

Appendix No 15  
To Samruk-Kazyna Real Estate Fund JSC  
Board of Directors Resolution No 80  
Dated March 20, 2014

APPROVED  
By Resolution No 80 of  
Samruk-Kazyna Real Estate Fund JSC  
Board of Directors  
Dated March 20, 2014

**1<sup>st</sup> QUARTER 2014 PERFORMANCE REPORT  
OF BOARD OF DIRECTORS AND  
CORPORATE SECRETARY SERVICE  
OF SAMRUK-KAZYNA REAL ESTATE FUND JSC**

**Astana 2014**

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## INTRODUCTION

This Samruk-Kazyna Real Estate Fund JSC Board of Directors and Corporate Secretary Service 2014 Q1 Performance Report has been prepared in light of recommendations and best world practice in corporate governance, as well as in accordance with Articles of Association, Provision on Board of Directors, and Corporate Governance Code of Samruk-Kazyna Real Estate Fund JSC (hereinafter – the Real Estate Fund)

The Report consists of three main sections.

In the First section Arrangement of Board of Directors Activity in the 1<sup>st</sup> Quarter 2014 is presented the information on Board of Directors content, criteria of selection and independent directors, remuneration policy, advancement training and policy on Board of Directors Performance Assessment.

In the second section Board of Directors Performance in 1<sup>st</sup> Quarter 2014 was presented information on Board of Directors activity, number of meetings and meetings attendance by each Member of the Board of Directors, issues considered for the reporting period, information on Corporate Governance Advancement, as well as performance of Board of Directors Committees.

In the third section is presented the Report on Corporate Secretary Service activity in the 1<sup>st</sup> Quarter 2014.

Generally, the content and structure of the Report are presented in the way, so as to provide concerned users with supreme authentic, full and clear information on Board of Directors and Corporate Secretary Service performance in 1<sup>st</sup> Quarter 2014.

### 1. ARRANGEMENT OF BOARD OF DIRECTORS ACTIVITY 1.1 Board of Directors Content

Provision on Samruk-Kazyna Real Estate Fund Board of Directors was developed and approved in 2009 in order to implement the principle of Board of Directors efficient

governance. Provision on Board of Directors defines the status, order of formation and activity, the content of Board of Directors and the cooperation order with other Company bodies, rights, duties and responsibilities of Members of Board of Directors, as well as the order of selection and early termination of their authorities.

Samruk-Kazyna Real Estate Fund JSC Board of Directors was formed in March 2009 in accordance with the RK Law On Joint Stock Companies.

In the 1<sup>st</sup> Quarter 2014 the following amendments were made into the Real estate Fund Board of Directors Content:

- By decision No 06/14 of Samruk-Kazyna NWF Management Board dated February 21, 2014 authorities of the Samruk-Kazyna Real Estate Fund Independent Director Nigel Stapleton were early terminated from March 1, 2014, Adrian Ian Houwink and Mukhit Azirbayev were selected as new independent directors as of February 21, 2014.

As of March 31, 2014, Samruk-Kazyna REF JSC Content of Board of Directors included the following members:

No s/c	Name	Position	Member of BD since:
1.	Zhumagaly Munzhasarov	Chairman of the Board of Directors, Managing Director of Samruk-Kazyna NWF JSC	February 14, 2012
2.	Bolat Palymbetov	Member of Board of Directors, Chairman of Samruk-Kazyna Real Estate Fund JSC Management Board	May 23, 2011
3.	Zhanar Abdykarimova	Member of Board of Directors, Independent Director	October 30, 2012
4.	Adrian Ian Houwink	Member of Board of Directors, Independent Director	February 21, 2014
5.	Mukhit Azirbayev	Member of Board of Directors, Independent Director	February 21, 2014

## 2. 1<sup>st</sup> QUARTER 2014 BOARD OF DIRECTORS PERFORMANCE

### 1.2 Criteria for Board of Directors selection

In accordance with the Charter and Provision on Real Estate Fund Board of Directors, Members of Board of Directors are elected by decision of Sole Shareholder.

Applicants for Board of Directors Membership and Members of Board of Directors are required to have relevant work experience, knowledge, qualification and positive achievements in a business and(or) industry-specific sphere, necessary for implementation of their duties and organization of the effective performance of the Board of Directors on behalf of Sole Shareholder and the Company.

