

FRAMEWORK AGREEMENT
MATCHING FUNDS INITIATIVE

This investment framework agreement (the "**Framework Agreement**") is entered into in Montevideo on the [●] day of [●], 2024, **BY AND BETWEEN:**

ON THE ONE HAND: **EF Asset Management Administradora de Fondos de Inversión S.A.**, registered at the Internal Revenue Service under Taxpayer Identification Number 21 4769530012, in its capacity as Trustee of the "Uruguay Innovation Hub Trust," with registered offices for this purpose in Juncal 1392, in the city of Montevideo, Uruguay, and herein represented by [●] in their capacity as [●] (hereinafter the "**Trustee**" or "**EFAM**");

ON THE OTHER HAND: [●]¹, with registered offices for this purpose in [●] ("**Investor**" and, hereinafter, together with the Trustee the "**Parties**," and each of them separately as the "**Party**");

I. RECITALS

I.1. Under Article 461 of the Accounts Rendering and Accountability Act No. 20.075, the National Parliament authorized, under item 23, "Items to be Reassigned," program 240 "Innovation, Research, and Experimental Development," an annual budget allocation of UYP 400.000.000 (four hundred million Uruguayan pesos), to be charged to Financing 1:1 "General Revenues", to promote science, technology, and innovation projects proposed by ANII and approved by the Ministry of Economy and Finance (MEF), with the support of the Office of Management and Budget (OPP). Likewise, the article authorizes *"...the General Accounting Office of the National Government to reallocate budget allocations from item 23 "Items to be Reassigned" to item 24 "Miscellaneous Amounts," for expenditure 551.051 "National Agency for Research and Innovation," for the financial implementation of the projects..."*.

I.2. Article 1° of Decree No. 216/2023 (the "**Decree**") issued on July 17, 2023, states that: *"To channel the funds provided for in Article 461 of Law No. 20.075, the implementation of the Uruguay Innovation Hub program is approved to promote the development of the innovative and entrepreneurial ecosystem in science, technology, and innovation prioritizing advanced digital technologies, biotechnology and green technologies"*, which was proposed by ANII to the MEF regarding the use of the funds provided for in Article 461 of Law No. 20.075 of October 20, 2022 to create the UIH

¹ Add investor information: If it is a natural person, full name, identity card or passport number (if foreigner) and address. If it is a legal entity, name of the legal entity, type of company, country where it was incorporated, taxpayer identification number or name, registered offices and name of the authorized representative who will sign the agreement.

Program, designed in collaboration with the Ministry of Industry, Energy and Mining (MIEM).

I.3. The Decree also provided that the financial implementation of the UIH Program would be managed through five instruments (the "**Instruments**"), namely: (i) a Fund of Funds; (ii) an Acceleration and Company Building Program; (iii) promotion of Open Labs; (iv) support for the development of an Innovation Campus; and (v) other initiatives that may be defined in due course.

I.4. Pursuant to the powers outlined in Article 7 of the Decree, on October 12, 2023, ANII, as trustor, and EFAM, as trustee, entered into a trust agreement whereby it was agreed to create the Management Trust called "Uruguay Innovation Hub Trust" (the "**UIH Trust**"), to implement and execute the Instruments (i) and (ii) described in clause 1.3 above, as well as any other instruments as decided by the Steering Committee under the provisions of clause 11 of the Trust Agreement.

I.5. On [●] the Steering Committee approved the Terms and Conditions for the instrument called: "Co-investment in startups with Venture Capital Organizations and Angel Investors" ("**Matching Funds Instrument**" or "**Co-investment Instrument**") in line with the objectives of the UIH Program.

I.6. The purpose of the Matching Funds Instrument is to engage with interested parties to put together a Venture Capital Organizations and Angel Investors registry (the "**Registry**") so that registered investors can submit co-investment proposals with the UIH Program in technology-based or early-stage scientific-technological startups that meet the requirements outlined in the Terms and Conditions.

