

EDP Open Innovation REGULATION

Article 1 – Definition and general rules

1. **EDP Open Innovation** is an initiative promoted by EDP – Energias de Portugal, S.A. (EDP), EDP Inovação, S.A. (EDP Inovação) and Impresa Publishing, S. A. (Expresso newspaper) in collaboration with FABSTART - Fábrica de Startups, S.A. (Fábrica de Startups), and it has the main goal of promoting entrepreneurship in Portugal. It takes place between June and November of 2017.
2. EDP Group, from which EDP is the holding company, actively supports entrepreneurship through EDP Inovação.
3. EDP Inovação has developed an internal initiative called EDP Starter (www.edpstarter.com). EDP Starter develops several initiatives including innovation competitions, technical support to startups, support to prototyping through Fablab, EDP, startups incubation, support to demonstration projects, direct connection to venture capital investment, etc.
4. Open innovation, having the participation of entrepreneurs, large companies, sponsors, universities, technological centers and the scientific community in general, among others, offers significant advantages in terms of efficiency in finding solutions and using the means allocated to innovation, has been for a long time a key part of the innovation strategy pursued by EDP with major success;
5. Attracting talent and entrepreneurial capacity to the energy sector is fundamental to continue the technologic development efforts and improve the business models needed to achieve those goals.
6. Within **EDP Open Innovation**, 15 (fifteen) teams will be selected, which should submit a project on a business idea.
7. **EDP Open Innovation** includes a Bootcamp program which consists of weekly work sessions where the participating teams will define, validate and adjust the business idea they applied with.
8. To go through this phase the teams will use the FabStart methodology from Fábrica de Startups.
9. **EDP Open Innovation** ends with the presentation of the business ideas by the teams to EDP and to a set of potential investors.

Article 2 - Business ideas

1. Submitting a business idea is part of the criteria to apply and participate in the **EDP Open Innovation** program.
2. The business ideas to be presented should comply with one of the following subjects:
 - Energy efficiency;
 - Electric mobility;
 - Internet of Things;
 - Machine to Machine;
 - Machine Learning;
 - Information Technologies;
 - Wind energy production, solar energy production, electric energy production offshore or production of other forms of energy;
 - Energy storage and distribution;
 - Natural gas.
3. The business ideas should fulfil a market need in an innovative way and should also show global potential, being able to expand and replicate in large and increasingly growing markets.

Article 3 - Phasing

EDP Open Innovation comprises 5 (five) phases:

- a) Applications:
 - i) Beginning in May 2017;
 - ii) Ending in August, 2017.
- b) Team selection: September 2017.
- c) Bootcamp: from October, 9 to October, 26 2017.
- d) Investment Pitch: October 2017.

Article 4 - Participation

1. Participation is open to all individuals (as long as integrated in a team of at least 2 (two) and at most 4 (four) elements) or startups.
2. Participation in **EDP Open Innovation** will be achieved by teams composed by at least 2 (two) and at most 4 (four) elements. Individual participation is not allowed.
3. The elements of the teams must be aged 18 or more.
4. The teams must prove their experience, training and technical and management skills to develop the business.
5. The level of commitment and dedication to the project will also be assessed.

Article 5 - Presence of the participants

1. The selected teams will have to confirm their participation in the program by sending an e-mail, up to 2 (two) days after being informed of the selection by the organization.
2. The participation in the program **EDP Open Innovation** requires the presence of the team in Lisbon (Portugal) during the Bootcamp and Investment Pitch phases.
3. The program's organization will support the travel and stay costs in Portugal of 2 (two) of the elements of each selected team not residing in Portugal, according to terms to be agreed in advance.

Article 6 - Application

1. Applications are made on the website of **EDP Open Innovation** (<http://edpopeninnovation.edp.pt>) by filling in the application form.
2. Teams originating anywhere in the world can apply.
3. The application requires the submission of a business idea in the areas mentioned in Article 2, which will be previously assessed to be accepted in the program.
4. After submitting the application by filling the form on the website of **EDP Open Innovation**, the teams will be contacted by the organization.
5. Additional information can be requested by the organization to better evaluate the team and the project in order to take a decision about the application.

