

**«APPROVED»**

Appendix 4 to the Resolution of the  
Supervisory Board of the Joint-Stock  
Company “Entrepreneurship  
Development Company” No. 2/24  
dated 29 February 2024

*(amended and supplemented by the  
minutes of the meetings of the  
Supervisory Board dated 29 April  
2024 No. 6/24, 2 October 2024 No.  
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28 April 2025 No. 3/25, and 27  
August 2025 No. 6/25)*

**REGULATIONS  
ON THE PROCEDURE FOR MAKING A CAPITAL CONTRIBUTION  
BY THE JOINT-STOCK COMPANY “ENTREPRENEURSHIP  
DEVELOPMENT COMPANY”**

**“INTRODUCED”**

by the Executive Body of JSC “Entrepreneurship  
Development Company”

**Tashkent - 2024**

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***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 is developed in accordance with the Law of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of Shareholders' Rights," the Decree of the President of the Republic of Uzbekistan No. UP-193 dated 10 November 2023, and the Resolution of the President of the Republic of Uzbekistan No. PP-248 dated 14 August 2025, and regulates the process of providing assistance by the Joint-Stock Company "Entrepreneurship Development Company" (hereinafter – the Company) in making a capital contribution to the charter capital of small and medium-sized business entities, as well as companies established with the primary participation of small, medium, and large business entities.

2. The following basic terms are used in these Regulations:

**capital contribution** — a type of assistance that provides for the acquisition of real estate, equipment, and other types of assets (the transaction object) in accordance with a capital contribution agreement, and their transfer to the project initiator with the Company entering the initiator's charter capital as a participant;

**transaction object** — any assets used for entrepreneurial activity, including real estate, property complexes, equipment, raw materials, and other types of assets (except natural resources and other property withdrawn from civil circulation or with restricted circulation);

**transaction parties** — the Company, the project initiator, and, if applicable, the seller;

**project initiator** — a person acquiring the transaction object for ownership and use under the assistance agreement for making a capital contribution;

**primary founder** — a small, medium, or large business entity whose share in the project initiator's charter fund exceeds 50 percent;

**seller** — a person selling the transaction object to the Company;

**open competition** — the process of selecting a project or a project initiator for compliance with financing requirements when providing assistance for making a capital contribution;

**authorized body of the Company** — the responsible collegial body of the Company that makes decisions on project selection and financing (appointed by the respective order).

**the start date of providing assistance for making a capital contribution** — the date from which, in accordance with the agreement on providing assistance for

making a capital contribution, the project initiator begins exercising the right of ownership and use of the transaction object, that is, the date of initial (primary) recognition of the transaction object;

**payments under the assistance for making a capital contribution** — the total amount paid by the project initiator toward the overall cost of the transaction object, as well as the Company's income in the form of dividends.

3. Upon expiration of the agreement on providing assistance for making a capital contribution, the contributed share is offered to the project initiator (financial partner), and if the initiator refuses to purchase it, the share may be sold through an auction and/or sold directly to another potential investor.

4. Assistance for making a capital contribution is provided to financially stable business entities on the principles of paidness, repayability, and targeted use.

5. Assistance for making a capital contribution is provided to enterprises that meet the following criteria:

to medium-sized business entities operating for more than twelve months and employing at least thirty-five people as of the date of application;

to small business entities employing at least fifteen people as of the date of application and having an annual income exceeding 6 billion UZS.

Additionally, in cases where the primary founder, operating for at least twelve months, participates in the capital contribution agreement as a borrower or guarantor, financial assistance for making a capital contribution to the project initiator may be provided as follows:

under the terms applicable to medium-sized business entities, if the primary founder has an annual income exceeding 10 billion UZS and employs at least thirty-five people as of the date of application;

under the terms applicable to small business entities, if the primary founder has an annual income exceeding 6 billion UZS and employs at least fifteen people as of the date of application.

Starting from 1 September 2025, the Company provides financial assistance for making a capital contribution to the charter capital in an amount of up to 50 percent of the total income for the previous year to business entities registered in the Republic of Karakalpakstan, operating in this territory for more than twelve months and having provided permanent employment to at least 10 persons during one year.

6. At the time of applying to the Company, the project initiator must not have a

negative credit history, overdue liabilities to the state budget, must not be in the process of liquidation, must not be subject to bankruptcy proceedings, and the enterprise must not be operating at a loss.

7. Assistance for making a capital contribution is provided to the project initiator for carrying out all types of entrepreneurial activities not prohibited by law, except for project areas specified in Appendix 2.