I.7. On [●] the Investor was found to be eligible to join the Registry, after providing due proof of its investment background, financial capacity, success cases and the necessary competencies to participate in the Co-Investment Instrument.

I.8. Under the minutes dated [●], it is stated that the Steering Committee mandated EFAM to implement and execute the Matching Funds Instrument in accordance with the provisions of clause 11 of the UIH Trust Agreement.

I.9. Therefore, and as a prerequisite for any joint investment under the Matching Funds Instrument, the Investor and EFAM, as trustee of the UIH Trust, agree to enter into this Framework Agreement to define the procedure for the submission of co-investment proposals, their evaluation and approval, the process for the execution of the joint investments and the commitments taken on by the Parties pursuant to the provisions of the Terms and Conditions:

II. DEFINITIONS AND INTERPRETATION

II.1. For the purposes hereof, the capitalized terms used in the document shall adopt the following meaning:

"Investment Agreement": the investment agreement(s) to be entered into by EFAM as trustee of the UIH Trust and the Investor, the selected startup, and its founders under the Matching Funds Instrument pursuant to the Terms and Conditions.

"Framework Agreement": this agreement.

"Annexes": any and all annexes to this Framework Agreement.

"ANII": the National Agency for Research and Innovation.

"Terms and Conditions": the document "Co-investment in Startups with Venture Capital Organizations and Angel Investors" approved by the Steering Committee for implementing the Matching Funds Instrument, attached as **Annex I.** **"Endorsement Letter"**: It is a sworn statement signed by an Investor registered in the Registry indicating that it supports and endorses such undertaking for its participation in the Matching Funds Instrument.

"Assessment and Follow-up Committees": the committee or committees that the Steering Committee may appoint to assess and follow up on any and all the Instruments under the terms and conditions that the Steering Committee indicates for each.

"Steering Committee": the steering or executive committee of the UIH Program, appointed under the Decree, and will be the highest authority under the UIH Trust, with the broadest powers to mandate the Trustee in all matters relating to the UIH Trust.

"Uruguay Condition": shall adopt the meaning described under the Terms and Conditions.

"Trust Agreement": the agreement entered into by and between ANII and EFAM on October 12, 2023, whereby the UIH Trust was established.

"Decree": Decree No. 216/023.

"UIH Trust": the management trust called "Uruguay Innovation Hub Trust."

"Trustor": ANII.

"Trustee": EFAM.

"Instruments": it shall adopt the meaning described under clause 1.3 herein.

"Matching Funds Instrument" or **"Co-Investment Instrument"**: it shall adopt the meaning described under clause 1.5 herein.

"Investor": means any and all Venture Capital Organizations or Angel Investors who enter into this agreement in accordance with the Terms and Conditions.

"Angel Investor": it shall adopt the meaning described under the Terms and Conditions.

"MEF": Ministry of Economy and Finance.

"MIEM": Ministry of Industry, Energy and Mining.

"Convertible Note": each of the convertible notes that EFAM would subscribe as trustee of the UIH Trust under the Matching Funds Instrument and within the parameters defined in the Terms and Conditions.

"OPP": Office of Management and Budget.

"Parties": EFAM and the Investor.

"Program" or **"UIH Program"**: the Uruguay Innovation Hub Program.

"Registry": the registry of Venture Capital Organizations and Angel Investors created by the Matching Funds Instrument.

"USD": United States dollars.

II.2. Capitalized terms not expressly defined herein shall adopt the meaning and scope outlined in the Terms and Conditions as applicable.

II.3. For the purposes of interpreting the Framework Agreement, the following rules shall apply:

- (i) The titles or headings used in this Framework Agreement are only illustrative and shall not affect the interpretation of this Framework Agreement.