Article 7 - Selection of the participants

1. The Organizing Committee will pre-select up to 30 (thirty) teams based on the proposed business ideas, taking into account all the information made available during the application period through the application form and through additional elements requested by the organization to the teams.
2. The Organizing Committee of **EDP Open Innovation** will take into account the team's capacity to complete the project and the team's profile in terms of complementary skills and entrepreneurial attitude.
3. The 30 (thirty) pre-selected teams will be interviewed by several elements of the jury via Skype.
4. During the interviews, each team will have the opportunity to explain the project in a pitch of 10 (ten) minutes.
5. Following the interviews, **EDP Open Innovation** Organizing Committee will select up to 15 (fifteen) teams to participate in the Bootcamp in Lisbon, which will take place in October 2017.
6. The teams selected to participate in the Bootcamp of **EDP Open Innovation** will be informed via e-mail and publicly announced on **EDP Open Innovation** website.

Article 8 – Bootcamp phase

1. The Bootcamp phase includes 3 (three) weekly sessions that will take place at EDP headquarters, at Av. 24 de Julho, 12, in Lisbon.
2. In this phase the teams will define, validate and adapt their business idea.
3. Each Bootcamp work session is divided into 3 (three) parts:
 - a) The first part consists of presentations made by the Fábrica de Startups officials and their guests about the work to be done in the following week, according to the Fábrica de Startups methodology: FastStart.
 - b) The second part consists of a presentation of the business model validation and adaptation that was carried out by the elements of each team on the previous week.
 - c) The third and last part will consist of a Mentorship session. Each team will be accompanied by experienced mentors that will periodically meet with the team during the Bootcamp period.

Article 9 – Investment pitch

1. The teams will prepare a presentation about their business idea, with special emphasis on what they've learned during the business model validation activities.
2. In the Pitch phase, which occurs in October of 2017, each team will be given the chance to present their business idea to an audience composed of EDP collaborators, investors and other guests.
3. The project presentation does not guarantee project funding, as it is only a pitch opportunity.
4. The announcing of the winning team will be made after all the teams' pitches.

Article 10 – Evaluation and prize attribution

1. After the 3 (three) weekly sessions of Bootcamp, every team will be evaluated by the Organizing Committee of **EDP Open Innovation** as for their performance throughout the program.
2. The evaluation and ranking of the teams will be done according to the following criteria:
 - a) Tasks completed;
 - b) Results obtained;
 - c) Bootcamp participation.
3. The team ranking first will be awarded a monetary prize of €50.000 (fifty thousand euros), paid by EDP Inovação, subject to the following conditions:
 - a) From the gross amount of prize value, EDP Inovação shall deduct and withhold the amount of tax due according to the applicable taxes foreseen under the Portuguese law or, whenever applicable, under other legal framework in force in case the prize is won by a team/startup non-resident in Portugal and liable to a different tax regime.
 - b) This amount should be exclusively used to implement and develop the project submitted by the team/startup that won **EDP Open Innovation**;
 - c) Creation of a business to develop the project proposed by the winning team (in case it's already a startup this does not apply);
 - d) Opening of a bank account in the name of the new company to which the amount of the prize will be transferred, in tranches (if the winner is already a startup the respective corporate bank account will be used);

- e) Before any deposit an agreement to make funds available will be signed. This will stipulate partial payments according to the achievement of the goals established in an implementation timeline.
 - f) Making the funds available is subject to EDP Ventures having a share in 10% of the company's equity, in case the later exercises this option.
 - g) The opting-out of the share by EDP Ventures does not invalidate the monetary prize transfer.
 - h) In case the company launches an investment round, EDP Ventures will have preferential right over the new shareholders, and may increase its shareholder position up to 25%.
 - i) If within 30 (thirty) days after the disclosure of the winner project the company is not created and/or the bank account to the deposit is not yet open, the prize of **EDP Open Innovation** may be given to the team ranking in second or third place.
4. The teams ranking in first, second and third places will be given two tickets to the Web Summit, which will be held in Lisbon from the 6th to the 9th of November 2017.
5. The teams recognized as having high potential will be invited to take part in the EDP Starter program in one of the following countries: Portugal, Spain or Brazil.

