovaChile may terminate the project in advance, and the rules established in sub-section 13.3.2 of the regulations must be applied to the refund of the subsidy. General Administrative Bases, i.e. by act or imputable act to the beneficiary.

7. Content of the project

The applications must contain the following information, according to the detail and requirements indicated in the application form:

a) **Prototype**: Description and demonstration of the (functional) prototype, which lays out the stage of its development:

   *If it is not verified that the beneficiary has a functional prototype, the project will be declared “not accepted”.*

b) **Video**: A video of maximum 90 seconds must be included, which must contain the following:
   • Description of the social and / or environmental problems addressed by the project.
   • Description of the solution (product or service). Justification of the distinguishing elements between what currently exists and its innovation attributes.
   • Description of the team that includes the experience and the role of each member in the project.

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

   In addition, the video must be free of passwords and be available to InnovaChile throughout the evaluation process, hosted on the platforms or web services to share videos that the beneficiary deems appropriate.

c) **Recommendation**: Present at least one letter of recommendation of the project, indicating the email and / or contact information of the person making the recommendation. The latter may be contacted by InnovaChile during the project evaluation process. This letter will be reviewed in the relevance analysis.

d) **Social and / or environmental problem**: Description of the social and / or environmental problem(s) that the project addresses. The population affected by the problem or need must be identified and quantified, and include sufficient and pertinent quantitative data to support the relevance of the causes and effects identified.
e) **Description of the solution:** Description of the proposed solution to address the problem(s) identified above. For this purpose, it is necessary to consider the following elements:

- **Objectives:** Definition of the objectives of the project in coherence with its contents.
- Description of the main features and functionalities that the product or service has. InnovaChile may request demonstrations of them.
- **Degree of innovation:** Description of the novelty and added value of the proposed solution with respect to what already exists.
- **Level of advance:** Description of the progress in the technical development of the product or service.
- **Solution to social / environmental problem:** Description of the effectiveness with which the solution solves the identified social and / or environmental problem.
- **Risks:** Description of the main risks (threats) for the development of the project.

f) **Market and Competitive Position:** Description of the commercial and market opportunity found, as well as the description of the commercial activities carried out. It is necessary to consider the following points:

- **Market segment:** Description of the potential market segment at which the solution is aimed, as well as the identification and characterization of the potential client(s). The size of the market and its growth (if any) should be included.
- **Commercial validation and traction:** Description of the commercial or validation activities that have been carried out. The sales that the company / project has had in recent years must be indicated.
- **Business model:** Description of the way in which revenues are generated and of the creation of a model of economic sustainability.
- **Competitors:** Identification of the main competitors and / or substitutes.
- **Competitive advantage:** Description of the main characteristics that determine that your project is better than your main competitors or substitutes.

g) **Composition, qualification, experience of the team:** Description of the demonstrable achievements and experience of the team leader, implementers and / or co-founders. The following points must be included:

- **Professional experience:** Description of the professional experience of the team leader and the executors (if any).
- **Entrepreneurial experience:** Description of previous experience in other ventures where the team leader and the executors have participated (if any).
- **Training:** Description of the acquired knowledge and / or demonstrable studies of the team leader and the executors (if any).
- **Support network:** Description of the entities and / or main mentors that support the project.
- **Other professionals:** The support of the company will also be considered, including: employees, other founding partners, counselors, etc.

h) **Impact in Chile:** Description of the potential economic, social and / or environmental impact that the solution presents for Chile. The following points should be included:

- **Market:** Should demonstrate knowledge of the Chilean market.
- **Social / Environmental issue:** Description of the identified issues that are relevant to Chile.
- **Networks:** Description of the contact networks that the team counts on in Chile.
- **Interest in operating in Chile:** Demonstration of interest in establishing the enterprise in Chile and utilizing it as a platform to operate in Latin America.
8. Timeframes

The timeframe for the execution of the projects must be 6 months, which may be extended once and for an additional month, given a well-founded request of the beneficiary. Such request must be submitted before the expiration of the original term.

In the case of extension of the projects in accordance with the provisions of number 11.3 below, the execution period will be extended up to 14 months in total.

The start date of the execution period of the projects will correspond to the one indicated in the respective subsidy agreement.

9. Co-Financing

9.1 Subsidy InnovaChile

InnovaChile will co-finance up to 90% of the total cost of the project with a cap of up to $25,000,000.- (twentyfive million Chilean pesos).

