

# **BHP**

## **OPEN CALL SUBMISSION RULES**

06 July 2020

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## 1. Introduction

### 1.1. Background to BHP and its Commitment to Sustainability

BHP is a global leader in the exploration, acquisition, development and marketing of natural resources. Our products make up the pillars of modern life and ensure a better quality of life for millions of people.

In Chile, BHP operates Minera Escondida Limitada, Minera Spence S.A. and Minera Cerro Colorado Limitada, in Antofagasta and Tarapacá Regions.

In today's context of rapid change and faced with some of the most complex challenges of modern times, now more than ever, Sustainability is at the centre of everything BHP does. It is one of our main values and calls on us to always put health and safety first, be environmentally responsible and support our local communities.

Sustainability has always been an essential condition of BHP's business activities, as well as our daily decision-making. This is why we have set ambitious goals to reduce emissions, protect biodiversity and ensure the responsible use of water, publicly reporting on our performance in these areas.

There is no doubt that more needs to be done. It is necessary to go beyond legal requirements and mere compliance and proactively identify opportunities to add social value.

For BHP, social value is how we contribute to society: to people, partners, the environment and the communities of which we are a part of. We need to build respectful and mutually beneficial relationships, listen and collaborate with others, and prioritize long-term social and environmental performance to achieve this.

By working together with other players who share these goals, we seek to find new solutions, raise requirement levels, and set new standards for the future.

For more information about BHP, please visit [www.bhp.com](http://www.bhp.com).

### 1.2. Background to the Call for Proposals

Our generation faces some of the most complex challenges of modern times: achieving sustainable economic growth to reduce poverty and inequity, mitigating and adapting to climate change, protecting biodiversity and ensuring water for everyone. BHP understands that society expects more from companies. The challenges of today's world require concerted action among all players - public, private and civil society - that transcends their activities and direct influence.

There is now an important opportunity to strengthen collaborative work with different social players to promote development, generate trust and create social value.

With this conviction, the Company invites national and international organisations to participate in an open call for proposals that seek to implement bold and ambitious programs to address some of the most complex sustainability challenges of our times.

In particular, the call is looking for proposals focused on community resilience and adaption to climate change to be implemented in Antofagasta Region and/or Tarapacá Region, through innovative solutions that generate impact and capacities in local communities.

### **1.2.1. General Objective of the Call**

The general objective of this Call is to generate alliances to find solutions to the challenges associated with the adaptation and resilience of communities to the impacts of climate change in the regions where the Company operates, including financing, monitoring and supporting the best ideas.

### **1.2.2. Expected Results**

The expected results of this Call are as follows:

- (a) Strengthen the capacity of civil society and institutions to bring about positive change to the lives of people in Antofagasta and/or Tarapacá Regions.
- (b) Support transformative change through leadership, innovation and technology implemented locally by national or international organisations.
- (c) Projects, programs or tools that generate real impact in the medium and long term in the regions where we operate.
- (d) Address common challenges through inter-sectoral dialogue and problem solving.
- (e) Promote the development of local capacities through the implementation and development of solutions designed from and for the territory.
- (f) Adopt a sustainable approach to the implementation of projects that last up to five years and aim to achieve real and significant impacts.
- (g) Innovative ideas, state-of-the-art solutions that integrate the development of scientific and digital knowledge into these solutions.

## **2. Submission Rules for the Call for Proposals**



This document contains the Submission Rules for the Open Call to be carried out by the Company to submit project proposals that solve the challenges associated with the adaptation and resilience of communities to the impacts of climate change.

## 2.1. Definitions

To ensure the correct interpretation of the Submission Rules, the terms used are defined as follows:

**Awardee** means the Applicant that is awarded the funds to execute the project that was presented to the Call as part of the Submission to provide a solution to the Challenge.

**Appendices** mean all and every one of the appendices to these Rules which are detailed in Section 4 of these Rules.

**Rules** mean these Submission Rules and their Appendices.

**Company** means BHP Chile Inc.

**Agreement** means the agreement to be signed between the Awardee and the Company for the funding of the Project presented by the Awardee as part of their Submission to provide a solution to the Challenge.