- (ii) A reference to a law, code, decree, a compilation, or any regulatory provision is a reference to the substance of such provision, so that the reference to such provisions must also be understood to be made to all its present or future amendments, as well as to all the supplementary regulatory provisions or those that regulate them.
- (iii) Unless otherwise stated, any references to clauses, sections, subparagraphs, paragraphs, items and/or annexes shall refer to the clauses, sections, subparagraphs, items and/or annexes of this Framework Agreement.
- (iv) The Annexes to this Framework Agreement and signed by the Parties are a comprehensive part of the agreement to all intents and purposes.
- (v) In the event of inconsistencies between any term of this Framework Agreement and the terms under the Terms and Conditions, the terms of this Framework Agreement shall prevail. In the event of any conflict between the terms of this Framework Agreement and the terms of the Convertible Note or the Investment Agreement, the terms of the Convertible Note or the Investment Agreement shall prevail over this Framework Agreement.

III. OBJECT

III.1. By means of this Framework Agreement, the Investor expresses its desire to participate in the Matching Funds Instrument and accepts the Terms and Conditions set forth for co-investment under the UIH Program.

III.2. This Framework Agreement defines the procedures for (i) submitting the startup co-investment proposal, (ii) checking the startup's compliance with the eligibility requirements and with the Program's purposes, and (iii) executing the potential co-investment.

IV. JOINING THE PROGRAM - INVESTOR REPRESENTATIONS AND WARRANTIES

IV.1. The Investor represents and warrants the provisions under clause 4.3 to EFAM and the UIH Program. Each of the representations and warranties shall be deemed made upon execution of the Framework Agreement and reinstated on the date on which the Investor submits a co-investment proposal and on the date of execution of each Investment Agreement and each Convertible Note, except those representations and warranties which

due to their nature relate only to an earlier date or as therein specified. Thus, the Investor declares that:

- (i) They are aware of the Terms and Conditions and accept the specifications for the current Instrument.
- (ii) There are no conflicts of interest with the UIH Program. Conflict of interest is understood as the objective, actual or potential conflict, not necessarily related to assets or financial aspects, but to a causal link between a particular interest of the Investor, the UIH Program and the beneficiary startup of the Program.
- (iii) The Investor, its representatives and partners are not PEPs in accordance with the provisions of Law 19574 and other associated standards.
- (iv) The Investor, its representatives, and partners are not public servants working for the ministries nor staff of the state-owned or semi-public institutions that are part of this Program;
- (v) The Investor, its representatives, and partners are not related to the members of the Steering Committee, the Assessment and Monitoring Committee, or the potential startups that plan to participate in the Matching Funds Instrument.
- (vi) The Investor, its representatives, and partners are not providing goods or services to a prospective startup that plans to participate in the Matching Funds Instrument.
- (vii) It complies with its tax obligations in the country(ies) where the Investor is a taxpayer.
- (viii) It is not involved in any bankruptcy, dissolution, or liquidation process nor subject to any precautionary measures that prevent it from carrying out its duties both in Uruguay and abroad.
- (ix) It has not been prosecuted nor is subject to administrative or judicial investigation for corruption, terrorism, money laundering, or any of the preceding crimes provided for in Article 34 of Law No. 19.547 or listed on the international lists of the United Nations Security Council or OFAC. If, during the registration process or subsequently, it is observed that the investor is subject to an administrative or judicial investigation in Uruguay or abroad, the Steering Committee shall evaluate the circumstances of the case to review their approval or rejection.
- (x) The Investor and its representative are not incorporated or settled in a Low or No Tax Jurisdiction based on the list published by the Uruguayan Tax Authority,

nor is it based in a non-cooperative country as defined by the Financial Action Task Force.

- (xi) It has not and will not invest in illegal or immoral ventures (as described under Uruguayan regulations or those of the country where the venture is located).
- (xii) It has the financial and technical capacity to secure the investments committed to in the joint investment proposals.
- (xiii) It has a team capable of managing the investments, monitoring the startup, and complying with the conditions outlined in the Terms and Conditions.
- (xiv) It will not assign, modify the terms of the investment, assign, or terminate its investment instrument with the beneficiary startup without the consent of the UIH Program.
- (xv) It will not sell, donate, transfer, or pledge its participation in the startup in violation of the provisions under the Terms and Conditions.