Additionally, if the extension of the project exists, according to the provisions of number 11.3, below, the subsidy will be increased by an additional amount of up to $25,000,000.- (twentyfive million pesos).

9.2 Contributions from the Participants

In both cases, the beneficiary must contribute the remaining 10%, through pecuniary contributions (cash), destined to the co-financing of the activities to be executed in the project.

10. Technical follow-up

10.1 Progress and end reports

InnovaChile will establish a calendar of reports and disbursements, in which the delivery date of progress reports and for a final report are defined. These reports contain a technical component, which reports on the progress made, the activities carried out and the results obtained with their means of verification (photographs, videos, among others), and a financial component, in which the realized expenses for the project are included.

The reports must be delivered according to the formats defined by InnovaChile.

For purposes of this submission, these must be reported through the project management system (SGP), or the system that replaces it.

The Final Report will be delivered to InnovaChile within 30 (thirty) calendar days following the end of the execution period, or the extension thereof, as applicable, and must contain the report of all activities and results, scheduled and carried out, description of the expected impact, in addition to the rendering of accounts (expenses). InnovaChile, in accordance with the provisions of paragraph 10 of the General Administrative Bases, may establish other reports and mechanisms for technical monitoring.
11. Evaluation

11.1 General aspects

Prior to the evaluation, InnovaChile will carry out an analysis of the admissibility of the projects (analysis of legal background and relevance), according to what is stated in number 14 of these terms and conditions.

The evaluation process of the projects will be carried out, with internal and / or external personnel, according to the criteria indicated below. During the same, InnovaChile may request from the applicant the information it deems necessary for an adequate understanding of the project, not being able to modify the general objective of the same, nor affecting the equality between the applicants.

In addition, during this stage InnovaChile may ask applicants to deliver one or more presentations about their project, in person or via videoconference, which may be witnessed by other applicants. The places, means, dates and times of said presentations will be timely informed by InnovaChile, with an anticipation no less than 7 (seven) business days before the date of its realization. Likewise, in this opportunity, the requirements, contents, and format of the presentation itself will be indicated. In case the beneficiary does not deliver his presentation, or the same does not comply with the indications communicated, the project will be disregarded.

With the information contained in the project and the inputs indicated above, an evaluation report will be prepared with the corresponding recommendation of approval or rejection, to be submitted to the decision instance.

11.2 Evaluation criteria

The projects will be evaluated with grades from 1 to 5. The evaluation criteria and weights are the following:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem</td>
<td>The following aspects will be evaluated:</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>• If the proposed project responds to one or more social and / or environmental problems, clearly defined, along with detailing its relevance to the community involved.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The characterization of the beneficiaries served, i.e. who and how many are affected by the problem(s) and will benefit from the execution of the project.</td>
<td></td>
</tr>
<tr>
<td>Solution</td>
<td>The following aspects will be evaluated:</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>• The description of the solution.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• If the solution ends up being attractive to investors.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The level of technical advancement of the product / service.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The level of innovation.</td>
<td></td>
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<tr>
<td></td>
<td>• If the project presents a solution to the social and / or environmental issue indicated.</td>
<td></td>
</tr>
<tr>
<td>Market and competitive position</td>
<td>The following aspects will be evaluated:</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>• The target segment.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The size and growth of the market.</td>
<td></td>
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<tr>
<td></td>
<td>• Commercial validation and traction.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The business model.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The competitive advantage in face of the competitors.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Relevant market information and / or competitive position.</td>
<td></td>
</tr>
<tr>
<td>Team</td>
<td>The following aspects will be evaluated:</td>
<td>25%</td>
</tr>
</tbody>
</table>
The demonstrable achievements, the experience, the number of ventures in which they have participated, the abilities in relation to the project, the academic training of the team and the support networks of the team leader and the executors (if any).

**Impact in Chile**

The following aspects will be evaluated:

- The demonstrated capacity to carry out activities in Chile during the execution of the project, using Chile as a platform to launch operations in Latin America and the world.
- The real potential of consolidating operations in Chile.
- The knowledge and potential that serve to solve the social and / or environmental problems identified in Chile.

25%

In accordance with the provisions of the General Administrative Bases, InnovaChile, during the evaluation process, may request information from other bodies that are members of the State Administration, which are relevant in relation to the project's objectives.