**Call** means this Open Call carried out by the Company.

**Challenge** has the meaning given to it in Section 2.2 of these Rules.

**Submission** means all the documents contained in the Technical Description and Economic Description of the project that provides a solution to the Challenge and which the Applicant must submit according to the terms and conditions indicated in these Rules.

**Applicant** means each one of the civil society organisations that submit a project to this Call to provide a solution to the Challenge.

**Project** means a proposal submitted according to the terms and conditions indicated in these Rules by an Applicant to provide a solution to the Challenge.

## 2.2. Challenge

Through this Call, we are seeking innovations to support the regions based around three main pillars:

- 1) Decentralisation: Innovations that enable communities in northern Chile to move to self-

management and produce new models for the use of water, energy, and farming resources, among others, by solving challenges associated with an efficient circular economy, waste management, urban planning, transportation and/or logistics, among other topics. Initiatives should preferably focus on technology applied to these challenges that develop capacity within the area and in nearby areas.

2) Self-sustainability: Innovations or projects that may restore the communities' capacity to sustainably use local biodiversity resources to create value and enhance the area's wealth and identity, providing tools, new management models or technology towards containing climate change.

3) Infrastructure and services: Innovations or initiatives aimed at building and producing goods and services, focused on promoting resilience to the impacts of climate change, such as water abundance or scarcity, waste management, increased tidal waves, among others, and that enable the self-management of communities' human, technological and economic growth.

Each one of these pillars may be applied to the main industries in the area but are not exclusive.

- Agriculture
- Small-scale Mining
- Artisanal Fishing
- Energies
- Aquaculture
- Ethno-tourism
- Cultural, scientific, gastronomic and astronomical tourism

Accordingly, the purpose of developing Chile's northern regions of Tarapacá and Antofagasta is to create self-sustainable, technologically advanced and energy-efficient communities, equipped with tools to continue developing their economies of scale based on their specific needs, through the transfer of capacities and technologies that address the negative impacts of climate change, which always affects the most vulnerable and poorest communities.

### **2.3. Implementation Location**

The beneficiaries of implemented Projects must be in the Antofagasta and/or Tarapacá Regions.

## 2.4. Applicants

National or international legal entities that have the abilities to implement projects or programs that last up to five years in Antofagasta and Tarapacá Regions are eligible to take part in this Call.

## 2.5. Language

Spanish is the official language of the Call and subsequent Agreement. As a result, all communications between the Applicant and for the duration of the Agreement will be in this language.

## 2.6. Submission Currency

The monetary values stipulated by the Applicants in the Economic Offer, in accordance with the form that accompanies these Rules in Appendix B, will be in Chilean Pesos, and will not be subject to any kind of readjustment.

## 2.7. Call Schedule

The dates and activities associated to the Call are:

STAGE	DATES
Start of application period	10 February 2020
1 <sup>st</sup> Round of Consultations	10 February 2020 – 14 February 2020
1 <sup>st</sup> Round of Replies	17 February 2020 – 21 February 2020
2 <sup>nd</sup> Round of Consultations	09 March 2020 – 13 March 2020
2 <sup>nd</sup> Round of Replies	16 March 2020 – 20 March 2020
End of application period	12 April 2020
Pre-selected communication	30 April 2020

Information gathering for implementation	4 May 2020 – 15 May 2020
Face or Online meetings	01 June 2020 – 12 June 2020
Definition	15 June 2020 – 3 July 2020
Finalist Communication	5 July 2020
Final presentations	To Define
Award	To Define

Within the deadlines indicated in the process schedule, Applicants may send inquiries regarding these Rules and their Appendices to the Company.

For its part, until the deadline indicated in the aforementioned schedule, the Company may modify, clarify or rectify any matter contained in these Rules and/or in its Appendices, by means of a communication addressed to all Applicants.

## **2.8. Selection Process**

### **2.8.1. Selection Criteria**

The selection team will review submissions received according to the following evaluation criteria:

I. Innovation: Concrete added value for beneficiaries, generation and/or application of new knowledge/products/services or processes in the communities.