8. Enterprises having overdue debt to the Company for previously provided financial assistance are not granted new investments until full repayment of such debt.

9. The decision to acquire the transaction object for its subsequent transfer to the project initiator on the basis of the agreement on providing assistance for making a capital contribution is made by the authorized body of the Company.

10. In other cases not covered by these Regulations, the decision is made by the Supervisory Board.

11. The provision of assistance for making a capital contribution and coordination of related activities are carried out by the Project Management Center (hereinafter — the Center).

The interest and commission rates, as well as the total amount of resources allocated for assistance in making a capital contribution to the charter capital, are determined by the decision of the Company's Asset and Liability Management Committee.

## **Chapter 2. Procedure for Conducting an Open Competition**

12. Project initiators submit project questionnaires for participation in the competition through the system or by email. The open competition may be conducted by the authorized body of the Company on a continuous basis within the parameters established by the decision of the Company's Asset and Liability Management Committee.

13. The data indicated in the submitted questionnaires undergo a scoring analysis according to the criteria specified in paragraphs 5, 6, and 7 of these Regulations.

14. For projects whose questionnaires successfully pass the scoring review, an on-site preliminary assessment is conducted by the territorial representative of the Company, or, if unavailable, by an employee of the Center. The following issues are examined during the assessment:

feasibility of implementing the project in the proposed location;

availability of necessary infrastructure;  
availability (formation) of own sources of equity participation, in addition to the Company's share, for project implementation;  
prospects for future development of the project and other relevant factors.

15. Based on the results of the assessment, the territorial representative or, if unavailable, an employee of the Center submits their conclusion for each project.

16. Project initiators who are granted assistance for making a capital contribution are selected in descending order based on the number of jobs created during the project implementation, and assistance is provided within the limit allocated for the respective territory.

17. The Company ensures public disclosure of the stages of the open competition for each project by posting information on its official website and on social media platforms.

### **Chapter 3. Key Conditions for Providing Assistance in Making a Capital Contribution and Requirements Applicable Thereto**

18. The maximum size of a transaction eligible for consideration under the assistance for making a capital contribution is as follows:

for enterprises classified as small business entities — up to 70 percent of the project cost, but not more than 50 percent of the charter capital or not more than 3 billion UZS;

for enterprises classified as medium-sized business entities — up to 70 percent of the project cost, but not more than 50 percent of the charter capital or not more than 5 billion UZS.

Additionally, for enterprises classified as medium-sized business entities and employing at least fifteen persons as of the date of application, assistance for making a capital contribution may be provided within the conditions established for enterprises classified as small business entities.

19. The amount of financing provided under the assistance for making a capital contribution is determined by the authorized body of the Company based on the market value of the acquired object (as determined by an independent valuation organization) and/or the contractual value.

20. Assistance for making a capital contribution is not provided for the purchase of equipment manufactured more than one year ago or previously used.

21. The value of buildings and structures, as well as previously used equipment

(asset complex/ready business) indicated in the independent valuation report, as well as the contractual value of new equipment confirmed by the conclusion of independent consulting organizations, shall serve as the basis for concluding transactions and making payments by the Company. Responsibility for the accuracy of the price is borne by the project initiator, the independent valuation organization, and the consulting firm.

22. Any assets used within the project for carrying out entrepreneurial activities may serve as the object of assistance for making a capital contribution, including asset complexes, buildings and structures, equipment, other movable and immovable property, as well as raw materials.

23. The following shall not be accepted as objects of assistance for making a capital contribution:

- movable property manufactured more than one year ago;
- buildings, structures, and land plots located within an enterprise's territory that do not have direct access to the red building line;
- buildings and land plots located within a shared territory and belonging to different owners;
- equipment whose wear-and-tear level exceeds 60 percent according to the conclusion of an independent valuation organization;
- certain types of equipment that cannot be independently used regardless of the technological cycle of the complex;
- structures and land plots that share structural elements with other buildings (for example, an extension sharing a common wall with the main building);
- property that, due to its historical, cultural, or other value, or for other reasons, cannot be pledged, removed from state ownership, privatized, or seized;
- certain types of property owned by individuals that cannot be subject to enforcement under the law.

24. Maximum transaction term: 7 years.

The amount financed under the assistance for making a capital contribution (the contributed share) is sold by the Company to the project initiator at the same value, with payment by installments for up to 7 years.

Until full payment is made by the project initiator, the participation (founder status) of the Company within the limits of the initially contributed share and the right to receive dividends shall be retained.

25. The determination of the term for assistance in making a capital contribution,

within the established limits, is carried out based on various principles, including:

the operational life of the transaction object;

the degree of priority of the project (based on government decisions and protocols);

the solvency of the project initiator;

and other factors.

26. During the period of contribution, the profitability indicator of the enterprise's production or service activities must not be lower than 10 percent. This indicator is characterized by the following parameters:

$$PPR = \frac{NP}{CPR} \times 100\%$$

where:

*PPR* — profitability of production (product sales);

*NP* — net profit;

*CPR* — cost of produced and sold products (works, services).

#### **Chapter 4. Procedure for Executing the Agreement on Providing Assistance for Making a Capital Contribution**

27. To prepare a conclusion regarding the solvency and efficiency of the project, the necessary documents must be submitted depending on the characteristics of the project, and the Company is entitled to request additional information related to the project under consideration.

28. At the same time, the Company has the right to request conclusions from the Center for Comprehensive Expertise of Projects and Import Contracts and other authorized organizations.

29. If the project initiator fails to submit a complete set of the required documents, the Company has the right not to accept the documents and return them until the full set is provided.

30. All documents related to the project shall be submitted by small and medium-sized business entities to the Company or to the territorial representative of the Company for the purpose of assessing their financial condition and the efficiency of the proposed project.

31. Based on the results of the analysis of the submitted documents, the Center



prepares the relevant conclusion and submits it for review by the authorized body of the Company.

32. Projects approved by the authorized body of the Company are included in the agenda of the next meeting of the Council for decision-making.

33. If the Council adopts a positive decision, the Company notifies the project initiator regarding the issues of establishing contractual relations for assistance in making a capital contribution and executing the agreement on providing assistance for making a capital contribution.

34. A one-time intermediary fee may be charged for the review of documents in the amount established by the executive body, in accordance with the applicable tariff.

35. After the signing of the acceptance certificate putting the transaction object into operation and the transfer to the project initiator of the right of ownership and use of the property, the transaction on providing assistance for making a capital contribution is considered completed. If the contribution to the charter capital is formed using the Company's monetary funds, the transaction on providing assistance for making a capital contribution is considered completed from the date the funds are transferred.

36. The signing of the founding documents is carried out by the territorial representative of the Company, or, if absent, by an employee of the Center or another authorized person.

37. The term of assistance for making a capital contribution begins from the moment the project initiator signs the acceptance certificate putting the transaction object into operation.

38. The acceptance certificate putting the transaction object into operation is signed by the participants of the transaction: the Company, the project initiator, and, where applicable, the seller.

39. For each assistance provided for making a capital contribution, the Company forms an archive (file) of documents based on its characteristics, and responsibility for the completeness of the documents lies with the territorial representative of the Company.

40. In accordance with the agreement on providing assistance for making a capital contribution, the project initiator is granted the right to own and use the transaction object throughout the entire period of the assistance.

41. All expenses related to delivery, installation, and preparation of the transaction object for operation shall be covered either by the seller or by the project

initiator, as agreed between the parties.

42. If the project initiator, within ten (10) working days from the date of delivery of the equipment to the specified address, does not submit to the Company the acceptance certificate putting the transaction object into operation or does not notify the Company of any deficiencies, the transaction object shall be deemed accepted.

43. The project initiator benefits from the technical warranty provided by the seller for the object acquired through the assistance for making a capital contribution.

44. The agreement on providing assistance for making a capital contribution must stipulate that the project initiator assumes the right to require the seller to ensure timely delivery of the transaction object, its completeness, the elimination of defects, as well as fulfillment of obligations related to its installation.

45. The transaction object must be insured by the project initiator against possible losses.

46. The project initiator has the right, at any time before the expiration of the agreement on providing assistance for making a capital contribution, to make payments early and in full and to completely buy out the Company's share.

If, in the event of early buyout or termination of the agreement, it is not possible to accrue dividends within the contributed share, the parties may agree that interest at the Central Bank's base rate will be paid for the period during which the contributed share was used.

## **Chapter 5. Rights and Obligations of the Parties to the Agreement on Providing Assistance for Making a Capital Contribution**

47. Unless otherwise provided for in the agreement on providing assistance for making a capital contribution, the Company bears no responsibility to the project initiator for the seller's fulfillment of the requirements established by the purchase agreement for the transaction object, nor for the competitiveness (justification) of the stated price.

48. For the purpose of preventing the risk of non-repayment of the contributed share, the Company is entitled to insure the risk of non-repayment; in this case, insurance costs are initially borne by the Company with subsequent reimbursement by the project initiator.

49. The Company has the right to terminate the agreement on providing assistance for making a capital contribution ahead of schedule in the following cases, if

the project initiator:

does not use the transaction object in accordance with the terms of the agreement on providing assistance for making a capital contribution, or repeatedly violates the conditions of its use;

significantly deteriorates the condition of the transaction object;

fails to fully make payments for the use of the transaction object for two consecutive periods after the deadlines established by the agreement on providing assistance for making a capital contribution;

fails to perform capital repairs of the transaction object within the time limits established by the agreement on providing assistance for making a capital contribution;

in other cases provided for by law.

50. After the financing of the project (completion of the contribution procedures), a set of documents relating to the project is formed and subsequently transferred to the responsible structural division of the Company for monitoring purposes to carry out the relevant control and monitoring activities.

51. If overdue debt under the payment schedule is not repaid within 90 days, the project shall be transferred to the responsible structural division for work with non-performing assets until full repayment of such debt (non-performing loan, NPL) for the purpose of taking appropriate measures.

## **Chapter 6. Final Provisions**

52. Upon expiration of the agreement on providing assistance for making a capital contribution and after full payment has been made, the Company's share in the capital is transferred to the project initiator or to another potential investor.

53. All disputes related to the conclusion of the agreement on providing assistance for making a capital contribution and the performance of obligations thereunder shall be resolved by mutual agreement of the parties. If a mutual agreement cannot be reached, disputes shall be resolved by a court in the prescribed manner in accordance with the law.

Appendix 1 to the Regulations on the procedure for making a capital contribution by the Joint-Stock Company “Entrepreneurship Development Company”

## SCHEME FOR PROVIDING EQUITY CONTRIBUTION ASSISTANCE

Stages	Actions to be Performed	Responsible
1-stage	A competition is held within the approved directions. The conditions of the competition are published on the official website of the Company and communicated through social networks.	Supervisory Board, Center, Public Relations Structural Unit
2-stage	Submission of documents through the “Tadbirkor” information system (hereinafter referred to as the Information System) or via email.	Project Initiators
3- stage	The questionnaire information that has passed the scoring is studied, and based on the results of the preliminary review, the selected projects are entered into the Information System. The entry of the relevant documents by the project initiator into the Information System is monitored.	Territorial Representative
4-stage	The documents entered into the Information System by the project initiator are checked, and if deficiencies are identified, a conclusion is prepared and submitted to the Company through the Information System.	Territorial Representative
5-stage	The received projects are reviewed based on the submitted documents and selected through an open competition.	Authorized (collegial) body of the Company
6-stage	Negotiations are conducted on the selected projects, and project documents are approved.	Project Initiator, Center
7-stage	Based on the project documentation, an appropriate conclusion is prepared regarding the initiator’s solvency and the effectiveness of the project.	Center

Unofficial translation.

For reference only.

Stages	Actions to be Performed	Responsible
8-stage	A decision is made to finance the purchase of the necessary real estate and equipment. Information about the selected projects is published on the official website of the Company and on social networks.	Authorized (collegial) body of the Company, Supervisory Board, Public Relations Department
9-stage	Payment is made according to the tariff for reviewing the project documents.	Project Initiator
10-stage	Contracts and other documents are signed for the purchase of the necessary real estate and equipment for the approved projects.	Management, Legal Department, Center
11-stage	Based on the signed contract, real estate, land plots and/or equipment and other assets are acquired through an auction or a direct purchase agreement. In case the purchased asset is real estate, an independent valuation report is required; if it is equipment, an expert opinion by an accredited expert organization on the price is required.	Relevant structural units of the Company
12-stage	Signing the insurance contract for the transaction asset and making insurance payments.	Company, Project Initiator, Insurance Organization
13-stage	Acceptance of the transaction asset for use.	Project Initiator

**PROJECT AREAS FOR WHICH THE COMPANY DOES NOT  
PROVIDE EQUITY CONTRIBUTION ASSISTANCE**

1. Organization of casino and billiard hall activities, production and/or trade of alcohol and tobacco products.
2. Repayment of previously obtained loans (leasing) or any other liabilities.
3. Organization of leasing and insurance company activities.
4. Organization and operation of activities in the fields of trade, public catering, as well as separately established gas stations (except for the organization of trade-service and roadside infrastructure facilities, including within complexes, such as gas stations and trade facilities, as well as activities related to the introduction of "green" technologies, including electric vehicle charging).
5. Purchase of passenger cars and previously used cargo vehicles (except for cargo vehicles imported from abroad).
6. Projects implemented in the agricultural sector (except for projects related to storage, processing and packaging of agricultural products).