Members of Board of Directors are bound to meet the following requirements:

- 1) Work experience in executive positions of the State Structures, commercial or other related organizations or on the Management Board or on the Boards of Directors of Joint Stock Companies no less than 3 years;
- 2) Unblemished business reputation.

It is not permitted to elect as a Member of Board of Directors the person who:

- Does not have higher education;
- Have unexpired or un-removed criminal record in accordance with the procedure established by law;
- Formerly acted as a chairman of the director's board, chief executive ( chairman of the management board), deputy director, chief accountant of other legal body, in the period, no more than one year prior to approval of resolution on forced liquidation or forced redemption of shares, or temporary closing of other legal body, adjudged as bankrupt, in the prescribed manner.

Accordant to world practice in corporate governance and the requirements of the Law on Joint Stock Companies (c. 5, art.54) number of Members of Board of Directors is required to consist of no less than three people, whereupon no less than 30% of the board of directors content should consist of independent directors.

Independent directors are elected in accordance with the Rules on Samruk-Kazyna JSC Independent Directors selection, wherein is determined the order of selection on a competitive basis applicants for independent directors in order to elect them in national development institutions boards of directors, national companies and other legal entities, more than 50% voting whose shares are possessed by Samruk-Kazyna JSC on the right of ownership or trust management.

### 1.3 Criteria for Independent Directors

In accordance with Subclause 20 Article 1 of the Law on Joint Stock Companies, by the Charter, Fund's Corporate Governance Code, Independent Director is determined as member of the board of directors, who:

- Is not affiliated Company's representative and was not in that position during three year period, preceded to his election to the Board of Directors (except for cases when he was at the position of Company's Independent Director);
- Is not affiliated person in relation to Company's affiliated persons;

- Subordinated to Company's Officials or organizations – affiliated persons of the Company and was not subordinated to these persons during the three years preceding to his election to Board of Directors
- Is not Company's auditor, and is not auditor for three years, preceding his election to Board of Directors
- Is not a government employee
- Is not the Representative of Sole Shareholder in the Company's entities meetings and was not presented in this position during three years preceding his election to Board of Directors.

Members of the Company's Board of Directors shall notify previously the Board of Directors about joining of work in other organizations with positions of Members of the Board of Directors.

Members of Company's Board of Directors are prohibited to enter the Content of Board of Directors and replace executive positions in organizations - Competitors of the Company.

Company's Independent Directors Zh. Abdikarimova, M.Azirbayev, and A.Houwink (Netherlands), as of the date of formation of this report fully complied criteria of independence, provided in the RK Law On Joint Stock Companies, in the Charter and Samruk-Kazyna Real Estate Fund JSC Corporate Governance Charter.

#### 1.4 Remuneration of the Directors

In accordance with Art. 25 of the Provision on Samruk-Kazyna Real Estate Fund JSC Board of Directors, Independent Directors of Fund, in the order, prescribed by Legislation of the Republic of Kazakhstan, during the period of their performance, might be paid with the remuneration and(or) compensation, connected with their functions performance as Members of Board of Directors.

Issues on determination of the quantity, terms of powers of Board of Directors, its members selection and early termination of their powers, selection of Chairman of Board of Directors, as well as determination of size and conditions of remuneration repayment to Members of Board of Directors are related to Sole Shareholder's exclusive competence.

The manner of payment of remuneration and(or) compensation of costs to Independent Directors is regulated by Rules on remuneration and compensation repayment to Samruk-Kazyna Real Estate Fund JSC Independent Directors.

In accordance with the abovementioned Rules, Fund's Independent Directors are paid with:

- Fixed remuneration – for their performance as the Members of Board of Directors, remunerations are paid by Fund in monetary form once in a half-year, equally to the period of Director's performance in the relevant half of the calendar year.
- Extra compensation – for participation in the meetings of the Board of Director's Committees, which is paid by the Fund within a month, after the date when Board of Directors Committee in-person meeting was held.

Independent Director is also paid with reimburse costs, connected with his(her) departure to the Board of Directors Meetings (passage costs, accommodation, per diem), which are held away from the place of permanent residence of the Independent Director.

Size of remunerations for Independent Directors is established by Resolution of the Sole Shareholder, without establishing of maximum limits.

### ***Remuneration of the Independent Directors for the 1<sup>st</sup> Quarter 2014***

	Name	Fixed remuneration	Extra remuneration	Total:
1	Zh. Abdykarimova	---	225 thous. tenge	225 thous. tenge
2	Nigel Stapleton*	6 667 US dollars	3000 US dollars	9 667 US dollars
3	M. Azyrbayev	---	---	---
4	Adrian Houwink	---	---	---

\*The powers as Independent Director were early terminated from March 1, 2014

In the accounting period remunerations to the Independent Directors in form of shares were not paid, and other bonuses were not provided.

#### **1.5 Board of Directors Performance Evaluation**

By the Board of Directors Resolution No 67 the Policy on Performance Evaluation of Board of Directors, Board of Directors Committees, and members of Samruk-Kazyna Real Estate Fund JSC Board of Directors was approved on October 24, 2012.

In accordance with that policy, decision on evaluation the performance of Board of Directors, Board of Directors Committees, and each Member of the Board of Directors is being made by Board of Directors.

Board of Directors is able to provide the evaluation:

- By involvement of the consultants;
  - By means of questionnaires, interviews and etc.;
  - By using of mixed approach: on its own under coordination of process by the consultants;
- Criteria for evaluation of Board of Directors performance cover the following factors:
- Content and structure of Board of Directors
  - Roles and tasks of Board of Directors, Chairman of Board of Directors;
  - The procedures of Board of Directors performance, informational support of its activities;
  - Board of Directors Committees work;
  - Cooperation of Board of Directors with the Management Board;
  - Remuneration Policy for Members of Board of Directors.

Evaluation of the Samruk-Kazyna Real Estate Fund JSC Board of Directors and its members performance was implemented in 2013, by using of mixed approach: by its own under coordination by the consultant.

On the basis of the acquired results was formed the report on evaluation of Board of Directors performance, Board of Directors Committees and Real Estate Fund Board of Directors Members, which has been considered on the meeting of Board of Directors.

According to results of evaluation, the measures were developed and included into 2014 Board of Directors Development Plan, which are directed to Board of Directors Performance improvement, as well as committees and Members of Board of Directors.

## **1.6 Advance training for Members of Board of Directors**

According to Resolution of Board of Directors No 65 dated August 29, 2012 has been approved the Policy on Advancement Training of Samruk-Kazyna Real Estate Fund JSC Board of Directors Members and involvement of the external experts by Samruk-Kazyna Real Estate Fund JSC Board of Directors.

This given Policy defines rights and duties of Board of Directors Members in terms of their qualification improvement and involvement of the external experts, regulates the order of planning and decision making on improvement of qualification and involvement of external experts by Directors Board Members.

It is also consolidated the commitment of Independent Directors no less than once in a three years, to participate in the events on qualification improvement on issues of Board of Directors competence and neighboring issues, to participate in external and internal educational programs, seminars (trainings), conferences, roundtable discussions, forums, to use other forms of advance trainings.

The introduction of mechanisms of improvement of skills and qualifications of Directors Board Members will encourage the rise of the Real Estate Fund Board of Directors performance efficiency. Moreover, it is provided for Directors Board Members the possibility for realization of their rights, in particular, by involvement of external experts in cases, when issues considered by the Board of Directors require external professional and independent expertise.

The information on participation of the Real Estate Fund Board of Directors in measures of qualification improvement according to the last three years:

- On September 6, 2013 the Independent Directors N.Stapleton and Zh.Abdykarimova participated in the Program of the Long-Term Motivation workshop (Astana).
- In the period from November 24 to 30, 2013 the Independent Director Zh. Abdykarimova participated in the educational tour in Singapore (Republic of Singapore) on the issue International Practice of the Corporate Management. The experience of Singapore.

## **2. BOARD OF DIRECTORS ACTIVITY IN THE 1<sup>st</sup> QUARTER 2014**

### **2.1 The number of meetings and attendance of meetings by Members of Board of Directors**

In the 1<sup>st</sup> Quarter 2014 the in-person meeting of Board of Directors No 80 was held in Samruk-Kazyna Real Estate Fund JSC. Generally were considered 21 issues regarding the key aspects of the Fund's activity, and 41 decisions and 7 orders were made on them.

As of April 30, 2014 among 7 orders ( Management Board – 6, SKS – 1) 3 orders were fully performed, 1 order was performed partially, 3 order are under accomplishment.

Also, according to monitoring results in 2013, 9 orders were under implementation. As of today – among 9 orders were implemented 3, 1 order was removed, 3 orders are under implementation, and implementation of 2 orders was suspended, due to enforcement of adjustments in the Law on Share Interest.

***Participation in the Samruk-Kazyna Real Estate Fund JSC Board of Directors meetings in the 1<sup>st</sup> Quarter 2014:***

No	Name	Participation in the Board of Directors meetings	%
1.	Zh. Munzhasarov	1 of 1	100%
2.	B.Palymbetov	1 of 1	100%
3.	Zh. Abdykarimova	1 of 1	100%
4.	A. Houwink	0 of 1	0%
5.	M. Azirbayev	1 of 1	100%

**2.2 Main issues considered by Board of Directors in the 1<sup>st</sup> Quarter 2014**

As of the reporting period in the meetings of Board of Directors were considered strategic and ordinary issues related to the performance, which are included into the competence. List of the issues and decisions made upon them are reflected in the relevant minutes and resolutions of the Board of Directors meetings. Board of Directors in-person meetings were held in the regular basis in accordance with approved Working Plan for 2014.

In accordance with the Regalement on governance of Samruk-Kazyna JSC subsidiary and accounted companies, the Board of Directors approved the Measures Plan on implementation of the Samruk-Kazyna Real Estate Fund JSC Sole Shareholder expectations in 2014.

***The Development Strategy***

One of the most important direction of Board of Directors work in the reporting period was the approval of new long-term 2014-2023 Development Strategy of Samruk-Kazyna Real Estate Fund JSC (hereinafter – Strategy).

Jointly with the Sole Shareholder and Real Estate Fund Management Board was accomplished an extended work on discussion and improvement of strategy. The line of the working meetings was held with participation of Real estate Fund Board of Directors and representatives of KPMG Company. (developers of Strategy)

By Resolution of the Board of Directors dated March 20, 2014 Minutes No 80 was approved 2014-2023 Samruk-Kazyna Real Estate Fund JSC Long Term Development Strategy.

This Strategy is targeted to rise of the long-term value of the Real Estate Fund and defines mission, vision, strategic directions of the development and aims for the ten year period.

Mission of the Real Estate Fund is defined as Contribution to development of the construction sphere and Republic of Kazakhstan real estate market by the anchor development of megaprojects, investment into construction by using of green technologies, as well as introduction of innovations into construction sphere.

The Vision of the Real Estate Fund within the New Strategy – the leading company in anchor development of the megaprojects, and introduction of innovations into a sphere of Republic of Kazakhstan construction.

The following main Real Estate Fund strategic directions have been defined:

1. Increase of the long-term added cost of the Real Estate Fund;
2. Introduction of innovations into construction sphere

#### Affordable Housing 2020 Program

Implementation of this program is one of the main directions of the Real Estate Fund. Within the program of Affordable Housing 2020 the two ways of realization of housing were provided by the Real Estate Fund: direct sale and rent with purchase.

In the reporting period Board of Directors approved the report on commissioning of housing construction projects by Samruk-Kazyna Real Estate Fund JSC within Affordable Housing – 2020 program.

During the reporting period Board of Directors, in accordance with the Fund Board of Directors 2014 Working Plan, considered line of the main issues, regulating the internal activity of the Fund. By Resolutions of Board of Directors dated March 20, 2014 minutes No 80 were approved:

- Report on risk management of Samruk-Kazyna Real Estate Fund JSC for 2013;
- The Report on Kazakhstani content in wares, works and services, bought by the developers during construction of Samruk-Kazyna Real Estate Fund JSC facilities in 2013;
- The report on evaluation of efficiency of the risk management in Samruk-Kazyna Real Estate Fund JSC;
- 2013 Annual report of the Internal Audit Service;
- Key indicators of the performance of the Internal Audit Service and its Head Executive in 2014;
- KPI Charts of Corporate Secretary and Target Charts of Samruk-Kazyna Real Estate Fund JSC Corporate Secretary Service employees for 2014.

#### *Preliminarily approved:*

- Report on implementation of Samruk-Kazyna Real Estate Fund JSC 2011-2015 Development Plan in 2013;
- Report on the performances of Board of Directors and Corporate Secretary as of 2013

### **2.3 Corporate Governance Improvement**

One of the priority directions of the Board of Directors activity in 2014 was the control over the Fund Corporate Governance and improvement of work of the Board of Directors.

During the reporting period Board of Directors reviewed results of Samruk-Kazyna Real Estate Fund Corporate Governance System diagnosis based on results of 2013, as well as information on implementation of Plan on improvement of Samruk-Kazyna Real Estate Fund JSC Corporate Governance System in 2013.

It is noteworthy that, on the results of performed in 2013 diagnosis of the Samruk-Kazyna Real Estate Fund JSC Corporate Governance System the rate of correlation of corporate management to requirements of the best world experience increased from 57,8% in 2012

to 67,9% in 2013. In 2014 Real Estate Fund is planning to reach the rate of no less than 70%.

In this connection, by the Resolution of Board of Directors minutes No 80, the Plan on 2013 Corporate Governance System Improvement of the Real Estate Fund was approved, which defines the concrete measures, responsible executives and terms of implementation. As the responsible executives act structural subsidiaries, accounted to Management Board, as well as to the Board of Directors ( Corporate Secretary Service and Internal Audit Service).

## **2.4 Board of Directors Committees Activity**

In order to improve the efficiency of performance of Board of Directors and improvement of corporate governance structure, by Resolution of Board of Directors No 56 dated December 2, 2011 were formed the Committee on Audit and Nomination and Remuneration Committee. By Resolution No 57 of the Fund Board of Directors dated December 2, 2011 were approved Provisions on Audit Committee and Nomination and Remuneration Committee.

By Resolution No 80 of the Real Estate Fund Board of Directors dated March 20, 2014:

- Early terminated the authorities of Real Estate Fund Board of Directors Audit Committee Chairman Nigel Stapleton from March 1, 2014;
- Adrian Houwink was elected as the Chairman of Real Estate Fund Board of Directors Audit Committee Chairman
- Mukhit Azirbayev has been elected as Member of the Nomination and Remuneration Committee of the Real Estate Fund Board of Directors.

According to the best world practice, chairman of the Board of Directors Committees are in the positions of independent directors.

During the reporting period in the meetings of the Board of Directors Committees were considered issues of the performance, included in their competence in accordance with approved 2014 Working Plans.

### **Audit Committee**

Audit Committee Content ( as of March 31, 2014):

Name	Position	Committee member since:
Adrian Ian Houwink	Chairman of the Committee, Samruk-Kazyna Real Estate Fund JSC Independent Director	March 20, 2014
Zhanar Abdykarimova	Member of Committee, Samruk-Kazyna Real Estate Fund Independent Director	December 28, 2013
Yernar Zhanadil	Expert (nonvoting), Head of Samruk-Kazyna Real Estate Fund JSC Internal Audit Service	July 10, 2013

Nigel Stapleton*	Committee Chairman, Independent Director of Samruk-Kazyna Real Estate Fund JSC	From December 2, 2011 to March 1, 2014
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\*Powers were early terminated since March 1, 2014

In the 1<sup>st</sup> Quarter 2014, Samruk-Kazyna Real Estate Fund JSC held 1 in-person meeting of the Audit Committee (No 15). Generally were reviewed 14 issues according to key Committee Competencies, and 27 decisions were made upon them and also recommendations to the Real Estate Fund Board of Directors were issued.

2014 Working Plan of the Audit Committee has been assigned and Report on Audit Committee Performance in 2013 has been approved.

Upon the issues of the internal control and risk management:

Preliminarily approved:

- Report on risk management for 2013
- Appetite on risk and risk tolerance of Samruk-Kazyna Real Estate Fund JSC as of 2014;
- Key risk indicators of Samruk-Kazyna Real Estate Fund JSC as of 2014.

On the external audit issues:

- Preliminarily approved the report on evaluation of the Samruk-Kazyna Real Estate Fund JSC risk management.

On the issues of the internal audit:

Preliminarily approved:

- 2013 Annual Report of the Internal Audit Service;
- Remuneration coefficients and remuneration of the Head of the Samruk-Kazyna Real Estate Fund JSC Internal Audit Service as of 2013;
- Key indicators of Internal Audit Service performance and performance of its Head in 2014;

Participation in the Audit Committee Meetings in the 1<sup>st</sup> Quarter 2014:

No	Name	Participation in the meetings of Committee	%
1.	Nigel Stapleton, Chairman	1 of 1	100%
2.	Zh. Abdykarimova, Committee Member	1 of 1	100%
3.	E. Zhanadil (expert)	1 of 1	100%

## **Remuneration and Nomination Committee**

**Content of the Nomination and Remuneration Committee ( as of March 31, 2014):**

<b>Name</b>	<b>Position</b>	<b>Member of the Committee since:</b>
Zhanar Abdykarimova	Committee Chairman, Samruk-Kazyna Real Estate Fund JSC Independent Director	<b>November 22, 2012</b>
Mukhit Azirbayev	Committee Member, Samruk-Kazyna Real Estate Fund JSC Independent Director	March 20, 2014
Gulmira Raisova	Expert (nonvoting), Samruk-Kazyna JSC Department of Human Resources Management Director	<b>February 20, 2012</b>
Nigel Stapleton*	Committee Member, Samruk-Kazyna Real Estate Fund JSC Independent Director	December 2, 2011 to March 1, 2014

\*Authorities were early terminated since March 1, 2014

In the 1<sup>st</sup> Quarter 2014, Samruk-Kazyna Real Estate Fund JSC held 1 in-person meeting of the Nomination and Remuneration Committee (No 17). In general, were considered 8 issues on the key Committee Competencies, whereupon 13 decisions were made and relevant recommendations were given to the Real Estate Fund Board of Directors.

The Committee on Nomination and Remuneration considered and issued the relevant recommendations to Real Estate Fund Board of Directors regarding the following issues:

- On assignment of the Chairman Deputy of the Real Estate Fund Management Board;
- On evaluation of the efficiency of the Nomination and Remuneration Policy for Samruk-Kazyna Real Estate Fund JSC Executives and Managers;
- On the list of key positions and Succession Plan for the key positions in the Real Estate Fund.

Participation in the meetings by Members of Nomination and Remuneration Committee in the 1<sup>st</sup> Quarter 2014:

No	Name	Participation in the Board of Directors Meetings	%
1.	Zh. Abdykarimova, Chairman	1 of 1	100%
2.	Nigel Stapleton, Committee Member	1 of 1	100%

3.	G.Raisova	0 of 1	0%
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### 3. 1<sup>st</sup> QUARTER 2014 CORPORATE SECRETARY SERVICE REPORT

#### 3.1 Provision on Corporate Secretary

Provision on Corporate Secretary was approved by Resolution No 10 of Board of Directors dated September 23, 2009. In accordance with the Provision, Corporate Secretary is the Company's employee, who is neither the Member of the Board of Directors nor Management Board of the Company, who is assigned by Company's Board of Directors and accounted to Company's Board of Directors.

Activity of the Corporate Secretary on behalf of the Board of Directors is supervised by Company's Board of Directors Chairman.

The key tasks of the Corporate Secretary include:

- 1) Monitoring of the compliance by Board of Directors, Management Board and Company's officials of the Legislation of the republic of Kazakhstan in the sphere of corporate governance and other internal documents of the Company, which are reglamenting corporate governance, improvement of policy and practice in the area of corporate governance;
- 2) Assurance of implementation of measures on preparation of the Sole Shareholder's Resolutions in accordance with the requirements of the Legislation of the Republic of Kazakhstan and internal documents of the Company;
- 3) Provision of the efficient performance Of the Board of Directors and its Committees ( in case of formation of latest)
- 4) Provision of keeping, reveal and submission of information concerning the Company;
- 5) Provision of clear and effective cooperation between bodies of the Company.

#### 3.2 Performance of the Corporate secretary Service in the 1<sup>st</sup> Quarter 2014

In the 1<sup>st</sup> Quarter 2014, Samruk-Kazyna Real Estate Fund JSC held 1 in-person meeting of the Board of Directors (No 80). Generally, 21 issues were considered upon key aspects of the Fund activity, whereupon 41 decisions were made. 1 in-person meeting of Audit Committee and one meeting of Nomination and Remuneration Committee were held.

