

“Startup Challenge by Starken” Open Innovation Program - Starken 2022

Hello! We appreciate your interest in applying for the challenge that Starken wishes to solve and that it will make its call through openinnspiral.com. On the page, you will find everything you need to be able to apply, enter your information, and some supporting documents.

1. INTRODUCCIÓN

1.1 About Starken

STARZEN is one of the most important courier and shipping companies in Chile, offering warehousing, logistics and distribution services for over 40 years. STARZEN's main service is the shipment of parcels nationwide. Today Starken has more than 300 branches throughout Chile, 24 regional distribution centers and one of the most modern distribution centers in the industry located in the Metropolitan Region.

1.2 About INNSPIRAL

INNSPIRAL is a digital and global corporate innovation accelerator that enables the installation of innovation capabilities with a business, technology and design perspective. The purpose of INNSPIRAL is to enable leaders and professionals from large companies to innovate at the level of the most successful companies in the world, and for this, it has dedicated itself to transferring knowledge and methodology so that companies install a systematic process of generating verifiable value. , for its clients, its collaborators, and shareholders.

1.3 About OpenINNSPIRAL (openinnspiral.com)

All companies face constant challenges (problems and/or opportunities) for which they need to connect with external capacities, to generate unique and high-value solutions for their operations and their clients. OpenINNSPIRAL is an open innovation platform created by INNSPIRAL, as a tool that facilitates the publication of proposals and project flow management. OpenINNSPIRAL will be available to any company seeking to publish and disseminate their innovation challenges (demand side), and to any startup, entrepreneur, 1 inventor, provider, or author of knowledge, technology, and solutions (supply side) seeking to make themselves known and collaborate. with these companies in their innovation projects.

2. MAIN OBJECTIVES OF THE CALL

The objective of this call "STARTUP CHALLENGE" is to solve 3 challenges related to logistics and optimization of internal management processes, by calling startups, companies and R&D Centres to develop, adapt or apply solutions in an MVP or commercialization stage. Your collaboration will result in the possibility of becoming a strategic supplier of STARKEN at national level.

Starken will consider any innovation that meets the following conditions:

- Solutions at an advanced MVP or commercialization stage. Projects may be under development, designed and evaluated for impact. This includes R&D Centers and Universities, small entrepreneurial companies, Startups, and projects under development.
- Led by a competent entrepreneurial team with the capacity to develop and implement the solution.

3. INNOVATION CHALLENGES

En el marco de la búsqueda de soluciones que permitan resolver los desafíos de Starken, se presentan los siguientes desafíos a abordar en la presente convocatoria:

As part of the search for solutions that seek to solve Starken's challenges, the following challenges are presented to be addressed in this call:

Challenge 1:

Automated technologies for parcel tracking

Improve tracking of orders throughout Starken's entire operational chain, from dispatch to last-mile delivery, by implementing technologies that automate, enhance and make tracking more visible, both internally and to the customer.

Examples of solutions that could be applied: RFID, Beacons, NFC, wearables, computing vision, and others. The objective is to be able to reduce the rate of losses, the number of customer calls due to tracking and errors of shipments at the final destinations.

Challenge 2:

New sustainable and efficient last mile delivery models

Improve last-mile parcel delivery process (from distribution center to the final customer), through new transport means and/or new warehousing and distribution models that are sustainable, cost-efficient and/or improve productivity in deliveries. Examples of solutions that could be applied: Drones, unmanned vehicles, dark stores, among others.

Challenge 3:

Digitalization of administrative management processes

Increase efficiency and effectiveness of administrative management processes (processing, invoicing and claims management) by the automatization of critical recurrent activities, which are currently carried out manually. Example of solutions that could be applied: RPA, AI Algorithms, IPA, etc.

4. PREREQUISITES

Any legal person (hereinafter the “Participant/s” or “Applicant”) that participates during the Validity Period may present a solution that is related to the challenges posed by Starken.