II. Implementation Plan: Defined processes for both technological and knowledge transfer to the community, and methodology co-created with beneficiaries to ensure implementation in the regions.

III. Impact: Affected beneficiaries, consistency with social-environmental needs to promote resilience of communities, relevance with the regional development strategies of the Antofagasta and/or Tarapacá Regional Governments.

IV. Link with the area: Connection with the relevant communities and organisations, coordination and synergy between beneficiaries and their area.

V. Sustainability: Gradual and systematic implementation of the proposed innovation; measurement and monitoring of project indicators conducive to its proper management and persistence over time.

VI. Team: Experience, degree of organisation, range of disciplines, level of commitment.

## 2.8.2. Selection Stages

The selection process comprises the six stages below. The results of each stage will be communicated to the Applicant's email address provided in the submission form. It shall be the Applicant's responsibility to review this information and to communicate it to the other members of their team.

First stage: Reception of submissions.

Applicants who wish to apply for this process must complete a submission form on the website <http://www.convocatoriasumatebhp.cl/>. In addition to completing the submission form, Applicants must attach a copy of all legal documents indicated in number 3.2 of these Rules on the same submission platform. This platform will be available from Monday 27 January 2020 to Sunday 12 April 2020 at 23:59 p.m.

There will be two separate instances when Applicants may request relevant information about the Company's Call to ensure a submission as complete as possible. The dates to request such information are specified in number 2.7 of these Rules.

Projects submitting the required form after the due date shall be automatically excluded from the process and shall not be considered for its review in further stages.

Second stage: Pre-selection

Pre-selection will be conducted by a BHP evaluating team which, upon completion of the submission stage, will review all completed forms within the previously defined term and will select the Projects eligible for the Face-to-face or Online Meetings Stage. Selection will be made in accordance with the selection criteria set forth in number 2.8.1 of these Rules.

Selection results will be communicated on 30 April 2020, as provided in number 2.7 of this document. The reasons for this decision are exclusive and restricted to the discretion of the evaluating team, which is not bound to discuss them with or provide feedback to the Applicants.

Third stage: Information gathering.

Once the pre-selected projects have been announced, a new information-gathering stage will be initiated. The Company will open a direct communication channel to answer inquiries regarding Submissions and the Call.

The purpose of this stage is for pre-selected Projects to develop an implementation and pilot plan as solid and detailed as possible, specifying milestones, deadlines, expenses, impact levels, and beneficiaries, among others. This implementation plan will be submitted prior to the Face-to-face or Online Meetings, so that the evaluating committee can review it prior to the meeting.

#### Fourth stage: Face-to-face or Online Meetings.

From 01 June to 12 June 2020, project Applicants in the pre-selection stage will meet with the evaluating team for a maximum of one hour. At this meeting, each Applicant will present their Project and explain the implementation plan submitted in advance. In addition, Applicants will answer the questions made by the evaluating team after their presentation.

These meetings are mandatory, and the selected applicants must be able to attend by their own means to the defined venue. Details of the time and address of the venue will be provided personally when announcing the results of the previous stage to the email address of the assigned Project Applicant given in the application form. It is important to clarify that, in case the national contingency does not allow it, the meetings will be held remotely through some web platform.

After meeting with each pre-selected Project applicant, the evaluating team will select an indefinite number of projects to take part in the Final Presentation. Results will be communicated personally to the email address of the appointed representative given in the submission form, and it will be their responsibility to inform the other members of their team. The reasons for this decision are exclusive and restricted to the discretion of the evaluating team, which is not bound to discuss them with the Applicants.

#### Fifth stage: Definition

From 15 June to 3 July, selected companies from the Face-to-face or Online Meetings shall provide the evaluating team with relevant background information to support the proposal and describe the company. For this purpose, the following information will be requested from the Applicant:

i) Access to the Project solution (if possible).

ii) Additional company data, such as a summary of the experience of the company's partners, third parties references about the company (customers, mentors, investors, etc.), general company information (company Tax Payer ID Number, company name, start of activities indicated by the Chilean Internal Revenue Service (SII), date of first invoice and power of attorney of legal representative, bylaws), corporate structure, number of customers, number of users, financial report

(DICOM), among other data.

