

PROGRAM GUIDELINES
TRANSELEC VENTURES OPEN CHALLENGE
Santiago, November 2023

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1. GENERAL CONTEXT

Transelec, tax ID No. 76.555.400-4, domiciled for these purposes at Orinoco 90, Las Condes commune (hereinafter, the Company), is the main electric power transmission company in Chile, with over 10,000 km of lines and 69 substations from the Arica and Parinacota region to Los Lagos. Transelec Ventures is its open innovation branch, conducting programs that aim to connect technology-based startups with various challenges faced by the company, as is the case with the program outlined in these guidelines, hereinafter referred to as the "Guidelines."

Transelec has decided to launch the third edition of "Transelec Ventures Open Challenge," whose objective is to support, validate, and accelerate ventures related to processes, technologies, products, and others, all of which must be innovative and have high scaling potential. The program will enable startups to connect directly with Transelec through a proposal based on a Venture Client model (the possibility of becoming a strategic provider and scaling commercially).

For the purposes of these Guidelines, the Company will assume that all members of the entrepreneurial team applying to be part of this Program declare that they are aware of, accept, and commit to respecting, for all purposes that may arise, each and every one of the conditions and stipulations included in these Guidelines, hereby waiving any subsequent claims in this regard.

2. GENERAL OBJECTIVES OF THE PROGRAM

These Guidelines and the Program aim to promote the initiative driven by Transelec, with the purpose of summoning and developing high-impact solutions together with entrepreneurs or innovative companies in the field of energy transmission industry through processes, technology, products, or services, with the aim of forming alliances that allow the Company and startups to become a client/provider and/or another option that may be defined between the parties.

3. PROGRAM CHALLENGES; SPECIFIC OBJECTIVES

The Program's central purpose is to collaborate with startups or companies that want and can address the verticals defined by Transelec, which will be duly communicated on the program's website (<https://www.transelec.cl/ventures/en/>).

4. ABOUT THE PARTICIPANTS

This Program is open to all startups and/or companies developing projects aimed at innovation in any type of process or product related to the Company's industry, as well as the challenges posed on the website. In this way, and considering the Company's needs, this application is open to both Chilean and foreign startups and/or companies.

To participate in the Program and adhere to these Guidelines, interested companies or startups (hereinafter the "Participants") must have solutions that can be rapidly implemented and with at least one technical-commercial validation. In this sense, the ultimate goal of this process should allow the selected solutions to scale to areas, channels, networks, and/or industries associated with the Company.

The program will be conducted virtually during the stages of the call, selection, and validation. In case of advancing to the next Pilot stage, each case will be reviewed individually with each company, as the program includes companies from different countries around the world.

5. PROGRAM STAGES

(I) CALL FOR PARTICIPATION IN THE PROGRAM AND PROJECT SUBMISSION

The Program will be launched through the channels defined by Transelec by disseminating it through suitable channels for this purpose, including social media, partner networks, and the general ecosystem. Challenges will be communicated periodically on the website: <https://www.transelec.cl/ventures/en/>, where challenges and the program's value proposition can be reviewed.

The application for the program, in which participants can apply to one or more challenges, must be completed separately for each through the platform <https://transelec.vform.io/>. In case of doubts regarding the form and its content, as well as the application platform, Participants should contact the email innovacion@transelec.cl.

(II) REVIEW OF ELIGIBILITY OF THE APPLICATION

Once the call is closed, the Pre-Selection process will begin. This process starts with the review of the eligibility of each participant who has registered and applied directly through the application platform. If all required fields in the application form are not completed or if it is not submitted, the participant will automatically be excluded from the next selection process.

(III) ABOUT THE PRE-SELECTION AND VALIDATION PROCESS

The Pre-Selection Process (understood as the possibility of being selected to participate in the program but does not guarantee that the startup is included as a provider for the Company) includes two phases that will be executed successively and are detailed below:

1: "PRE-SELECTION "

After verifying the eligibility process, and only regarding those startups and projects that have completed this stage, a Pre-Selection will be made of those startups and projects that are considered relevant and align with the challenge, at the sole discretion of the Transelec Ventures team using the following criteria:

Criteria	Weight
Team: Evaluation of how suitable the team is to execute the project, in relation to the experience of the members and their support networks, if any.	10%
Previous Implementation: Startup's experience implementing the solution, level of sales, KPIs, and metrics supporting implementation in other clients.	40%
Solution Feasibility: Evaluation of the technical feasibility and implementation time of the solution.	25%
Solution Impact: Measurement of the relevance and impact of the solution according to the challenges posed.	25%

These startups and projects will subsequently be thoroughly evaluated by the Company's team. In this phase, additional information may be requested from Pre-Selected Participants to answer some questions, which will be reviewed by the Transelec Ventures team to choose the solutions that will advance to the validation stage.

