

Annex _____
to the resolution of the Board of Directors of “Real Estate Fund
“Samruk – Kazyna” JSC
dated _____ 2015 No. _____

The Report on adherence to the corporate governance principles of “Real Estate Fund “Samruk – Kazyna” JSC for 2014

| 1 | 2 | 3 | 4 | 5 |
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| 1 | 2 | 3 | 4 | 5 |
| 1 | <p>Principle of protection of the rights and interests of the Sole Shareholder Enforcement of the Sole Shareholder’s rights provided by the legislation, the Charter and internal documents of the Company</p> | Adhered | <p>Principles and procedures for interaction with the Sole Shareholder enshrined in the Charter (Resolution of the Management Board of “Samruk-Kazyna” JSC as of 05.03.2009 No.10 / 09, orders of “Samruk-Kazyna” JSC as of 14.01.2010, No.3-p, as of 26.10 .2011 No.99-p of the Resolution of the Management Board of “Samruk-Kazyna” JSC No.39/12 as of 02.10.2012), in the Corporate Governance Code (the order of the Chairman of the Management Board of “National Welfare Fund “Samruk-Kazyna” JSC as of 06.12.2011, No.119-p, amendments and additions to the order of the Chairman of the Management Board of “National Welfare Fund “Samruk-Kazyna” as of 05.24.2013 No.31-p).</p> <p>The Company, being aware of its responsibility to the Sole Shareholder:</p> <ul style="list-style-type: none"> - ensures the enforcement of the Sole Shareholder’s rights within the corporate governance principles aimed at key decisions making; - provides reliable information on the results of financial and economic activities in accordance with the applicable legislation of the Republic of Kazakhstan, the Charter, internal regulatory documents of the Real Estate Fund; - the Sole Shareholder approved the annual report for 2013 (statement of the meeting of the Management Board of “Samruk-Kazyna” JSC No.11/14 as of 04.16.2014); - periodic reports of the Board of Directors introduced to the Sole Shareholder (hearing was held in 2014, April 16); - upon approval of the procedure of net income distribution and decision on dividends payment, makes payment of dividends in due time and in full (annual financial statements for 2013 approved by the resolution of the Management Board of “Samruk-Kazyna” JSC No.11/14 as of 16.04.2014); - provides partial anticipated repayment of the principal debt under the | |

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| | | | <p>credit agreement as of 18.08.2009 No.10/REF, received from the Sole Shareholder;</p> <ul style="list-style-type: none"> - according to the approved reporting package provided to the Sole Shareholder timely sends management and financial statements; - provides additional information on the plans, accomplishments, problems of activity, as well as analysis and researches of other organizations on the activities of the Company; - on the basis of annual letter on shareholder's expectations, the Action Plan for the implementation of the shareholder's expectations is developed (was approved in 2013 by the decision of the BoD No.71 as of 20.03.2013; in 2014 - by the decision of the BoD No.80 as of 03.20.2014). | |
| 2 | <p>Principle of effective management of the Company by the Board of Directors and the Management Board Ensuring of effective performance of the Board of Directors and the Management Board 2.1. The operating principles of the Board of Directors (BoD).</p> | Adhered | <p>The activity of the Board of Directors is regulated by the Charter, Corporate Governance Code, Regulations on the Board of Directors. Selection of candidates to the BoD shall be in accordance with the Rules of selection of independent directors of the companies of "Samruk-Kazyna" JSC (Resolution of the Management Board of "Samruk-Kazyna" JSC No.36/10 as of 8.06.2010) and the Order of interaction on the appointment and ensuring activities of the representatives of "Samruk-Kazyna" JSC in the boards of directors and supervisory boards of group of the companies of "Samruk-Kazyna" JSC (Minutes of the Board No.88/09 as of 10.01.2009).</p> <p>The Charter of the Company defines the criteria applicable to members of the BoD, including and to the independent directors of the Company (p. 33). In addition, the requirements applicable to members of the BoD are defined in the LRK "On Joint Stock Companies" and the Rules of selection the independent directors of "Samruk-Kazyna" JSC.</p> <p>The powers of an independent director Nigel Stapleton have been terminated before time from 1 March 2014 by the Resolution of the Management Board as of February 21, 2014, Adriaan Jan Houwink and Azirbayev Mukhit Bakytovich were elected as new independent members of the Board of Directors from February 21, 2014, the Board of Directors was re-elected for a new term - 3 years by the resolution of the Management Board of "Samruk-Kazyna" JSC as of July 9, 2014.</p> <p>Assessment of activity of the Board of Directors and its members was carried out in 2014 by the questioning all members of the Board of Directors. According to the results the general assessment of the activity of the Board of Directors was 4,4 scores (of 5).</p> | |