### 11.3 Extension of projects

With the purpose of promoting the development of those projects that generate an impact in the country and show high possibilities of viability in the market and / or by obtaining private financing during the first 5 months of execution, the allocation of $ 25,000,000.- (twenty-five million Chilean pesos) in additional subsidy and an extension of up to 14 months of total project execution, according to the following procedure is granted:

1. The beneficiaries must present a market and projection strategy along with supportive reliable and measurable records that prove the progress of the project, and comply with any of the following requirements, which will be duly evaluated by InnovaChile:

   a. The beneficiary of the project is a legal person.
   b. The beneficiary who was awarded the subsidy as a natural person, must, at the time of extending his project, have established an Individual Limited Liability Company, or have at least 10% participation in the rights or social capital of a company incorporated in Chile with an antiquity of no more than 5 years counted from the application to this instrument.

InnovaChile will determine and communicate timely to the beneficiaries, the opportunity and instance (for example, setting a Pitch day) in which they must make their extension request.

The beneficiary must submit a pitch for evaluation by the InnovaChile team. This may be supported by external evaluators with experience in investing in high impact companies and / or accelerators. The date and instance of presentation of the pitch will be informed in a timely manner to the beneficiary(s). The beneficiary must also explicitly request an evaluation to extend the project at the end of its presentation.

The projects will be evaluated with grades 1 to 5 (1 being the minimum grade and 5 the maximum grade), and a ranking will be established, and the evaluation criteria will be the following:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact in Chile</td>
<td>The demonstrated capacity to carry out activities in Chile during the execution of the project, using Chile as a platform to launch operations in Latin America and the world. The real potential of consolidating operations in Chile. The knowledge and potential that serve to solve the social and / or environmental problems identified in Chile.</td>
<td>25%</td>
</tr>
<tr>
<td>Team</td>
<td>Qualification and experience of the team: The team’s experience and its capacity for the growth of entrepreneurship.</td>
<td>10%</td>
</tr>
<tr>
<td>------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----</td>
</tr>
<tr>
<td></td>
<td>Quality of the Pitch: Ability to present the current state of the business (pitch).</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td><strong>Value of the business</strong></td>
<td><strong>Business model</strong>: Potential of growth and scalability.</td>
</tr>
<tr>
<td></td>
<td><strong>Traction</strong>: The main growth metrics of the business in Chile.</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td><strong>Progress during the execution of the project</strong>: The progress of the enterprise since the start of the project.</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td><strong>Impact in Chile</strong>: The results and economic, social and / or environmental impact generated in Chile.</td>
<td>20%</td>
</tr>
</tbody>
</table>

It is within the responsibility of the Executive Directorate of InnovaChile to decide about those projects that will obtain the extension of the subsidy and execution period, according to number 11.3. The others will continue to develop their projects under the original conditions.

12. Limit of applications and restrictions.

Each applicant may submit only one project for each call. In addition, those persons who have participated or currently participate as team leaders and / or as executors of approved projects that have begun their execution period or that are finalized, may not re-apply.

No resources may be granted to those beneficiaries who are currently executing the project, through a Corfo instrument and / or one of its Committees. For purposes of determining the non-occurrence of this situation, the beneficiary must expressly indicate it in the application form.

Likewise, those beneficiaries who, between the award and the formalization of the subsidy agreement, have obtained co-financing for the execution of said project through another Corfo instrument and / or one of its Committees, must opt for only one of the subsidies granted.

Lastly, projects that have received prior resources (regardless of the name that the project had previously had), cannot receive co-financing under this instrument, through one of the following instruments and stages of the InnovaChile Committee and / or Corfo:

a) "Capital Semilla Expande",
b) "Semilla Expansión", “Escalamiento” or “Scale-Up”
c) Extension of the program "Start-Up Chile"
d) Phase 2 of “Subsidio Semilla de Asignación Flexible” — SSAF
e) Phase 2 of "Subsidio Semilla de Asignación Flexible para el Apoyo a Emprendimientos de Innovación"

In case of the detection of a breach with respect to this restriction, the application will be disregarded or the project will be terminated in advance, if applicable.

13. Budgetary aspects
In the budget of the project, both for the expenses charged to the subsidy and for the contributions made by the participants, apply the Budgetary Accounts "Human Resources", "Operating Expenses", "Administration Expenses" and "Investment Expenses", described in sub-section 3.4 of the General Administrative Bases, additionally considering:

- **Human Resources**: This includes the remunerations or fees of the technical and/or professional personnel directly associated with the activities of the project. This account may be used up to $1,000,000.- (one million Chilean pesos) per month for remuneration that may be received by each of the participants (team leader and executors), in accordance with the provisions of current legislation.