All participants may submit one or more proposals, meeting the following requirements:

- a) Count with a validated technological solution at pilot/MVP level in the field, with verifiable results.
- b) Feasibility of conducting pilot tests of their technologies in Chile once they have been selected in this call. Exclusive requirement.
- c) Availability to attend all the activities of the Open Innovation Programme, via online.
- d) At least one (1) of the responsible of the proposed solution must be dedicated full time to the Venture and must be responsible for participating in 100% of the activities included in the programme.
- e) Neither the Venture, nor its partners or employees, may be shareholders, employees, managers or investors of companies that are direct competitors of Starken.

5. STARKEN'S COMMITMENTS

The organizers are committed with the selected and non-selected companies to:

- a) To preserve the confidentiality of the projects presented by the participants and to comply at all times with the agreements made by both parties (participants - organization) for this purpose. With the exception of the communication of information that must be disclosed for the purpose of an adequate promotion of the call and development of the solution.
- b) Inform participants about the results obtained by their project and give feedback if requested*.
- c) Inform participants through the channels defined for this purpose about any modification in the rules, activities and dates of the different stages of the call.

Of those pre-selected by INNSPIRAL, Starken will freely select the proposal(s) that, in its exclusive judgement, meets the objectives of the Open Innovation Programme it promotes.

Regarding said selected proposals and their respective entrepreneurs, Starcken commits to the following:

- **Delivery of financial contributions for the winning project(s) according to category:**
 Budget of 10 to 15MM CLP awarded to the winners of the call for the development of the pilot of each challenge.
- **Development of a pilot:** Support for the selected solutions to develop a pilot with the assistance of the know-how of Starcken's collaborators and suppliers, allowing also to establish a connection with Starcken's clients.
- **Scalability:** Provide facilities to scale the selected projects throughout Chile where Starcken has a presence, **as long as it remains within the agreed budget.**

Under no circumstances does the selection of the proposals mean that Starcken assumes a commitment to purchase the companies or their products or services.

6. COMMITMENTS OF THE PARTICIPATING ORGANIZATIONS

The applicant commits the following to Starcken:

Actively participate in all the activities defined in the Open Innovation Program described in these rules and accept all the conditions of this document.

The applicant declares and guarantees that the contents and/or proposal(s) that he sends are of his original creation and that it does not infringe the rights of any kind that belong to third parties, including copyrights, trademarks, patents, trade secrets, confidentiality, privacy rights, and publicity.

Likewise, the applicant undertakes to respect the Chilean Legal System and therefore, declares to know and accept that he will not be able to upload or enter the application 4 website, contents contrary to the law, public order, morality, and good customs. and/or that in any way may violate contractual obligations previously contracted by the applicant or that may be considered harmful, abusive, derogatory, defamatory, vulgar, invasive of privacy, racist, xenophobic or discriminatory, and in general, in any way objectionable. Similarly, the applicant undertakes to take the necessary measures to prevent the content sent from containing computer viruses, or any file or program designed to interrupt, destroy or limit the functionality of any software, hardware, or telecommunications equipment.

The applicant knows and accepts that he enters his business proposal under his sole and exclusive responsibility, and at his own account and risk. Consequently, in the event of a dispute of any kind (including disputes over the authorship and/or ownership of the rights over the proposal(s) or for any reason between the applicants or between any of them and

a third party, Starken and INNSPIRAL will be exempt from any liability for claims, lawsuits or damages of any kind and nature that are related in any way to said dispute. Likewise, the applicant accepts and undertakes to defend Starken and INNSPIRAL from claims by third parties related to the idea or innovation that it provides.

7. APPLICATION

The application as a legal entity implies the knowledge and acceptance of these rules by both the representative and all the members of the enterprise, without reservations or exceptions of any kind.

To apply as a legal entity, a member of the entrepreneurial team must complete the application form, the link to which will be available on the openinnspiral.com platform. It will be a requirement of the application to **attach a commercial presentation (link to Google Drive or similar platform) (see suggested template on openinnspiral.com)**, and/or a **video of maximum 2 minutes** (link to the video on youtube or similar platform), which aims to show how your solution works. **The quality of the video will not be evaluated** (it can be recorded with a smartphone), only the content you deliver to complement the application. Whether in the video or presentation, it is important to explain the fit of the solution with the open innovation challenges of the call.

The call for applications will be open from **02 May 2022 12:00 hr until 30 May 2022 at 23:59 hr. (Chilean time)**.