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| | | | <p>In accordance with the Policy on improvement the skills of the members of the BoD and external experts (resolution of the BoD as of 29.08.2012 No.65), training seminars for the members of the BoD were organized. In November 12, 2014 all members of the BoD took part in a seminar on risk management for members of the Board of Directors held by “KPMG Tax and Advisory” LLP.</p> <p>Regulations on the Board of Directors (order of “Samruk-Kazyna” JSC No.3-p as of 14.01.2010, resolution of the BoD No.10, 23.09.2009) provides, in particular, the procedure for determining the agenda of the meeting of the BoD, the procedure for convening of meetings of the BoD, BoD decision-making procedures and the treatment of minutes of meetings of the BoD, as well as the responsibility of members of the BoD. In order to detalization and delineation of powers between bodies of the Company, corporate governance improvement, the Board of Directors approved amendments and additions to the regulatory documents:</p> <ul style="list-style-type: none"> - to the Code of Business Conduct of “Real Estate Fund “Samruk-Kazyna” JSC; - to the Rules of remuneration and bonuses of employees of “Real Estate Fund “Samruk-Kazyna” JSC; - to the Rules of assessment of activity and remuneration of administrative and leading employees, the head of Internal Audit Service and the Corporate Secretary of “Real Estate Fund” JSC; - to the Rules of selection and review of the housing construction projects of “Real Estate Fund “Samruk-Kazyna” JSC. <p>Audit Committee, Nominating and Remuneration Committee and Committee on strategic and investment issues of the BoD are functioning. According to the international best practice the Chairmen of the Board of Directors elected independent directors.</p> <p>In 2014 in accordance with the Work Plan of the Board of Directors 10 meetings of the Board of Directors were held, of which 8 were official meetings and 2 were meetings by means of telecommunication, 127 issues were considered (in 2013 – 10 meetings, 143 issues were considered). Following the results of the meetings of the BoD 214 decisions were made and 41 instructions were given: to the Management Board – 39, CS – 2. 34 instructions were fulfilled, 1 instruction fulfilled partially, 6 – are in the works. Also, 2 instructions for 2013 are at implementation stage, previously given instructions were suspended due</p> | |

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| | | | <p>to the entry into force of amendments to the Law on share participation.</p> <p>In 2014 the Board of Directors considered and approved:</p> <ul style="list-style-type: none"> - Development Strategy of “Real Estate Fund “Samruk-Kazyna” JSC for 2014-2023; - Risk management policy of “Real Estate Fund “Samruk-Kazyna” JSC in the new edition; - report on Kazakhstani content in goods, works and services, purchased by developers during the construction of the objects of “Real Estate Fund “Samruk-Kazyna” JSC in 2013; - carrier development guidance of the Internal Audit Service of “Real Estate Fund “Samruk-Kazyna” JSC ; - strategic development plan of the Internal Audit Service of “Real Estate Fund “Samruk-Kazyna” JSC for 2015-2017; - annual audit plan of the Internal Audit Service of “Real Estate Fund “Samruk-Kazyna” JSC for 2015; - KPI maps of the Corporate Secretary and target maps of employees of the Corporate Secretary Service of “Real Estate Fund “Samruk-Kazyna” JSC for 2014; - quarterly reports on major transactions and transactions concluded by “Real Estate Fund “Samruk-Kazyna” JSC, in which there is an interest; - reports on Development plan fulfillment of “Real Estate Fund “Samruk-Kazyna” JSC for 2011-2015 for 2013, for 1st quarter, for 6 months and for 9 months of 2014; - adjustment of the Development Plan of “Real Estate Fund “Samruk-Kazyna” JSC for 2014 – 2018; - Development Plan of “Real Estate Fund “Samruk-Kazyna” JSC for 2015 – 2019; - key performance indicators maps of the activity of the administrative and managerial employees of “Real Estate Fund “Samruk-Kazyna” JSC with actual values for 2013 and decision on remuneration of the administrative and managerial employees of “Real Estate Fund “Samruk-Kazyna” JSC was made based on the results of 2013; - key performance indicators maps of the activity of the administrative and managerial employees of “Real Estate Fund “Samruk-Kazyna” JSC with actual values for 2014; - Rules of development and review of investment projects of “Real Estate Fund “Samruk-Kazyna” JSC; | |

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| | | | <p>- Sale procedure for residential and commercial (non-residential) premises under the "Affordable Housing-2020" Program in new edition;</p> <p>- Strategy of innovative and technological development of "Real Estate Fund "Samruk-Kazyna" JSC for 2014 - 2023.</p> <p>Members of the Board of Directors, except for independent directors, carry out their work free of charge. The procedure for payment of remuneration and (or) compensations to independent directors is governed by the Rules of remuneration and reimbursement of expenses of independent directors of the Companies of "Samruk-Kazyna" JSC. Remuneration consists of a fixed remuneration for performing duties of a member of the Board of Directors, the payment is made in cash every six months, in proportion to the period of the director's work within the corresponding six months of the calendar year and an additional remuneration for participation in official meetings of committees of the Board of Directors, which shall be paid within a month following the date of official meeting of the Committee.</p> <p>An Independent Director is also reimbursed for expenses related to travel to the meeting of the Board of Directors (travel, accommodation, daily allowance), held outside the place of his permanent residence. The remuneration for independent directors is disclosed in annual reports.</p> <p>Internal Audit Service (IAS) annually assesses the system of corporate governance of Real Estate Fund in accordance with the methods of diagnostics of corporate governance in the group of companies of "Samruk-Kazyna" JSC.</p> <p>Following the results of evaluation in 2014, a corporate governance rating was 71.2%, which is above the level of 2013 by 3.3 percentage points. In 2014, the IAS has carried out 12 planned audits, including:</p> <ol style="list-style-type: none"> 1) evaluation of the performance of obligations of "Real Estate Fund" Samruk-Kazyna" JSC and "FN Management" LLP under trust agreements (TA); 2) operating activity assessment of "SK Development" LLP; 3) validation of KPI calculation for managerial staff, availability of facts and documents confirming proper KPI implementation for 2013; 4) evaluation and registration of securities transactions, the analysis of completeness of income on securities; 5) evaluation of processes for compliance with the laws of the Republic of Kazakhstan, internal regulations, the availability of the control environment; | |

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| | 2.2. Operational principles of the Management Board | | <p>6) evaluation of security systems, maintenance of assets and information;</p> <p>7) assessment of the correctness of reflection of administrative costs in the accounts;</p> <p>8) assessment of the correctness of reflection of administrative costs in the accounts;</p> <p>9) assessment (examination) of IT-infrastructure, survey of indicators, such as performance, functionality completeness, safety, the integrity of IT-processes, etc.;</p> <p>10) assessment of reliability and effectiveness of risk management system of the Company;</p> <p>11) assessment of reliability and effectiveness of internal control system of the Company.</p> <p>Following the results of audit, the recommendations were developed aiming at improvement of the effectiveness of the Company's group of companies, risk minimization, improvement of internal control system and corporate governance.</p> <p>Based on these recommendations, the plans of corrective and preventive actions are developed as well as appropriate management decisions are taken.</p> <p>The Management Board, as a collegial executive body of the Company, carries out the decisions of the Sole Shareholder and the Board of Directors and is accountable to the Board of Directors and is responsible to it for the performance of assigned duties. The rights and obligations of the members of the Management Board are determined by the Charter, the Regulations on the Management Board and the labor contract. Regulations on the Management Board (resolution of the Board of Directors No. 3 as on 09.06.2009, with amendments approved by resolution of the Board of Directors as on 22.04.2013 No. 72) regulate the organizational and legal basis of the Management Board, its competence, responsibility, procedure of formation and organization of work, resolutions handling procedures and meetings record-keeping, the responsibility of the Management Board members. The Board manages the current activities of the Company and takes decisions on the activities of the Company that are not within the competence of other bodies and Company officers. It timely and efficiently executes the resolutions of the Sole Shareholder and the Board of Directors. Management Board</p> | |

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| | | | <p>meetings are held at least 1 time per week.</p> <p>In 2014 the Management Board held 48 meetings and made decisions on 261 issues (58 meetings during 2014, 223 issues considered).</p> <p>The main groups of issues considered by the Management Board:</p> <ul style="list-style-type: none"> - issues of investment to and implementation of construction projects; - issues arising during the implementation of investment projects; - the development, monitoring of performance, adjustment of the Development plan, approval and monitoring of budget implementation of the Company and its subsidiaries; - issues of risk management and placement of temporarily redundant cash; - issues of real estate sale, including conclusion of trust agreements for residential and non-residential premises; - on acceptance and approval of internal documents regulating the activities of the Real Estate Fund and its subsidiaries, including: <ul style="list-style-type: none"> - Disposal procedure for residential and commercial (non-residential) premises as well as parking slots of Real Estate Fund «Samruk-Kazyna» JSC under Affordable Housing – 2020 program; - Regulations on management of subsidiaries and dependent companies of Real Estate Fund «Samruk-Kazyna» JSC; - Rules for the development and consideration of investment projects; - Rules for the development, coordination, approval, correction, execution and monitoring of the implementation of the development plans of Real Estate Fund "Samruk-Kazyna" JSC and its subsidiaries in the new edition; - Risk management policy of Real Estate Fund «Samruk-Kazyna» JSC; - Provisions on the Green Committee of Real Estate Fund «Samruk-Kazyna» JSC; - Terms of competitive selection of staff for vacant positions of Real Estate Fund «Samruk-Kazyna» JSC; - Corporate regulations on preparation of consolidated financial statements of Real Estate Fund «Samruk-Kazyna» JSC; - Instructions on the procedure for verification of employees of Real Estate Fund "Samruk-Kazyna" JSC, who have an access to assets; - The strategy of innovation and technological development of Real Estate Fund «Samruk-Kazyna» JSC for 2014-2023. | |

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| 3 | <p>Principle of the Company's independent activity The Company operates independently in order to comply with the best interests of the Sole Shareholder under the current legislation, in accordance with the Charter and internal documents of the Company.</p> | Partially adhered | <p>The Company's activity is carried out in order to comply with the best interests of the Sole Shareholder of the Company in accordance with the provisions of the Corporate Governance Code, the Charter and legislation of the Republic of Kazakhstan. The Company operates independently. Transactions and relations between the Company and the Sole shareholder are carried out within the framework of the current legislation. (Resolution of the Management Board of SWF "Samruk-Kazyna" JSC as on 05.03.2009 No. 10/09, orders of "Samruk-Kazyna" JSC as on 14.01.2010 No. 3- , as on 26.10.2011 No. 99-), Corporate Governance Code (Resolution of SWF "Samruk-Kazyna" JSC, order as on 06.12.2011 No. 119- , changes and amendments, order of the Chairman of the Management Board of SWF "Samruk-Kazyna" JSC as on 24.05.2013 No. 31-).</p> | <p>In accordance with subclause 2), clause 5 of Article 11 of the Law of RK "On Sovereign Welfare Fund", the competence of the Chairman of the Fund's Management Board includes giving direct (operational) orders to execute by companies, all the voting shares (partnership shares) of which are owned by the Fund, on issues of their activities.</p> <p>Measures taken for implementation: In 2013, the Sole shareholder adopted the Regulations on the management of subsidiaries and dependent companies of "Samruk-Kazyna" JSC (resolution of the Management Board of "Samruk-Kazyna" JSC as on 3 October 2013, No.56/13), according to which the direct (operational) instructions of the Fund's subsidiaries regarding their activities are given considering the corporate level.</p> |
| 4 | <p>Principles of transparency and objectivity of disclosure of the information on the activities of the Company Ensuring timely disclosure of</p> | Partially adhered | <p>Disclosure of information The Regulations on Disclosure of Information (Minutes of BoD 21 dated 03.03.2010), which defines the objectives and principles of the disclosure, the range of stakeholders, to whom the information is disclosed, as well as order and procedure of information disclosure to</p> | <p>The Company at the moment is not fully able to disclose the information necessary to comply with best practice (the size of the annual</p> |

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| | <p>information on the activities of the Company, including its financial state, economic indicators, results of its activities, structure of ownership and management.</p> | | <p>various interested parties, including periodicity and deadline of information disclosure, was approved. The Regulation on Disclosure of information is published on the corporate web-site. The Company has adopted the annual schedule of measures for the publication of the annual report and the rules of posting information on the corporate Web site, which provide a structured process of disclosure and determine the reporting format, as well as agencies, officials, and functional units responsible for the disclosure and presentation. The Regulation on disclosure of information is approved by the order of the sole shareholder, containing the terms and responsible structural units, as well as the procedure for disclosure of information by the members of the Board of directors, the Management Board and other representatives of the Company. The BoD considered a report on the transparency and effectiveness of information disclosure at the BoD meeting (Minutes 82 of 23.05.2014 city). Financial and non-financial reporting The Company prepares annual, six month and quarterly financial statements in accordance with IFRS. All three reports are posted on the Company's website in a timely manner. The annual financial statements are subject to external audit. The annual financial statements for 2014 audited by "Ernst & Young" LLP (Report dated 27.02.2015). The Company shall prepare an annual report for a wide range of stakeholders. The Integrated Annual Report for 2013 was approved by the SS on 04.16.2014 of 11 / 14 and posted on the Company's website as well as distributed to targeted stakeholders in printed form. The annual report for 2013 was presented to participate in the contest of annual reports held by the rating agency "Expert RA Kazakhstan", and was awarded a diploma of the winner in the nomination "Best Annual Report in the financial sector." Annual report for 2014 is pre-approved by the BoD (decision 91 of 03.30.2015) and sent for approval to the sole shareholder. The Sole shareholder scheduled the hearing in May 2015 External audit External audit of the consolidated financial statements of the Company for 2014 is carried out by "Ernst & Young" LLP - one of the "big four", which confirmed the accuracy of the financial state of the Company and its</p> | <p>remuneration of the Management Board members, remuneration paid to the auditor organization (separately for services not related to the audit of the financial statements and other information), risk analysis and etc.). The measures for the implementation: The Company is constantly working to improve corporate Web site to meet the content requirements of best practices. For example, the website has posted information about the risk management system, the additional services provided by the auditor. The work in this direction continues.</p> |

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| | | | subsidiaries on December 31, 2014, and its financial performance and cash flows for the year ended on that date, are in accordance with International financial Reporting Standards. Implementation of the recommendations of the external auditor for the results of 2014 is 100%. | |
| 5 | <p>The principles of legality and ethics</p> <p>The Company operates in strict accordance with the law, generally accepted principles of ethics, the Charter, internal documents of the Company and its treaty obligations.</p> | Adhered | <p>The Company has approved the Code of Ethics (by decision of the BoD dated 21.04.10 26, Amendments and changes to the decision of the BoD on 11.04.2011 g. 44, 15.04.2014g. 81), which applies to all employees and officers including members of the Board of Directors. In the process of implementing the Code of Ethics, all employees of the Company were introduced under the signature. Explanation of the document to new workers is carried out at the beginning of employment. By decision of the Company's BoD dated October 24, 2012 67 the Regulations on the Ombudsman was approved; by decision of the Board directors dated May 24, 2013 74 the Ombudsman of the Company was assigned; the Board of Directors on June 2, 2014 by decision 83 extended the powers of the Ombudsman. Policy on the reports of potential or known facts of fraud, abuse and other illegal actions, which formalized mechanism for the collection and processing of complaints in relation to violation of the provisions of the Code of Conduct is approved (decision of the Management board 19/2012 from 15.05.2012g.). The anti-corruption policy was approved (decision of the Management board 38 / 2012 from 15.09.2012).</p> <p>In 2014, violations of the Code of Ethics by the employees of the Company is not revealed.</p> <p>Also, there have been no complaints and reports on the violation of the Code of Ethics, the law of the Republic of Kazakhstan on the part of the Company's employees and stakeholders.</p> | |
| 6 | <p>Principles of the effective dividend policy</p> <p>One of the main principles of the Company's dividend policy is to provide a simple and transparent mechanism for determining the amount of dividends and terms of their payment.</p> | Adhered | <p>Payment of dividends is regulated by the Dividend policy for 2011-2013 (Minutes of the BoD 49 dated 02.07.2011). The Dividend policy contains principles, and the procedure for determining the timing of payments of dividends. For 2013 the amount of dividends was 15% of the net income of the Company (Minutes of the Management Board of "Samruk-Kazyna" JSC 11/14 of 16 April 2014).</p> <p>"Samruk-Kazyna" JSC approved the Dividend policy in relation to the subsidiaries (decision of the Management Board of the Fund dated 2.10.2012 39 / 12).</p> | |

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| 7 | <p>Principles of the effective personnel policy Implementation of the personnel policy aimed at the development of partnership relations with the Company and its employees, improvement of the working conditions, contribution of the qualification increase, provision of equal possibilities for career growth and remuneration of employees, observance of the social protection norms and preserving of workplaces as far as possible.</p> | Adhered | <p>The policy in the area of social and labor relations is aimed at creation of favorable working conditions, improvement of the quality of life of employees, increase of their qualification in accordance with the approved internal regulatory documents: Personnel policy (minutes of the BoD No.48/2014 dated 26 December, 2014); Rules for development and organization of work with the personnel reserve of the Fund (minutes of the Management Board meeting No.19/2011 dated 6 April, 2011); Rules for payment for labor and remuneration of employees of "Real Estate Fund "Samruk-Kazyna" JSC (minutes of the BoD No.76 dated 10.07.2013); Rules for assessment of activity and remuneration of executive and managing employees, head of IAS and Corporate Secretary of "Real Estate Fund "Samruk-Kazyna" JSC (approved by the resolution of the BoD No.76 dated 10.07.2013, amendments were introduced by the resolution of the BoD No.84 dated 02.07.2014); Rules for professional training and development of employees of "Real Estate Fund "Samruk-Kazyna" JSC (minutes of the Management Board meeting No.46/2012 dated 20.11.2012); Rules for provision of social support to the employees of "Real Estate Fund "Samruk-Kazyna" JSC (minutes of the BoD No.6 dated 27.07.2009); Amendments to the Rules for provision of social support to the employees of "Real Estate Fund "Samruk-Kazyna" JSC (minutes of BoD No.20 dated 15.02.2012); Amendments to the Rules for provision of social support to the employees of "Real Estate Fund "Samruk-Kazyna" JSC (minutes of BoD No.76 dated 10.07.2013). Maps of KPIs of administrative employees, as well as KPIs of executive and managing employees are approved annually (KPIs for 2014 were approved by the resolution of the BoD No.84 dated 02.07.2014). Within the system of personnel selection an open contention for vacant positions is held. In 2014, 6 competitions for substitution of 6 vacant positions were held. 17 applicants took part in the competitions. Following the results of the competitions, 6 persons were employed, 4 applicants were enlisted in the personnel reserve. In order to ensure the succession of the personnel, the Real Estate Fund carries out the development of the personnel reserve. The development of the personnel reserve of the Real Estate Fund is regulated by the Rules for development and organization of work the personnel reserve. The personnel reserve system, allowing to plan the career growth of employees in accordance with the individual plan,</p> | |

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| | | | <p>consists of the internal personnel reserve of the Fund and program of the Uniform personnel reserve of the Sole Shareholder.</p> <p>Following the results of the carried out final assessment (appraisal) of administrative employees, 6 employees were included in the personnel reserve of the Real Estate Fund in 2014.</p> <p>The Company continues the work on introduction of the system for assessment of the performance efficiency of the Company's employees. The maps of goals and individual plans for development of administrative employees are being approved, and the system of monitoring of productivity and correction of goals was introduced.</p> <p>In 2014, 27 employees completed the corresponding training and professional improvement courses. The costs on training of the personnel made 12720, 8 thous. tenge in 2014.</p> <p>In 2014, the indicator of employee turnover decreased by 0,5% compared to the last year and made 21%.</p> <p>For motivation of employees there is a system of financial and non-financial stimulation. Within the system of financial stimulation for administrative employees, the quarterly system of remuneration in the amount of no more than one post salary depending on the assessment of productivity of an employee was introduced. The non-financial stimulation includes the awards presented at the national level, awards of the Sole Shareholder and the Real Estate Fund. Following the results of work for 2014, the best employees were awarded the certificated of honor of the Real Estate Fund.</p> <p>In accordance with the Rules for provision of social support to the Company's employees, the financial assistance is provided for medical treatment, in cases of the birth of children, passing away of close relatives, etc., in 2014 the amount of social expenditures and social support made 137,7 mln. tenge, what exceeds the indicator of 2013 by 8,9%.</p> | |
| 8 | <p>Principle of environmental protection</p> <p>While carrying out the activities the Company follows the principles of maximally careful and rational treatment of the environment in accordance with</p> | Adhered | <p>In 2012, the Company approved the Environmental policy (the resolution of the Management Board No.26/2012 dated 27.06.2012).</p> <p>The Company strives to observe the principles of maximally careful treatment of the environment and rational use of natural resources, contributes to the prevention of negative consequences on the environment, takes initiatives aimed at raising of the responsibility for the state of the environment, contributes to the development and distribution</p> | |

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| | the legislation. | | of environmentally friendly and energy saving technologies. In accordance with the Strategy of innovational and technological development of the Company for 2014-2023 (approved by decision of BoD No.88 dated 12.12.2014), the development of "green" building aimed at ensuring the minimum impact on the environment by means of decrease of consumption of the living comfort will become one of the strategic directions of the Real Estate Fund's activity. In 2014, the Real Estate Fund proposed to implement "Green quarter" project in Astana city. | |
| 9 | Principle of settlement of corporate conflicts and conflict of interests The execution of the policy of settlement of corporate conflicts and conflict of interests. | Adhered | In accordance with the Corporate Governance Code, all the Company's employees and executive officers shall conduct so as not to concede situations, in which the generation of a conflict of interests is possible either in regard to themselves (or associated persons) or in regard to others. The policy of settlement of corporate conflicts and conflict of interests is approved and in force (decision of BoD No.67 dated 24.10.2012). The modifications providing for the prohibition for members of BoD and Management Board of the Company to enter in BoD and substitute executive positions in competitor companies, preliminary notice of BoD on combining of work in other organizations and positions by the members of BoD (decision of the Management Board of the Sole Shareholder No.39/12 dated 02.10.2012). In accordance with the Policy, all the executive officers and employees of the Company are obliged to refrain from actions that will lead or potentially capable of leading to the generation of a conflict of interests, to refrain from taking decisions on the issues containing a conflict of interests, to communicate to the direct manager and responsible subdivision the information on the existence of a conflict of interests, not to disclose confidential information about the Company. The Company has an ombudsman assigned. The functions of the ombudsman include the settlement of a conflict of interests, consideration of the procedures of violation of the principles established by the Business Conduct Code. The Company has a functioning mechanism for collection and confidential consideration of data on violation of the provisions of the Business Conduct Code. This mechanism is established in the Policy on management of messages about possible or well-known facts of fraud, abuse and other illegal actions. | |

| | Provision of the Corporate governance code/Corporate governance principle | adhered / not adhered | Actions carried out for compliance with the corporate governance provisions/principles | Comments on the fact of non-performance and the measures taken for the implementation |
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| | | | <p>In 2014, there were no identified facts of violation by the Company's employees of the Business Conduct Code and Policy on settlement of conflict of interests.</p> <p>Also, there were no registered complaints and messages about violation of the Business Conduct Code, Policy on settlement of conflict of interests, legislation of the Republic of Kazakhstan on the part of the Company's employees and interested parties.</p> | |
| 10 | <p>Responsibility principles Recognition and respect of rights of all interested parties and commitment to cooperation with them for the purposes of development of the Company and ensuring of the financial sustainability.</p> | Adhered | <p>The Company is committed to establish effective and balanced relations with all interested parties. The Map of stakeholders of the Company is approved and in force (decision of the Management Board No.19/2012 dated 15.05.2012); the Plan of activities aimed at cooperation with stakeholders for 2015 is approved (approved by the Chief of Staff as of 20.02.2015). In order to exercise its rights as the shareholder/promoter, the Company establishes the mutual relations with subsidiaries and related organizations in accordance with the requirements of the Legislation, Charter, Code and internal documents of the Company, charters of subsidiaries and related organizations. The Company cooperates with business partners based on the long-term cooperation, mutual benefit, respect, trust, honesty and justice. The Company conducts business only with reliable business partners who execute lawful activities; observes all the conditions of contractual relations. The Company is committed to the constant development of standards of service and quality of provided services; expresses respect and fair practice in the mutual relations in accordance with the Business Conduct Codes, corporate governance of the Real Estate Fund; ensures the observance of the generally accepted moral and ethics standards.</p> <p>In order to implement the principles in the area of corporate social responsibility and key aspects of the Company's activity in the area of corporate social responsibility, the Policy in the area of corporate social responsibility was approved (decision of BoD No.65 dated 29.08.2012). The Company prepares the report in the area of sustainable development in accordance with GRI guideline. The reports in the area of sustainable development are introduced in the integrated annual reports of the Company and are published on the corporate web site.</p> | |