

REAL ESTATE FUND Samruk-Kazyna	APPROVED BY Decision of the Board of Directors of the Joint Stock Company “ Real Estate Fund “Samruk-Kazyna” dd. February 26, 2013 Minutes No 70
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REPORT
ON ACTIVITY OF THE BOARD OF DIRECTORS AND
THE CORPORATE SECRETARY OFFICE
“REAL ESTATE FUND “SAMRUK-KAZYNA” JSC FOR 2012

Astana, 2013

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INTRODUCTION

This Report on the activities of the Board of Directors and Corporate Secretary Service of the JSC “Real Estate Fund “Samruk-Kazyna” for 2012 has been prepared on the basis of recommendations and best corporate governance international practices as well as in accordance with the Charter, Provision on the Board of Directors and Corporate Governance Code of the JSC “Real Estate Fund “Samruk-Kazyna” (hereinafter referred to as - *the Real Estate Fund*).

The report consists of three main sections.

The first section “Organizing the work of the Board of Directors” provides information on composition of the Board of Directors, directors’ selection criteria, determination of directors’ independency, directors’ consideration policy and evaluation policy of the Board of Directors activity.

The second section “Activity of the Board of Directors for 2012” provides information on the activities of the Board of Directors, number of meetings and attendance by each director of meetings of the Board of Directors, issues addressed during the reporting period, information on corporate governance improvement, as well as work of the Board of Directors Committees.

The third section provides a report on the activities of the Board of Directors and Corporate Secretary Service for 2012.

In general, the content and structure of the Report is presented in such a way as to provide the interested users with an accurate, complete and understandable information about the activities of the Board of Directors and Corporate Secretary Service for 2012.

1. ORGANIZING THE WORK OF THE BOARD OF DIRECTORS

1.1 Composition of the Board of Directors

Provision on the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna” was developed and approved in 2009 to implement the Board of Directors effective governance principle. The Provision on the Board of Directors determines the status, order of establishment and activities, composition of the Board of Directors, and the order of its interaction with other bodies of the Company, rights, duties and responsibilities of the members of the Board of Directors as well as the procedure for the election and early termination of their powers.

The Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna” was established in March 2009 in accordance with the Law “On Joint Stock Companies”.

As of January 1, 2012 the composition of the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna” comprised of the following members:

Ser. No	FULL NAME	Position	Member of the BD since:
1.	Bishymbayev Kuandyk Valikhanovich	Chairman of the Board of Directors, Deputy Chairman of the Management Board of the JSC “REF Samruk-Kazyna”	June, 21 2011
2.	Palymbetov Bolat Abylkasymovich	Member of the Board of Directors, Chairman of the Management Board of the JSC “Real Estate Fund “Samruk-Kazyna”	May, 23 2011
3.	Zhaksybayev Bahyt Kalmurzayevich	Member of the Board of Directors, Director of the Special-Purpose Industry Programms Department of the JSC “REF Samruk-Kazyna”	November 7, 2011
4.	Prasad Bamre	Member of the Board of Directors Managing Director of the JSC “REF “Samruk-Kazyna”	November 7, 2011
5.	Dolzhenkov Viktor Anatolyevich	Member of the Board of Directors, Almaty City Akim Deputy	March 17, 2009
6.	Abdizhapparov Talgat Kayirbayevich	Member of the Board of Directors, Independent Director	October 14, 2009

7.	Naigel Staiplton	Member of the Board of Directors, Independent Director	November 7, 2011
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In 2012, the composition and number of the Board of Directors by decisions of the Management Board of the JSC “National Welfare Fund “Samruk-Kazyna” was amended as follows:

- dd. February 14, 2012, № 11/12 powers have been prematurely terminated of the member of the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna” Bhamre Prasad, as a new member of the Board of Directors - a representative of the sole shareholder was elected Munzhasarov Zhumagali Akhmetgalievich;
- dd. May 29, 2012, № 24/12 the composition was determined of the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna” in the amount of five (5) persons. Powers have been prematurely terminated of the Chairman of the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna” Kuandyk Bishimbaev. As a new Chairman of the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna” was elected Munzhasarov J.A.

It was also noted the early termination of office of the member of the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna” Dolzhenkov V.A in accordance with the notice served.

- dd. October 30, 2012 № 43/12 powers have been prematurely terminated of the independent director Abdizhapparov T.K. Abdykarimova Zhanar Muratovna was elected as a new independent director.

Composition of the Board of Directors as of December 31, 2012:

Ser. No	FULL NAME	Position	Member of the BD since:
1.	Munzhasarov Jumagali Akhmetgaliyevich	Chairman of the Board of Directors, Managing Director of the JSC “REF “Samruk-Kazyna”	February 14, 2012
2.	Zhaksybayev Bahyt Kalmurzayevich	Member of the Board of Directors, Director of the Special-Purpose Industry Programms Department of the JSC “REF Samruk-Kazyna”	November 7, 2011

3.	Palymbetov Bolat Abylkasymovich	Member of the Board of Directors, Chairman of the Management Board of the JSC “Real Estate Fund “Samruk-Kazyna”	May, 23 2011
4.	Naigel Stapleton	Member of the Board of Directors, Independent Director	November 7, 2011
5.	Abdykarimova Zhanar Muratovna	Member of the Board of Directors, Independent Director	October 30, 2012

1.2 Directors’ selection criteria

In accordance with the Statute and Provision on the Board of Directors of the Fund the members of the Board of Directors shall be elected by the decision of the sole shareholder. The candidates to the position of member of the Board of Directors and members of the Board of Directors shall have the relevant experience, knowledge, skills and positive achievements in the business and (or) industrial sphere necessary to perform their duties and effectively operate the activities of the Board of Directors on behalf of the Sole Shareholder and Company.

The members of the Board of Directors of the Company shall comply with the following requirements:

- 1) experience of holding senior positions in government bodies, commercial and other organizations or in composition of the Management Board or Board of Directors at least for 3 years;
- 2) good business reputation.

A person shall not be elected as a member of the Board of Directors, who:

- has no higher education;
- has outstanding or unexpunged conviction in accordance with the law;
- previously hold the position of the chairman of the board of directors, chief executive (Chairman of the Management Board), deputy director, chief accountant of another entity for a period not exceeding one year prior making a decision on involuntary liquidation or compulsory redemption of share, or preservation of any other legal entity recognized as a bankrupt in prescribed manner. The above requirement shall apply within five years after the date of making the decision on involuntary liquidation or compulsory redemption of shares, or preservation of any other legal entity recognized as a bankrupt in the prescribed manner.

1.3 The criteria for independent directors

According to global world corporate governance practices and the requirements of the Law “On Joint-Stock Companies” (Clause 5, Article 54) the independent directors shall be elected to the Board of Directors and number thereof shall be not less than one-third of the members of the Board of Directors.

In accordance with paragraph 20 of Article 1 of the Law “On Joint Stock Companies”, Statute and Code of Corporate Governance of the Fund the

“independent director” shall be determined as a member of the board of directors, who:

- shall not be an affiliate of the Company and was not within three years preceding his election to the Board of Directors (except for his tenure as Independent Director of the Company);
- shall not be an affiliate with respect to the Company’s Affiliates;
- shall be subordinated to the Officers of the Company or organizations – which are Company’s affiliates and was not subordinated to these persons within three years preceding his election to the Board of Directors;
- shall not be an auditor of the Company and was not within three years preceding his election to the Board of Directors;
- shall not participate in the audit of the Company as an auditor working in the audit organization and did not participate in such audit within three years preceding his election to the Board of Directors;
- shall not be a government official;
- shall not be a representative of the sole shareholder at the meetings of the Company and was not a representative within three years preceding his election to the Board of Directors.

The members of the Board of Directors of the Company shall notify the Board of Directors in advance on reconciling work in other organizations and as members of the Board of Directors.

Members of the Board of Directors of the Company shall not be the members of the Board of Directors and serve as executive officers in organizations - competitors of the Company.

The Independent Director of the Fund, N. Stapleton (UK) and Abdykarimov Z.M. as of the date of drafting this report comply in full with the criteria for independence set forth in the Law of the Republic of Kazakhstan “On Joint Stock Companies”, Statute and Corporate Governance Code of the JSC “Real Estate Fund “Samruk-Kazyna”.

1.4 Consideration of directors

Pursuant to Article 25 of the Provision on the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna” the independent directors of the Fund, in accordance with the laws of the Republic of Kazakhstan, during the performance of their duties, may be paid remuneration and (or) reimbursement for expenses associated with the performance of their duties as members of the Board Directors.

Matters regarding determination of the composition and term of office of the Board of Directors, election of its members and early termination of their powers, election of the Chairman of the Board of Directors, as well as determining the amount and terms of remuneration of the members of the Board of Directors shall be the exclusive competence of the Sole Shareholder.

Procedure for payment of remuneration and (or) reimbursement for expenses of the independent directors shall be governed by Regulations of remuneration and reimbursement for expenses of the independent directors of the companies of the JSC “Samruk-Kazyna”.

In accordance with the Regulations the independent directors of the Fund shall be paid:

- a fixed fee - for the performance of duties of a member of the Board of Directors, remuneration shall be made by the Fund in cash semiannually pro rata to the period of working as a Director within the corresponding half-year of the calendar year;
- additional remuneration - for participation in the meetings of the committees of the Board of Directors, which shall be paid by the Fund during the month following the date of the person meeting of the Committee of the Board of Directors.

Independent Director shall be also reimbursed for expenses associated with the trips to the meetings of the Board of Directors (travel, accommodation, per diem), held outside the place of residence of an independent director.

1.5 Evaluation of directors' work

Based on the decision of the Board of Directors dd. October 24, 2012 No 67 the policy was approved of work evaluation of the Board of Directors, Committees of the Board of Directors and each member of the Board of Directors of the JSC "Real Estate Fund "Samruk-Kazyna".

In accordance with this policy the decision on work evaluation of the Board of Directors and Committees of the Board of Directors and each member of the Board of Directors shall be adopted by the Board of Directors.

The Board of Directors may perform evaluation:

- by engaging the consultant;
- by means of questionnaires, interviews, etc.;
- using a combined approach: in-house under process coordination by the consultant.

The criteria for work evaluation of the Board of Directors shall include the following factors:

- the composition and structure of the Board of Directors;
- the role and tasks of the Board of Directors, Chairman of the Board of Directors;
- working procedures of the Board of Directors, information support of its activities;
- work of the Committees of the Board of Directors;
- interaction of the Board of Directors with the Management Board;
- remuneration policy for the members of the Board of Directors.

1.6 Upgrading of directors

Based on the decision of the Board of Directors dd. August 29, 2012 No 65 a policy was established on upgrading of the members of the Board of Directors of the JSC "Real Estate Fund "Samruk-Kazyna" and engagement of external experts by the Board of Directors of the JSC "Real Estate Fund "Samruk-Kazyna".

This policy defines the rights and obligations of the members of the Board of Directors in part of their upgrading and engagement of external experts, regulates the planning and decision making procedures with regard to upgrading and

engagement of external experts by the members of the Board of Directors. