

**“APPROVED”**  
Appendix 7 to the Resolution of the  
Supervisory Board of JSC  
“Entrepreneurship Development Company”  
No. 8/24 dated 31 September 2024

**REGULATIONS**  
**on Transactions with Affiliated Parties of the Joint-Stock Company**  
**“Entrepreneurship Development Company”**

**“INTRODUCED”**  
by the Executive Body of JSC  
“Entrepreneurship Development Company”

**Tashkent – 2024**

Unofficial translation.

For reference only.

## CONTENTS

Chapter 1. General Provisions	
Chapter 2. Disclosure of Information on the Conclusion of Transactions with the Company's Affiliated Parties	
Chapter 3. Review of a Proposed Transaction with an Affiliated Party of the Company	
Chapter 4. Approval of a Transaction Concluded with an Affiliated Party of the Company	
Chapter 5. Challenging a Transaction Concluded with an Affiliated Party	
Chapter 6. Other Requirements Applicable to the Company's Affiliated Parties	
Chapter 7. Final Provisions	

***Note:***

*This document is an unofficial translation of the original document in the Uzbek language and is provided for reference purposes only. In the event of any discrepancies, the original version of the document in the Uzbek language shall prevail.*

## Chapter 1. General Provisions

1. These regulations establishes the procedure for concluding transactions with interested (affiliated) parties in the Joint-Stock Company "Entrepreneurship Development Company" (hereinafter – the Company).

2. The provisions of these regulations apply to all employees of the Company, regardless of their position or official duties.

3. The following main terms are used in these regulations:

**interested parties (affiliated parties)** – persons who are interested in the Company entering into a transaction and who are considered affiliated parties in relation to the Company;

**conflict of interest** – a situation in which the personal (direct or indirect) interest of an employee of the Company affects or may affect the proper performance of his or her official duties, as well as a situation in which a contradiction arises or may arise between personal interest and the rights and legitimate interests of citizens, organizations, society, or the state;

**disclosure of a conflict of interest** – a procedure whereby employees declare an actual or potential conflict of interest;

**close relatives** – parents, brothers, sisters, sons, daughters, spouses, as well as the parents, brothers, sisters and children of spouses.

4. Matters related to conflicts of interest on the part of the Company's employees are coordinated by the Company's internal anti-corruption control units.

5. The following persons shall be recognized as affiliated parties of the Company:

1) a legal entity that owns twenty percent or more of the Company's shares;

2) an individual who, jointly with his or her close relatives, owns twenty percent or more of the Company's shares;

3) a person who exercises the powers of a member of the Supervisory Board of the Company, the Director of the Company, or a member of the Company's Management Board;

4) a legal entity in whose charter fund (charter capital) the Company owns twenty percent or more;

5) a legal entity that is a subsidiary of the Company or in relation to which the Company is a subsidiary;

6) a legal entity in whose charter fund (charter capital) one and the same entity that owns twenty percent or more of the charter fund (charter capital) of the Company also owns twenty percent or more;

7) a legal entity whose Supervisory Board is composed of at least one third of the same persons and their close relatives who are members of the Supervisory Board of the Company;

8) a legal entity in which the same person who is the Director or a member of the Management Board of the Company, or his or her close relatives, exercises the powers of the head of the executive body.

9) a legal entity in which a person who, jointly with his or her close relatives, constitutes at least one third of the Supervisory Board of the Company, exercises the powers of the head or a member of the executive body;

10) a legal entity whose Supervisory Board includes a person who exercises the

powers of the Director of the Company or a member of the Management Board and who, jointly with his or her close relatives, constitutes at least one third of that Supervisory Board;

11) a legal entity that is part of the same corporate group as the Company.

6. The following shall be recognized as affiliated parties of a shareholder who is an individual and who is an affiliated party of the Company:

1) a legal entity in whose charter fund (charter capital) such shareholder and/or his or her close relatives own twenty percent or more;

2) a legal entity whose Supervisory Board includes such shareholder or his or her close relatives;

3) a legal entity in which such shareholder or his or her close relatives exercise the powers of a member of the executive body.

The provisions of subparagraphs 1, 2, 4, and 6 of this paragraph also apply to persons acting as a trustee or representative of the shareholder.

7. The management of the Company is not allowed to be a founder (shareholder, participant) of commercial organizations, except in cases where they own up to ten percent of the shares of joint-stock companies that are in free circulation.

8. Employees of the Company may not personally participate in the acquisition or lease of the Company's property.

9. If a potential conflict of interest arises, an employee of the Company must voluntarily recuse himself or herself from participation in the collegial body, or must be mandatorily removed from participation.

## **Chapter 2. Disclosure of Information on the Conclusion of Transactions with Affiliated Parties of the Company**

10. When entering into a transaction with the Company, an affiliated party must notify the Company by submitting a written notice of its affiliation, providing detailed information on the proposed transaction, including information on the persons involved in the transaction, the subject of the transaction, and the essential terms of the corresponding agreement.

11. The Company shall include in its annual report information on transactions concluded with affiliated parties, including written notifications from such affiliated parties, complete descriptions of decisions taken on the transactions, information on the persons who made such decisions, as well as information on any conflict of interest that arose when entering into transactions with affiliated parties.

## **Chapter 3. Review of a Proposed Transaction with an Affiliated Party of the Company**

12. The information on a transaction to be concluded with an affiliated party of the Company, as provided in the written notice from the party to the proposed transaction, shall be reviewed by the executive body of the Company and the internal audit department (if applicable).

13. The review by the executive body of the Company shall be conducted within three working days from the date of receipt of the written notice. By decision of the Director (Chairman of the Management Board), additional employees of the Company

may be involved in the review of the transaction.

14. The results of the review of the proposed transaction with an affiliated party, carried out by the executive body of the Company and the internal audit department, shall be documented in a report and signed by all persons who participated in the review. The report must reflect the legal, financial, technical, and other essential aspects of the transaction, as well as its possible impact on the Company's activities.

#### **Chapter 4. Approval of a Transaction Concluded with an Affiliated Party of the Company**

15. The executive body of the Company shall notify the Supervisory Board of the Company in writing, attaching to the notification the report containing the results of the review of the proposed transaction with the affiliated party.

16. The Supervisory Board of the Company shall review the information on the transaction to be concluded with the affiliated party and shall make a decision on the transaction no later than fifteen days from the date the Company receives the written notification from the affiliated party.

17. If two or more members of the Supervisory Board of the Company are affiliated parties, the decision on the transaction shall be made by the general meeting of shareholders in the manner and within the time limits established by the Law "On Joint-Stock Companies and Protection of Shareholders' Rights."

18. An affiliated party may not participate in discussions and has no voting rights when the Supervisory Board of the Company or the general meeting of shareholders considers the decision on such transaction.

19. A decision on approving a transaction concluded with an affiliated party shall be adopted unanimously by the members of the Supervisory Board of the Company participating in the meeting, or by a qualified majority of votes of the shareholders participating in the general meeting of shareholders. At the same time, a decision to conclude a transaction with an affiliated party, the value of which amounts to ten percent or more of the Company's net assets, must be adopted subject to the following mandatory conditions: the market value of the property involved in the transaction must be determined by an appraisal organization in accordance with the legislation of the Republic of Uzbekistan; and the terms of the transaction must be reviewed by an independent external audit organization.

20. The executive body of the Company shall notify the party to the proposed transaction in writing of the decision taken regarding the transaction to be concluded with an affiliated party.

21. If a transaction concluded with an affiliated party simultaneously qualifies as a major transaction:

the decision to conclude a major transaction involving property whose balance sheet value or acquisition value at the date of the decision to conclude the transaction ranges from fifteen to fifty percent of the Company's net assets shall be made by the members of the Supervisory Board of the Company;

the decision to conclude a major transaction involving property whose balance sheet value or acquisition value at the date of the decision to conclude the transaction exceeds fifty percent of the Company's net assets shall be made by the general meeting

of shareholders.

If unanimity among the members of the Supervisory Board of the Company is not reached regarding the conclusion of a major transaction, the issue may, by decision of the Supervisory Board, be submitted for consideration by the general meeting of shareholders.

22. The Supervisory Board of the Company or the general meeting of shareholders may adopt a decision to approve a transaction (or transactions) that may be concluded by the Company with an affiliated party in the future in the course of its ongoing business activities until the next annual general meeting of shareholders.

## **Chapter 5. Challenging a Transaction Concluded with an Affiliated Party**

23. A shareholder of the Company has the right to challenge a transaction concluded with an affiliated party if he or she disagrees with the decision approving this transaction or if the shareholder did not participate in the adoption of the corresponding decision.

24. At the request of a shareholder, the Company must, within three working days, provide the shareholder with written information regarding the transaction concluded with an affiliated party, signed by the Director, with copies of the following attached:

- the written notification from the party proposing the transaction with the affiliated party;
- the report containing the results of the review of the transaction;
- the decision adopted on approving the transaction;
- the corresponding agreement, if it has been concluded.

At the request of a shareholder, the Company may also provide other information related to the transaction concluded with an affiliated party.

25. If, as a result of a transaction concluded with an affiliated party, the Company suffers losses, or if such losses may arise in the future due to the conclusion of this transaction, a shareholder has the right to apply to the court with a demand to declare the transaction invalid, either personally or through authorized state bodies, which have the right to act as a plaintiff on behalf of the shareholder.

26. A shareholder holding no less than five percent of the voting shares of the Company has the right, if the Company has suffered losses as a result of a transaction concluded with an affiliated party or if losses may arise in the future due to such transaction, to independently engage an audit organization to examine whether violations occurred in the process of concluding the transaction.

27. If a court establishes that the requirements for concluding the transaction were violated, the Company must, within one month from the date the court decision enters into legal force, reimburse the shareholder for the expenses incurred in engaging the audit organization, in an amount not exceeding the market value of the services provided.

28. A transaction concluded with an affiliated party may be declared invalid by a court in the following cases:

- if the requirements for concluding the transaction established by the Law “On Joint-  
Unofficial translation.

Stock Companies and Protection of Shareholders’ Rights” were not observed;  
if there are grounds to consider the transaction harmful to the Company;  
if a conflict of interest existed at the time the transaction was concluded;  
if other grounds provided for by law are present.

29. A transaction concluded with an affiliated party may not be declared invalid if any of the following circumstances exist:

if the vote of the shareholder who filed the claim to invalidate the transaction could not have influenced the results of the vote at the general meeting of shareholders where the decision approving the transaction was made, regardless of whether the shareholder participated in the meeting;

if it has not been proven that the conclusion of the transaction caused or could have caused harm to the Company or to the shareholder who filed the claim;

if it has been proven that losses under the transaction resulted from circumstances beyond the control of the parties (force majeure);

if evidence is presented during the court proceedings that the transaction was subsequently approved in accordance with the procedure established in this chapter.

30. Persons who conducted the review of a transaction concluded with an affiliated party are liable for the accuracy of the conclusions and findings regarding such transaction.

31. Exceptions related to the conclusion of transactions with affiliated parties are regulated by the Law “On Joint-Stock Companies and Protection of Shareholders’ Rights” and other regulatory legal acts.

## **Chapter 6. Other Requirements Applicable to the Company’s Affiliated Parties**

32. An affiliated party of the Company must, no later than three working days from the date on which the grounds for affiliation arise, notify the Company in writing of its affiliation, providing detailed information as established by the authorized state body regulating the securities market.

33. If the Company incurs property damage as a result of the affiliated party’s failure or untimely submission of the required information, the affiliated party shall be liable to the Company in the amount of the damage caused.

34. A notification regarding legal entities that are affiliated parties of the Company must contain the following information about the affiliated parties:

full name;

organizational and legal form;

location and postal address, and, if available, email address and website;

taxpayer identification number (TIN);

the grounds on which they are recognized as affiliated parties of the joint-stock company;

the date from which they are recognized as affiliated parties of the joint-stock company;

the number, type, and percentage of voting shares of the joint-stock company owned by them;

a copy of the founding document.

35. A notification regarding individuals who are affiliated parties of the joint-stock company must contain the following information about the affiliated parties:

last name, first name, patronymic;

place of residence, and, if available, email address;

personal identification number of the individual (PINFL);

the grounds on which they are recognized as affiliated parties of the joint-stock company;

the date from which they are recognized as affiliated parties of the joint-stock company;

the number, type, and percentage of voting shares of the joint-stock company owned by them;

a copy of the identity document.

36. The Company must disclose information on transactions concluded with affiliated parties by publishing such information within 72 hours from the date the transaction is concluded.

### **Chapter 7. Final Provisions**

37. Amendments and additions to these regulations shall be made by the Supervisory Board of the Company.

38. Persons found responsible for violating the requirements of these regulations shall bear liability in accordance with the procedure established by law.

39. Disputes arising in the implementation of these regulations shall be resolved in the manner prescribed by law, including through judicial proceedings.