Corporate Secretary Service has provided analysis of the materials submitted for consideration of Board of Directors by structural subsidiaries of the Fund with respect to accordance to the Legislation of the Republic of Kazakhstan in the sphere of corporate management and internal documents of the Company, prescribed the corporate governance.

During the reporting period, in order to provide effective performance of the Board of Directors, the Corporate secretary has provided:

- Formation and distribution of the materials, necessary for organizing and holding of the meetings of Board of Directors, Committees (announcement about holding of meeting, decision drafts on the issues of the meeting's agenda, drafts of the documents for prior acquaintance and etc.);
- Timely document drafting, submitted for consideration to the Board of Directors, Committees, in the prescribed manner; preparation of requests and responds to the

letters on behalf of the Board of Directors, distribution of documents, assigned by the Board of Directors;

- With a glance to holding the distant forms of meetings, the relevant bulletins were developed, and submission (disposal) of bulletins for members of Board of Directors voting has been provided, acceptance of the fulfilled bulletins, written forms of Directors' opinions, and their submission to the Chairman of the Board of Directors.

In order to improve the efficiency of the Board of Directors performance, by Resolution No 80 of the Board of Directors dated March 20, 2014:

- Approved the report regarding the performance of the Board of Directors and Corporate secretary in 2013;
- Jointly with the Management Board, the work on development of the 2014 Corporate Governance System Improvement Plan;

The work on holding of meetings of Audit Committee and Nomination-Remuneration Committee has been successfully performed.

In 2013 Corporate Secretary Service performed the work on imposing of the issue On Samruk-Kazyna Real Estate Fund JSC Independent Directors Remuneration for consideration by Board of Directors and Sole Shareholder. According to results of this work by decision No 06/14 of the Samruk-Kazyna NWF JSC Management Board dated February 21, 2014 the new remuneration sizes for Samruk-Kazyna Real Estate Fund JSC Independent Directors - Republic of Kazakhstan residents - were established.

In accordance with the Policy on introduction to position of the new elected members of Samruk-Kazyna Real Estate Fund JSC Board of Directors, by the Corporate Secretary Service were performed the main measures on introduction into position newly elected members of the Board of Directors A.Houwink and M.Azirbayev. Introductory meeting with the Real Estate Fund officials has been performed. In accordance with the assigned list, the information concerning activities of the Sole Shareholder, Board of Directors and Real Estate Fund has been submitted.

During the reporting period SKS has also participated in the work of Samruk-Kazyna JSC Corporate Secretary Committees and Central Asia Corporate Secretary Club.

Generally, during the reporting period Corporate Secretary and Service employees provided accomplishment of the wide sector of tasks and functions prescribed by the Fund's internal documents, including the tasks on provision of the efficient performance of the Board of Directors, and also clear and effective cooperation between Board of Directors, Sole Shareholder and Management Board of the Fund.

## CONCLUSION

As of the 1<sup>st</sup> Quarter 2014 by the Board of Directors were fully performed the aims, tasks and functional responsibilities, established by Company's Corporate Governance Code, Provision on Company's Board of Directors, as well as 2013 Board of Directors Working Plan. Totally one in-person meeting of the Board of Directors was held, 21 issues on the key aspects of the Fund's activity were considered, whereupon 41 decisions were made.

One of the most important areas of the Board of Directors activity in the reporting period was the approval of new long-term Samruk-Kazyna Real Estate Fund JSC 2014-2023 Development Strategy ( hereinafter – Strategy). The extended work and the line of the meetings were performed on discussion of the Strategy.

By Resolution of the Board of Directors dated March 20, 2014 Minutes No 80 the 2014-2023 Samruk-Kazyna Real Estate Fund JSC Long-term Development Strategy was approved.

Generally, during the reporting period Board of Directors actively collaborated with the Sole Shareholder and Executive Body, as well as with all concerned sides of the corporate negotiation in order to achieve assigned before the Real Estate Fund tasks.

In 2014 Real Estate Fund Board of Directors has to perform important tasks, including implementation of the new Real Estate Fund Strategy, consideration of the bunch of issues regarding activity of the SK Development LLP, and also compliance of the expectations of the Sole Shareholder in 2014.