Article 11 – Disclosure

Impresa Publishing, S.A. (Expresso), EDP, EDP Inovação and Fábrica de Startups reserve the right to use the ideas, presentations and other material produced by the teams during **EDP Open Innovation** in public events, media publishing in every format and reproduction for advertising purposes, without any fee or financial compensation and without the need of previous authorization.

Article 12 – Copyright

1. It is for each team to define who holds the rights over the presented and developed ideas and it's each participant's responsibility to secure the intellectual property rights on their ideas, if they so wish.
2. Impresa Publishing, S.A. (Expresso), EDP, EDP Inovação and Fábrica de Startups do not ensure the protection of the originality of the ideas, projects or concepts and will not be held responsible in case any of the ideas presented

within the program is copied, imitated, plagiarized or in any way used by a third party.

3. The previous paragraph does not apply to all confidential information in accordance with the next paragraph.

4. After receiving the applications and for a period of 9 (nine) months, Impresa Publishing, S. A. (Expresso), EDP, EDP Inovação and Fábrica de Startups undertakes not to divulge any information classified as confidential by the applicants.

5. The rights to intellectual and industrial property of the presentations made by Fábrica de Startups, as well as all the support documentation made available by it to the participants during the Bootcamp phase belong to Fábrica de Startups.

Article 13 – Responsibility

EDP Open Innovation Organizing Committee, Impresa Publishing, S.A. (Expresso), EDP, EDP Inovação and Fábrica de Startups cannot be held responsible for the cancelation, postponing or any change in the contest on any of its phases due to unforeseen causes or in cases of force majeure.

Article 14 - Acceptance of the regulation

Participating in **EDP Open Innovation** implies full acceptance of the rules in this regulation by the participants and the renouncement of complaints or appeals, legal or otherwise, regarding the course of events of the Program or any decision made by the Organizing Committee.

Article 15 – General provisions

1. The Organizing Committee reserves the right to modify, suspend or cancel this initiative in circumstances of force majeure, this not implying a compensatory allowance to the applicants.

2. The Organizing Committee reserves the right not to award the prizes if it considers there is no team duly qualified.

3. The participations that are considered fraudulent will be notified to the competent authorities, and may be prosecuted. Any unauthorized attempt of intrusiveness in the computing or communication systems supporting this

initiative will be considered illicit and shall be notified to the competent authorities.

4. The Organizing Committee reserves the right to inhibit the participation of applicants that it considers to be competing fraudulently.
5. The Organizing Committee cannot be held responsible for any human or technical error that may occur during this initiative, and that is not committed intent or recklessness and disclaims any liability resulting therefrom.

Article 16 – Applicable *Lex Forum*

1. Any issue within the initiative **EDP Open Innovation**, its contents or any other matter related with it shall be governed by the Portuguese law.
2. Applicants accept that any litigation within the program will be submitted exclusively to the Civil Courts of Lisbon.

Article 17 - Privacy policy

The processing of the personal data included in the application form for **EDP Open Innovation** was submitted to notification to the Portuguese Data Protection National Commission (CNPD) under the name of EDP – Energias de Portugal, S.A., Av. 24 de Julho, 12, in Lisbon. That data is absolutely confidential and will be used by this entity for purposes of commercial and marketing activities and organization of the project **EDP Open Innovation** and processed according to the Law 67/98, of October 26th and other relevant current legislation in force or that, meanwhile, entries into force.

The initiative partners IMPRESA PUBLISHING, S.A., EDP INOVAÇÃO and FABSTART - Fábrica de Startups, S.A. have access to this personal data – name and e-mail.

Under the current law, EDP – Energias de Portugal, S.A is obliged to grant to the subjects whose data are collected the right to access, to object or rectify their respective data. This right can be exercised in writing, using the following contacts of EDP – Energias de Portugal, S.A.: Av. 24 de Julho, 12, 1249-300 Lisbon.

The entity responsible for data processing is EDP – Energias de Portugal, S.A which may subcontract data processing to FABSTART - Fábrica de Startups, S.A., with registered office in Rua Rodrigo da Fonseca, 11, 1250-189 in Lisbon.