Should the Applicant fail to provide the above data by 12 June 2020, its company shall be automatically excluded from the process and will not be entitled to participate in further stages.

## Sixth stage: Final presentations

Finalist Projects will be called to present their solution before a panel made up of representatives of a number of Company departments. Presentations will be held in private between the applicant Project representatives and the panel, so members of other Projects may not attend competitor presentations as spectators. These presentations can also be conducted remotely, in response to the national contingency, and it may also not be carried out.

Presentations will be held during a working day on a date to be defined. Details of the time and address of the venue will be provided personally when announcing the results of the Face-to-face or Online Meetings stage to the email address of the assigned project Applicant provided in the application form.

The applicant Projects will provide the evaluating team with their presentation file in a digital format 24 hours prior to the presentation. For its part, the Company reserves the right to exclude a participating company 24 hours prior to the presentation before the panel should it have failed to submit its presentation within the deadline indicated.

The presentation before the panel will be conducted as follows:

i) Presentation: Each finalist will present its solution before the panel in no more than 10 minutes according to the format and contents previously explained.

ii) Round of questions: In the remaining time, the panel will ask questions to the applicant Project representatives. The Project representatives will restrict their answers to the questions made and avoid making comments that are not related to the panel's inquiries.

iii) Deliberation: On completion of all presentations, the winning Projects will be chosen by the panel. If deemed advisable by the panel, additional data will be requested within two days as from the presentation date. If irregularities are identified regarding the data of a Project, the Company may exclude the relevant Project from the process, thus precluding its involvement in further stages.

The presentation results will be directly communicated to the representative of the finalist Project by phone on the number provided in the submission form during the various stages.

## **2.9. Awards**

The Company may freely select from the finalists the company/companies that, in its sole discretion, meet the objectives of the Call and, particularly, the challenge posed, and reserves the

right to refuse to select any company, without being liable for this decision.

The Call has USD 5 million available to be distributed to a maximum of five winning projects for the Project's execution and implementation over a 1-3 years term, extendable by up to 5 years.

The awards presentation will be held after announcing the results and the winning Project will be informed in due course of the awards presentation date to formalise the granting of the award.

Awards will be granted to the legal person/persons or institutions that submit the application, appear on the registration form, and have been selected as winners by the Panel. Winners may decline the awards granted. Failure to personally attend or to attend through a duly accredited representative to the awards presentation will be considered a decline of the award. The Company will verify the proper use of funds allocated for the development of projects, and it reserves the right to demand from the Awardees sufficient information to account for the use of resources provided. The Company may cease funding before any breach of conditions for the use of funds.

Projects may also apply to funding from Fundación Chile through its ChileGlobal Ventures platform to accelerate project development:

- Network of Angel Investors.
- Private Investment Fund (CLIN, for its initials in Spanish).

The mere fact of being a Call winner or finalist is not conducive to the above funding, as this funding process is independent from the Call, and has its own requirements and rules. ChileGlobal Ventures decides, without specifying the reason, what Projects are entitled to go further in the process and exempts the Company from any liability related to the outcome of this process.

## **2.10. Notifications**

Notifications of the process's proceedings will be via email, which will be understood as undertaken the day after being sent. No other type of communication between the Applicants and the Company or by any other means than the one indicated above will be considered valid.

Due to the large number of requests expected, the Company reserves the right to only get in touch with selected Applicants to evaluate the award.

## **2.11. Dissemination**

The call to participate will be communicated through the publication of one or more notices in national and local media, which will include the following information: identification of the Call, type, date and place in which the Rules will be made available, start and closure date and time for



submissions, email address for inquiries and the application method.

In addition, all information related to the call will be published on the website [www.bhp.com/](http://www.bhp.com/) and may be published and/or sent by electronic means.