8. EVALUATION CRITERIA

Organizations, small entrepreneurial companies, Startups, must have at least one proposal designed with the capacity for development and implementation. In this sense, the ultimate goal of this process should be to enable the selected solution(s) to have the potential for scalability.

Starken will consider any innovation which, in its opinion, meets a thorough understanding of the challenges presented and an understanding of the industry's need. In addition, proposals must be led by a competent and highly capable entrepreneurial team.

Before the initial evaluation, the eligibility of each of the applicants will be reviewed, which is analyzed directly through the openinnspiral.com platform, with the fulfillment of all the requirements outlined in the application form. If the form is not complete or has not been sent, it will not enter the evaluation process of the committee, so it is vital that all mandatory fields are filled in.

All those who meet the eligibility requirements will be assessed for each of the selection criteria for the preliminary validation process.

The following table presents the criteria and aspects to be evaluated.

Criteria of selection

Criteria	Aspects to be considered	Evaluation
Validation and technological innovation	Solution description	A clear and detailed explanation of the proposed solution will be evaluated, including the value proposition in order to solve the problem posed by Starcken.
	Technology differentiation	The originality of the proposal and the factors that differentiate the chosen technology from what is available on the national market will be evaluated.
	Technology validation	The technical and commercial validation of the technology will be assessed by supporting evidence and results.
Impact	Impacted KPIs	The impact of the solution on the business KPIs related to the problem posed and the cost-benefit ratio will be evaluated.
	Scalability	The substantiated reasons for the potential of national scalability, within Starcken, will be assessed.
Team	Team	The experience, skills and competences of the working team will be assessed.
Implementation	Understanding of the problem	The interpretation of the business problem and opportunity addressed will be evaluated.
	Timing	Se evaluará el tiempo estimado que requiere implementar la propuesta (corto plazo)
	Integration	Se evaluará la facilidad y factibilidad de integración que tenga la propuesta con los sistemas y procesos de Starcken

9. WORK PROGRAM AND RELEVANT DATES

- **Pre-selection:** INNSPIRAL will review all complete and eligible applications submitted on the basis of the criteria described above. Each application will have at least 2 evaluators. Subsequently, INNSPIRAL will submit a pre-selected list to

Star^{ken}, which will validate this selection and finally decide the selected applicants to participate in the PITCH DAY.

- **Preparation and validation process of pre-selected solutions:** once the list of pre-selected startups in the process has been defined by Innspirale and Star^{ken}, a validation phase of the match between the proposal made by the startups and the innovation challenges of the open innovation call will be carried out. To support this validation, individual meetings will be held between the pre-selected startups and representatives of Star^{ken} and INNSPIRAL, to deepen the depth of the proposals if necessary. This phase will be led by INNSPIRAL. At the end of this stage, participants will be selected to present their solution at the PITCH DAY.
- **Pitch Day:**
At the end of the previous stage, a committee of selection will be held in which representatives of Star^{ken} and INNSPIRAL will participate. In this committee, each selected participant will have to present the solution and show how it solves the identified challenge(s). The committee will select the winners that it considers best solve the challenges posed and have the greatest impact. Modality: face-to-face or online, to be defined.

The following are the main dates according to the process described above. It should be noted that these are estimated dates and may be modified without prior justification by Star^{ken} and/or Innspirale, and the information will be communicated to those responsible for the different stages:

- **Start of applications:** May 2nd
- **Closing date for applications:** May 30th
- **Review of applications:** May 30th - June 6th
- **Publication of the selected solutions for the PITCH DAY:** June 06th
- **Process of preparation and validation of selected solutions:** 06 June - 13 June
- **Pitch Day and selection of winners:** 13 June

All these dates may be subjected to change, with prior notification to participants.

10. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

The applicant shall retain ownership of any intellectual property rights that may arise from its idea. The applicant declares and warrants that it is the owner or has the required authorization for the exploitation of all intellectual property used in the development of its proposal, including but not limited to copyrights, industrial property, trademarks, slogans, emblems, denominations of origin, patents, utility models, industrial designs, trade secrets, and that it has all the permits, licenses and authorizations for this purpose. Consequently, the PARTICIPATING ORGANIZATIONS declare and guarantee that they will hold the

ORGANIZING ENTITIES harmless and indemnify them against any claim by third parties for violation of their intellectual property rights.