The main evaluation criteria for defining startups are as follows, although they may change during the process:

Criteria
Team experience: Consider the team's experience in executing the project, as well as previous successful cases.
Opportunity Cost: Evaluate the impact of the solution in terms of KPI compared to the effort required to implement it (time, resources, etc.).

<p>Technical Feasibility: Consider the technologies, architectures, structures, and internal processes in relation to the proposed solution (integrations, internal developments, others).</p>

<p>Scalability Potential: Evaluate the ease or complexity of increasing the scope and volume of the piloted solution.</p>
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2: “VALIDATION”

The objective of this phase is to delve into the value proposition and match between startups or companies and the challenges posed by Transelec Ventures, as well as the feasibility of implementing the solutions. In this phase, review and analysis sessions, validation meetings with different areas of the Company, will be conducted to develop a concrete pilot proposal and the necessary requirements for it, which will be presented and evaluated by the Committee. The duration of this phase is estimated at 4 weeks from the end of the Selection phase. Additionally, a contract will be signed to safeguard the participants.

During this phase, the Program includes individual sessions and in-depth meetings between Participants and Company representatives. Participants may receive strategic support in the development of their projects, advice from industry experts on the issues they are addressing, and support in building pilot proposals or proof of concepts.

Finally, this stage ends with a committee meeting in which it will be decided which proposals will move on to the pilot phase, where they will start working directly with the Transelec team for the implementation of their solutions.

Notwithstanding the above, the continuity and implementation of the solutions in the process will be the sole and exclusive responsibility of the agreement reached by both parties, provided that both are satisfied with it. Both the Startup or Company and the Company have the right to unilaterally terminate the process if an agreement is not reached.

(IV) SELECTION PROCESS.

After the Validation process, the preselected startups and companies must present their solutions to a committee composed of the Transelec Ventures team and invited guests, who will ultimately decide which solutions will move on to a Pilot phase.

This Selection Committee will be conducted in a virtual format. Here, the selected Participants will have the opportunity to present their solution to Transelec Ventures in a closed session where the goal is to present the project and use the remaining time to raise concerns, opportunities, and provide feedback for possible implementation. At the end of this, the Transelec Ventures team will evaluate which of the proposals presented during the session best fit the Company's requirements and challenges, ultimately selecting those that will move on to a Pilot phase.

The solutions presented to the committee:

- Must aim to solve an issue or address one of the opportunities in the industry defined in the challenges of the Program.
- Must have some form of technical-commercial validation allowing the evaluation of project implementation.

In addition to those mentioned above, the selection criteria that the Company will use for the Final Selection of startups and projects correspond to:

- Degree of innovation of the value proposition.
- Match with the challenges and internal requirements of the Company.
- Quality, dedication, and potential of the entrepreneurial team.
- Development status and progress to date.
- Deal or proposed work/development by the entrepreneur.

Transelec may, at its sole discretion, make the final selection by adding other criteria it deems appropriate. Details about dates, times, instructions, and the general agenda will be provided in a timely manner during the process

(V) PILOT.

Pilot processes will be coordinated one-on-one between startups or companies in the pilot phase and their respective counterparts from the Transelec team. The time period includes 3 months from the start of testing the solution at Transelec's facilities. However, Transelec has the authority to extend the time window whenever it deems it necessary.

During the Validation stage, metrics and hypotheses defining the success or failure of the pilot will be defined, in collaboration with the startup or company and Transelec Ventures.

6. MECHANISMS OF COLLABORATION AND PARTICIPATION WITH STARTUPS

Regarding the participation mechanisms in the generated value, as specified in these Guidelines, the Company will consider the Venture Client model as a mechanism to be evaluated with each startup selected for the Program individually. However, Transelec Ventures will have complete freedom to offer another additional collaboration mechanism not found in these Guidelines.

(I) VENTURE CLIENT

This collaboration and participation mechanism will be formalized only if the Participant complies with all internal protocols of the Company to be considered a provider for it. In case the Project constitutes a technology, service, or product already validated, a pilot must be carried out to subsequently present an attractive business opportunity to the Company.

The collaboration and participation mechanism described above, as well as its terms and conditions, will be defined individually with each startup or company whose Project has been selected, either during the Program or once the results of their respective pilots can be verified.

7. PARTICIPANTS' OBLIGATIONS AND GUARANTEES

Participants in the Program commit and engage with the Company to fully comply with all stages of the process, in the manner a person of good judgment would reasonably act. Specifically, they agree to:

- Actively participate in all activities defined for the development of their Project as outlined in the Program.
- Lead the implementation and commercialization of the product if the Project is selected, collaborating with the Company in each mentioned instance.
- Accept all conditions of this document.
- Safeguard and treat as confidential all shared information regarding challenges, calls, and Transelec in general.
- Protect the Company's brands and image, along with its related or associated companies.

Hereby, the Participant declares and guarantees that the contents of their Project are of their original creation and do not infringe on the rights of any kind belonging to third parties, including copyright, trademarks, patents, trade secrets, privacy rights, and publicity rights.

Additionally, the Participant agrees to respect the Chilean legal system. Therefore, they acknowledge and accept that they cannot include in any documents required in the pre-selection process or subsequently, content contrary to the law, public order, morals, and good customs. This includes content that may violate contractual obligations previously undertaken by the Participant or be considered harmful, abusive, derogatory, defamatory, vulgar, invasive of privacy, racist, xenophobic, discriminatory, or objectionable in any way.

Furthermore, the Participant undertakes to take all necessary measures to ensure that the contents of their Project do not contain computer viruses or any files or programs designed to interrupt, destroy, or limit the functionality of any software, hardware, or telecommunications equipment.

The Participant acknowledges and accepts that they submit their Project or business proposal under their sole and exclusive responsibility and at their own risk. Consequently, in case of any dispute (including disputes regarding authorship and ownership of rights over the works) or for any reason between the Participants or between any of them and a third party, the Company shall be exempt from any liability for claims, demands, or damages of any kind and nature related in any way to such dispute. Likewise, the Participant agrees to indemnify the Company against claims from third parties related to the idea or innovation they provide.

8. COMPANY'S OBLIGATIONS

The Company undertakes to:

- Preserve the confidentiality of the Projects presented by the Participants and always adhere to the agreements between both parties (Participants and the Company). This confidentiality obligation does not apply to the communication of information that must be disclosed for the proper promotion of the Project and, in general, any information required to facilitate value creation for the Project and the Company.
- Confirm to Participants that all materials requested by both organizations, including those related to registration and data protection, have been received.
- Inform Participants about the results obtained from their Project.
- Notify Participants through the channels defined for this purpose about any modifications to the bases, activities, and dates of the acceleration program.

9. INTELLECTUAL PROPERTY, CONFIDENTIALITY, AND NON-EXISTENCE OF ASSOCIATION

(I) INTELLECTUAL PROPERTY

The Participant will retain ownership of the intellectual property rights of the existing solutions presented and offered during this Program.

In the event of co-creation, adaptation, ideation, or new development of solutions, it must be discussed on a case-by-case basis whether Transelec Ventures' interest in the intellectual property of the developed solutions is of interest, which should be agreed upon with the Startup or Company.

(II) CONFIDENTIALITY

The Participant and the Company mutually commit from now on to maintain confidentiality and secrecy regarding all background and information provided in relation to the Program or developed during its validity. The Participant also commits not to disclose agreements reached with the Company or another company related to these agreements concerning the Project.

Notwithstanding the above, the Participant expressly authorizes the Company to publish information related to the agreement that may eventually be reached with the Company or a company related to these, with the aim of providing timely or corresponding publicity to the Project.

The obligations assumed in the foregoing points (i) and (ii) will be in force from the acceptance of these Terms and until the Participants' participation in the Program is completed.

Notwithstanding the above, and regarding those Participants who have reached a commercial agreement with the Company, the confidentiality obligation will continue for a period of two years from the end of said commercial relationship.

(III) NON-EXISTENCE OF ASSOCIATION

Except as expressly regulated in these Terms, the Company assumes no obligation regarding the Participants and the Projects referred to in the eventual agreements to be signed with the Company or its subsidiaries. Furthermore, the Participant declares that they understand and accept that these Terms do not constitute any form of association between the Participants and the Company or its subsidiaries.

10. ACCEPTANCE OF THE TERMS

Participation in this Program requires full knowledge and acceptance of these Terms. It is understood, for all relevant purposes, that the mere act of participating in the Program constitutes unconditional acceptance of the Terms and their conditions.

Participating Startups undertake to provide due and timely collaboration with the Company to promote the Project through the determined channels. Therefore, it is a condition for application and participation that the Startup engages in activities, promotions, events, programs, or promotions as determined.