IV.2. It is expressly stated for the record that there shall be no breach of the representations and warranties outlined in clauses (ii) to (vi) of sections IV.1, if the Investor duly notified the Steering Committee of the circumstance leading to the conflict of interest before its registration in the Registry and the Steering Committee expressly authorized their participation in the Program.

IV.3. Notwithstanding the representations and warranties referred to in clause IV.1, the Investor acknowledges and accepts that EFAM, as trustee of the UIH Trust, has a strict policy related to money laundering prevention, therefore, without prejudice to the signing of this Framework Agreement, EFAM may request the Investor to sign documents and sworn statements as part of its Know your Client (KYC) procedures, which will be a mandatory condition and prerequisite for the signing of any investment agreement.

V. PROPOSAL SUBMISSION PROCESS

V.1. Under the Matching Funds Instrument, the Investor may submit to the UIH Program co-investment proposals in startups in their early stages, have an innovative product or service, a scalable business model, and demonstrate growth potential with a qualified team. In the biotechnology sector, eligible startups must also run validations at least at the proof-of-concept level.

V.2. Before submitting a proposal to the UIH Program, the Investor must perform a *due diligence* or audit to validate the venture. The scope of the *due diligence* process will be

defined by mutual agreement between the Investor and the startup. Still, it must at least validate that the aspiring startup complies with the requirements and eligibility conditions outlined in the Terms and Conditions, which will be confirmed by the Endorsement Letter.

V.3. After the *due diligence* or audit process, if the Investor considers the venture eligible to participate in the Matching Funds Instrument, it will sign an Endorsement Letter. It will make the necessary arrangements for the startup to apply through the ANII portal or the channel designated by the UIH Program for such purposes. To apply, entrepreneurs who have the support and endorsement of the Investor must fill out a form with the following information:

- a) Information about the startup, its founders and shareholders, and their stock ownership structure;
- b) Information about the registered Investor that has endorsed the venture and the CAP valuation negotiated with the Investor for inclusion in the Convertible Note;
- c) Turnover, employment, and startup investment information;
- d) Objectives, action plan, and budget to determine disbursement milestones;
- e) Objectives, action plan, and budget to determine disbursement milestones;
- f) Financial execution schedule.

V.4. In addition to the application form, the startup must submit the following supplementary documentation:

- (i) Letter of endorsement signed by the Investor registered in the Registry and investment letter or investment commitment signed with the Investor;
- (ii) CAP table;
- (iii) One pager of the startup;
- (iv) Resume of the startup's executive team;
- (v) Information about the startup, its founders and shareholders, and information of the registered investor who has endorsed the venture;
- (vi) Turnover, employment, and startup investment information;

- (vii) Objectives, action plan, and budget to determine disbursement milestones;
- (viii) Financial execution schedule.

V.5. In addition to the documentation described in clause V.4 above, the UIH Program reserves the right to request the following additional documentation to validate the eligibility of the venture for participation in the Matching Funds Instrument:

- (ix) A copy of the updated Bylaws and all its amendments
- (x) A copy of the identity document of the startup directors and partners.
- (xi) A copy of the latest Form B - Laws Nos. 18.930 and 19.484 and proof of submission to the Central Bank of Uruguay.
- (xii) Proof of Data or Form 6906.
- (xiii) Valid DGI Certificate.
- (xiv) Valid BPS Certificate.
- (xv) Sworn statement signed by the company and the founders acknowledging the terms and conditions outlined in the Terms and Conditions document and indicating that they do not have any conflict of interest or incompatibility to participate in the program.

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V.6. If any information or documentation submitted is false or misrepresented, the startup will be dropped.