All information received by the parties shall be handled and maintained with absolute discretion and subject to the strictest confidentiality. The parties undertake to maintain strict confidentiality and not to make any improper or unauthorized use of the Confidential Information, whether documented or not, that they disclose to each other in the development of the Open Innovation Program, whether owned by them or by a third party, unless prior, express and written authorization of its owner has been obtained. The parties understand and accept that the obligations referred to in this clause will be fully enforceable even after the termination of the Open Innovation Program and up to the maximum time permitted by the regulations in force. Failure to comply will give rise to the payment of the damages caused.

This obligation will be extended to the employees or subcontractors, suppliers or partners of the participating organizations that come to know information of a reserved nature and that in no case will be able to give it a more lax treatment than that agreed here. The receiving party is responsible for the use of the confidential information received by its subcontractors and/or employees, suppliers or partners.

Upon termination of the Open Innovation Program, for any reason whatsoever, the parties shall immediately destroy and return all confidential information disclosed by the other party and in their possession. In the event that disclosure of Confidential Information is necessary pursuant to a court order, a requirement of an executive authority in the exercise of its functions, a disciplinary, fiscal or administrative investigative or control body or agency, and other public bodies in the exercise of a lawful function, the requested party shall follow the following procedure: (i) It shall immediately notify the disclosing party of the request for information that has been filed; (ii) It shall consult with the disclosing party on the relevance of formulating appeals and opposing, in the legal terms, the aforementioned request, in order to keep the information reserved or to restrict the request of the competent authority to a more specific aspect of the information referred to; (iii) Cooperate with the disclosing party, in case it is concluded that it is appropriate to proceed with the disclosure of the aforementioned information, with a view to obtaining a reliable assurance that it will receive confidential treatment from the applicant.

For the purposes of the Innovation Program, Confidential Information shall mean all information relating to the Open Innovation Program communicated before or after notification of selection. Confidential Information includes, but is not limited to, the identification of the parties and their shareholders; commercial, financial, legal, accounting, technical, industrial and production information; marketing plans; customer names and customer information; sales and pricing information; marketing and expansion plans; product development and formulas, software development and the like; inventions; production processes; pricing policies; manufacturing methods; and information

concerning the operations, methods, systems and procedures employed in the conduct of the business of each of the parties.

The obligation of confidentiality stipulated in this clause shall be without prejudice to the information communicated between the parties for the purpose of being disclosed for commercial, administrative, technical, operational, logistical and advertising purposes inherent to the normal fulfillment of the Open Innovation Program.

The commitment assumed herein will be valid from the acceptance of these conditions until the end of their participation in the Program, which will depend on the progress of each participant in the process.

11. EIGHTH: CRIME PREVENTION, ETHICS AND COMPLIANCE.

The participating organizations declare that they are aware of and accept that they are strictly committed to comply with all applicable regulations regarding corruption in the Republic of Chile.

Illegal practices that are considered crimes are not accepted, and the organizing entities reserve the right to eliminate any participating organization when there is evidence that its owners, shareholders, legal representatives, employees, or subcontractors have incurred in such illegal practices. Participating organizations are especially obliged to: To comply fully, rigorously and in good faith with all regulations applicable to the submitted Project, including, but not limited to, those of an environmental, administrative, labour, tax, customs, consumer protection, industrial property, environmental, etc. nature.

Comply with Chilean Law No. 20.393, which establishes the criminal liability of legal persons for the crimes of bribery of national or foreign public officials, financing of terrorism, money laundering, receiving, corruption among private individuals, incompatible negotiation, misappropriation, unfair administration, and other crimes that are indicated in said law and those that are incorporated into the content of the same in the future.

12. CONTACT AND COMMUNICATIONS

All communication regarding the call and/or modifications to these rules will be notified on the website openinnspiral.com and/or on our social networks, being these notifications

valid as a modification or formal communication by the organizers. If you have any questions concerning the rules and our process, please write to openstarke@innspiral.com and we will respond as far as possible.