## **2.12. Submission Costs**

The Applicant will bear all the direct and indirect cost associated with the preparation and presentation of the Submission and the Company will be in no way liable for such costs.

## 3. About the Submission

### 3.1. Submission Content

Project Applicants who wish to participate in this process must complete a submission form on the website <http://www.convocatoriasumatebhp.cl/>. In addition to completing the submission form, Applicants must attach a copy of all legal documents indicated in number 3.2 of these Rules on the same submission platform. This platform will be available from Monday 27 January 2020 to Sunday 12 April 2020 at 11:59 p.m. All information contained and submitted in the forms must be correct and accurate in every aspect.

### 3.2. Legal Background of Applicant

- (a) The Applicant must include a complete copy of its statutes, including its deed of incorporation and modifications, and the publication and registration of its respective extracts, together with a certificate of validity of the Applicant company issued no more than 30 days prior to the date of its submission.
- (b) In addition it must include a similarly recent copy of the public deeds stating the powers of its representatives that endorse the Application, and original certificates of the composition of its board of directors and executives and of shareholders endorsed by the general manager, if comprising corporations or joint stock companies.

### 3.3. Validity of Submissions

The Submissions must be valid for at least 180 calendar days from April 12 2020 and will not lose their validity due to the fact that the Company has communicated to an Applicant the provisional award of the Call, as long as the agreement is not signed to the full satisfaction of the Company.

### 3.4. Industrial and/or Intellectual Property of the Projects

The intellectual property of the works, software, designs or industrial drawings, trademarks, patents or any type of intellectual creation that has been created by the Applicants prior to the execution of the prototype, will belong to them. Each Applicant will be responsible for registering or managing such intellectual property rights.

The appropriable results of the execution of the Project, as well as all the information, inventions, technological innovations, procedures, plans and other documents, will belong to the Applicants, and these must protect the possible creations in the corresponding registers.

Upon written request of the Company, the Awardee must grant the Company or a related person a free, non-exclusive license throughout the national territory of the Republic of Chile and / or in any other jurisdiction in which the intellectual property or industrial in question has been protected, for a period of five years, counted from the date of its granting and for which the Company may grant sub-licences, in accordance with the terms that are established in the respective Agreement.

### **3.5. Cancellation of the Award and Celebration of Agreement**

The Company may reject, without giving a reason, any incomplete Submission, in other words those that are missing one or more items of background information referred to in section 3 above.

The Company may at any time terminate this Call, declare it void and/or reject all the Submissions received. These facts or previously made decisions will not generate any obligation whatsoever for the Company to compensate or indemnify the Applicants in any way.

Likewise, the Company will always have full freedom and autonomy to award the Agreement to those it deems most convenient to its interests, or even declare the process void or suspend it, without having to in any way justify its decision or explain it to the other Applicants. Such decision to Award or suspend or declare the process void, or anything similar, will not give rise, in any event or circumstance, to any obligation to compensate or indemnify the Applicants whose Submissions have not been chosen or accepted. The award of the Agreement issued by the Company shall be provisional until the Applicant subscribes to the Agreement to the full satisfaction of the Company, which means that the Company considers completed the procedures for its proper constitution in the terms established by the Rules and the Agreement.

In addition, the Company may declare null and void a provisional award in the event that the provisionally successful Applicant does not subscribe to the Agreement and deliver and constitute the guarantees referred to therein, within a period of ten days as from when the Company sent the communication requesting such subscription. In the event the provisional Award is revoked, the Company may award the Agreement to any other Applicant, at its convenience, who must sign the Agreement within the period established by the Company, which shall not be less than ten days, or terminate the Call, without obligation to indemnify or compensate any of the Applicants. The Applicant who receives a provisional Award notice which is subsequently revoked by the Company due to the reasons stated in this paragraph, will not be entitled to any compensation, whatever the motive, reason or circumstance for which the Company may revoke such Award and the revocation will be without prejudice to the Company's right to pursue the responsibilities of such Applicant, including the collection of the guarantee of seriousness of the proposal that it may have presented.

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