VI. ADMISSION AND EVALUATION OF PROPOSALS

VI.1. Once the proposal is received, the UIH Program will evaluate it according to the eligibility criteria established in the Terms and Conditions and review the documentation and information submitted together with the proposal.

VI.2. During the process, the UIH Program may invite the Investor and the entrepreneurs to present the proposal. The UIH Program may also comment on the proposals and request additional information

² **Comment for UIH:** This list is merely illustrative and will be defined in detail under the Investment Agreement.

VI.3. It should be noted that the fact that a proposal is accepted for review or that a project pre-qualifies by the Terms and Conditions does not mean that the UIH Program or the UIH Trust are obligated to invest in such venture, but instead it just simply means that the project is eligible for a co-investment process, subject to the final approval of the Steering Committee.

VI.4. The Investor agrees that investment in projects that are eligible and have undergone a pre-qualification process will hinge on budget availability and that, if there are several potential ventures, the UIH Program will have absolute discretion to choose among those that are more in line with its interests, strategy, and objectives, and nor the Investor, nor the startup or its founders will have any right to challenge such decision.

VII. CO-INVESTMENT PROCESS

VII.1. The Steering Committee will meet periodically to evaluate the list of prequalified projects. If it decides to proceed with any of them, it will draft a statement on the UIH Program's desire to make the joint investment and instruct EFAM to sign the necessary documents for its implementation.

VII.2. The Investor acknowledges and agrees that the joint investment will be made using a Convertible Note and a supplementary Investment Agreement.

VII.3. Both the Investment Agreement and the Convertible Note shall adopt the structure pre-approved by the Steering Committee. For the actual Investment to take place, it is mandatory that the startup and its founders accept the specifications set forth under the Terms and Conditions.

VIII. GENERAL PROVISIONS

VIII.1. Severability. If any provision of this Framework Agreement is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the other provisions of this Framework Agreement shall remain in full force and effect and shall be enforceable to the fullest extent permitted by applicable law. It is also the intention of the Parties to replace any invalid, void, or voidable word, paragraph, or clause with a valid and enforceable word, paragraph, or clause in terms as similar as possible to the invalid, void, or voidable word, paragraph, or clause.

VIII.2. Jurisdiction and applicable law. The laws of Uruguay govern this Framework Agreement. The Courts of Montevideo have jurisdiction to settle any dispute between the Parties.

VIII.3. Addresses and notifications. All notifications or other communications shall be deemed to have been duly delivered when sent by e-mail with acknowledgment of receipt by the receiving party to the e-mail addresses indicated below (the parties must acknowledge receipt of such e-mails within the following business day) and/or sent by any reliable means to the following addresses, unless other provisions of this Framework Agreement require stricter notification procedures. If the notification or communication is sent by e-mail and the sending party does not receive the corresponding acknowledgment of receipt, the sending party shall send it by reliable means.

All notices or other communications shall be sent to the following addresses:

For EFAM:

Address: [...]
To: [...]
Phone number: [...]
E-mail address: [...]

For the Executive Committee:

Address: [...]
To: [...]
Phone number: [...]
E-mail address: [...]

For the **Investor**:

Address: [...]
To: [...]
Phone number: [...]
E-mail address: [...]

VIII.4. Automatic default: Any breaches to the obligations arising from this Framework Agreement shall, in all cases, become effective without further formality, with no need for notifications through courts or otherwise, on the sole basis of any act or omission to what is stipulated under this Framework Agreement.

VIII.5. No assignment. The rights and obligations for the Investor may not be assigned without EFAM express consent.

The parties do so agree and, in witness thereof, do hereby sign four original copies of like tenor.

Signature page

EFAM

Name:
Position:

Investor

Name:
Position:

ANNEX I

TERMS AND CONDITIONS FOR CO-INVESTMENT IN STARTUPS WITH VENTURE CAPITAL ORGANIZATIONS AND ANGEL INVESTORS