- **Operational expenses**: For the cost of guarantees of faithful compliance with the agreement and advances, the maximum limit of 3% established in letter b) of sub-section 3.4 of the General Administrative Rules does not apply.

- In the event that none of the participants pay for their dedication to the project, it may include expenses for accommodation, common expenses and basic services, and may be financed up to the cap and under the conditions indicated in the following table:

<table>
<thead>
<tr>
<th>Participants</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to 600,000.- (six hundred thousand Chilean pesos)</td>
</tr>
<tr>
<td>2 or more</td>
<td>Up to 800,000.- (eight hundred thousand Chilean pesos)</td>
</tr>
</tbody>
</table>

The following cannot be financed: personal expenses, such as food, tips, medicines, air tickets and visa costs for people not linked to the project, urban mobilization, recreational expenses or any other that has no direct relationship with the project.

- **Investment expenses**: In the case of acquisitions, as a general rule, only the use that is contemplated in the project will be financed proportionally. The table of normal useful life issued by the Internal Revenue Service of the physical assets of the fixed assets in force at the date of the respective acquisition will be used as a reference. Upon the well-founded request of the beneficiary, which may be approved or rejected by InnovaChile, the aforementioned table will not be applied, and the expense may be considered in its entirety, in the case of acquisitions considered by InnovaChile and/or Corfo critical for the realization of the activities of the project. Notwithstanding the foregoing, only the acquisition of up to 1 computer for each participant of the project may be imputed to the subsidy, prior approval and technical validation by Corfo.

- **Administrative expenses**: You can allocate up to 10% of the subsidy to finance expenses in this account.

- **Process of acquisitions**: All acquisitions and contracts for amounts exceeding $3,500,000.- (three million five hundred thousand Chilean pesos) net, must be previously authorized by InnovaChile. For this purpose, the beneficiary must submit to InnovaChile 3 quotes from the respective suppliers. Regarding the Human Resources account, the procedure will be applied only for the hiring of legal persons and individual entrepreneurs. The aforementioned authorization must be requested prior to the contracting or acquisition, by email addressed to the technical executive for approval. Corfo will reject the expense if the beneficiary has neither requested authorization, nor has made the 3 previous contributions.
14. Admissibility of the projects

According to the General Administrative Bases, once the applications have been received, InnovaChile will carry out two admissibility analyses: "analysis of legal background" and "relevance analysis".

14.1 Analysis of legal antecedents

<table>
<thead>
<tr>
<th>No</th>
<th>Requirements</th>
</tr>
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</table>
| 1  | That the beneficiary responds to:  
|    | ▪ Legal person under private law, incorporated in Chile, for profit, or  
|    | Chilean and / or foreign natural person over 18 years of age.  
| 2  | That the beneficiary posts a legal entity's start of activities in the first  
|    | category of Income Tax, in accordance with the provisions of the D.L.  
|    | 824, of 1974. |

If not all the requirements of the legal background analysis are met, the project will not advance to the evaluation stage.

14.2 Relevance analysis

<table>
<thead>
<tr>
<th>No</th>
<th>REQUIREMENTS</th>
</tr>
</thead>
</table>
| 1  | COHERENCIA CON EL INSTRUMENTO  
| 1.1 | Coherence between the objective of the project and the general and specific objectives of the current document.  
| 1.2 | Compliance with the requirements of project execution deadlines according to the maximums indicated in number 8 of these bases.  
| 1.3 | Compliance with the co-financing requirements, according to the maximum amounts and percentages indicated in number 9 of these bases.  
| 2  | DOCUMENTS AND CONTENTS OF THE APPLICATION  
| 2.1 | That the project be presented according to the application forms available in the online project application system.  
| 2.2 | That in the application it is shown that the beneficiary has available a prototype of evolution (functional prototype).  
| 2.3 | That the service of the beneficiary legal entity is equal to or less than 5 years, at the date of application, counted from the date of start of activities in the Internal Revenue Service.  
| 2.4 | That the beneficiaries who are natural persons are founders of a project of social and / or environmental innovation, whose service, at the date of application, is equal to or less than 5 years, counted backwards from the date of application of the project.  
| 2.5 | That the team leader considers his stay in Chile throughout the project execution period and his exclusive dedication to it.  
| 2.6 | That the projects do not consist of consultancies or that they do not demonstrate a scalable growth model and / or franchises.  
| 2.7 | That the development of the project is under 5 years.  
| 2.8 | That a video which meets the requirements indicated in number 7 letter b above is included and made available in the application, for the evaluation stage.  
| 2.9 | That there is a letter of recommendation, in agreement with what is indicated in number 7 letter c previously. |
If all of the aforementioned requirements are not met, the project will be declared invalid and will not advance to the next evaluation stage.

During the analysis of relevance, InnovaChile may request clarifications and / or additional or complementary background, which must be submitted within a period of 5 (five) business days from your request. In case the minimum background required is not accomplished, or the accompanied ones do not allow the requirements to be accredited, the proposal will be declared invalid.

15. Other general aspects

a) Modality of application

The present document is made available to those interested in the appellate contest modality.

b) Queries

The queries should be directed to InnovaChile, to the email contact@startupchile.org, until the deadline for the applications for the respective call.

c) Fines

Notwithstanding the limits per event established in the BAG for each of the fines regulated there, the total of fines applied in the context of the execution and monitoring of each project, may not exceed the amount of the guarantee per faithful compliance with the subsidy agreement that is in the Committee’s possession.

d) Intellectual and Industrial Property

In accordance with what is stated in numeral 12 of the General Administrative Rules, in relation to intellectual and industrial property, the results derived from the execution of the project, as well as all the information, inventions, technological innovations, procedures, plans and other documents, may belong to the beneficiary and / or other participants. Notwithstanding the foregoing, the beneficiary must make available to Corfo all the results generated during the execution of the project, to use and disseminate them, freely and without restriction, even in cases where there is protected intellectual or industrial property.

e) Notifications

The beneficiary in the application may authorize the notification of the administrative acts related to the project through a copy of them being sent to the e-mail address of the project leader. The notification will be understood to be made from the next working day after its sending.

The beneficiaries will be responsible for the accuracy and updating of the information relating to their email address and to check using this the receipt of any notification. Likewise, they must maintain and configure their email address so that electronic notifications are duly received.

The update of the email address will only take effect upon receipt by the InnovaChile.

f) Precedents for the formalization of approved projects

In addition to the precedents that, according to number 7 of the General Administrative Bases, must be presented at the stage of formalization of the projects, within the same period they must send:

- For the beneficiary legal entity (*): simple copy of the document that shows the name of the representative (s) and their powers to sign the respective subsidy agreement with InnovaChile, and a sworn statement signed by the team leader in which he/she indicates that he/she has a shareholding or direct social rights in the applicant legal entity, indicating percentage of participation, according to the format of Annex 2.
• For the natural person beneficiary: simple copy of your valid identity card on both sides or a simple photocopy of a valid passport. 
(*)With respect to legal entities established in Chile that are subject to the system of Law No. 20.659, it will not be necessary to present the foregoing precedent, if this can be obtained from the “Registro de Empresas y Sociedades”.

g) Financial accountability
In the case of natural person beneficiaries, expenses incurred in the name of the Team Leader and the executors who are individualized in the application will be accepted. Likewise, expenses of a Chilean Individual Company of Limited Liability, whose owner is the Team Leader, or a company in which it has an interest of at least 10% (ten percent) of the rights or capital, and that in addition:

a. It is incorporated in Chile; and
b. No initiation of activities related to the project's turnaround by a period greater than 60 months to the date of application to the Program. These circumstances will be verified by InnovaChile, for which the The beneficiary must accompany a simple photocopy of the instrument of incorporation and its modifications.

In the event that the company is approved by InnovaChile, the beneficiary may submit expenses on behalf of the company only from the date on which the company's registration in InnovaChile has been approved.

APPENDIX 1
Glossary of terms
1. Triple impact: The concept of Triple Bottom Line, described by John Elkington, an expert in corporate social responsibility and sustainable development, is used as a reference in 1994 as an accounting framework to go beyond the traditional ways of measuring profits and economic value for shareholders, including environmental and social dimensions.
2. **Acceleration Program:** Proceso de apoyo que potencia a los emprendimientos a crecer más rápido de lo normal, con el objetivo de alcanzar resultados en menor tiempo. El programa incluye apoyo de expertos, charlas, seguimiento de cumplimiento de metas, conexiones comerciales, entre otras actividades. A support process that empowers the enterprises to grow faster than normal, with the aim of achieving results in less time. The program includes expert support, talks, tracking the achievement of goals, commercial connections, among other activities.

3. **Social Problem:** A condition that affects a significant number of people, in a way considered inconvenient and that is believed to be corrected through collective social action (Horton and Gerald, 1995). In addition, social problems are established when people do not have (facilitated) access to products, markets and public services, and do not have ways to express their main needs and challenges, both for the private and public sphere (BIS, 2013).

4. **Replicability and Scalability:** Increase in the number of people who benefit from a social innovation (Nesta, 2014). This may mean, for example, obtaining a set of principles or a more widely adopted methodology, replicating a program or intervention in new areas or attracting more clients or users for a product or service. Scaling implies, depending on the nature of the social problem, increasing the scope in a wider geographical area.

5. **Community:** The people (including the beneficiaries dealt with) and institutions (social organizations, foundations, companies, public bodies, etc.) that cohabit a given territory.

6. **Prototype:** Corresponds to a physical and/or virtual representation, which allows one to explore, understand and evaluate (continuously and iteratively through failure and experimentation) with low, medium or high resolution media, if the solution that is being developed works and has sense for the identified problem.

For purposes of the Program, we divided the Prototypes into 3 types according to the classification of Carlos Osorio (2010):

- **Prototypes of Inspiration:** They are characterized by being of a low level of sophistication, very cheap and incomplete to allow a greater generation of ideas. They are designed to be evaluated, generate more and new ideas, and be discarded without further efforts on the part of the development team. This includes paper prototypes, conceptual videos, simulations, models, etc. This type of prototypes allows great learning about what concepts or alternatives are inferior, what problems can arise and stimulates the generation of options to improve them and move on.

- **Prototypes of Evaluation:** They are characterized by being a little more elaborate, exhibiting certain levels of functionality, being more expensive and taking more time to develop. The majority are carried out focusing their preparation based on Opportunity Area, in a manner which evaluates each dimension in an isolated way and looks for faults through experimentation in different situations of contact with users. From here, more and new problems are identified that must be solved through cycles of prototypes and tests, and new ideas are generated to improve or change the prototypes. As a result of these cycles, you begin to see a lower failure rate.

- **Prototypes of Validation:** This is the last stage in the process of discovering the best solution to the challenge. Its objective is to refine and test real solutions to validate what has been learned during the process, with the certainty of having eliminated a large part of the problems discovered during

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3 Or in simple and more descriptive terms, functional prototypes.
the previous stages. They are the most expensive of all, usually very few (less than a dozen) are made and put to the test in the market (or in the public system, for the purposes of this program).
APPENDIX 2

AFFIDAVIT

(Name of the undersigned), identity card number (identity card number of the undersigned) I passport number (number of the undersigned’s passport), in his capacity as leader of the project team "(name of the applied project)", presented by (social reason or name of the legal entity), RUT (RUT of the legal entity), I come to declare under oath that I have direct shareholding / social rights of (social reason or name of the legal entity), RUT (RUT of the legal entity) applicant to the HUELLA program, corresponding to x% (indicate participation percentage, which must not be less than 10%).

Likewise, the declarant authorizes InnovaChile and / or Corfo to verify the veracity of this information.
Awarded in (place) on (date)

______________________________
NAME AND SIGNATURE OF DECLARANT
1° Regarding the administrative aspects, which must be met from the orientation stage of the applicants and/or application itself, until the end of the subsidy agreement concluded with the beneficiary, the provisions of Resolution (A) No. 277 of 2011, modified by Resolution (A) No. 24, of 2013, both of InnovaChile, which approved the General Administrative Bases for the Instruments and Lines of Financing of the InnovaChile Committee will apply.

2° The projects submitted to the "HUHELLA" instrument will be known and decided by the Subcommittee on Business Innovation. Likewise, the Deputy Director of Business Innovation, when appropriate, will sign the respective subsidy agreements with the beneficiaries.

3° Publish the corresponding notice in a newspaper of national circulation and put these technical bases at the disposal of the interested parties on the Corfo website, www.corfo.cl once this resolution is fully processed.

Sign up and contact us.

ROCÍO FONSECA CHAMORRO
Executive Director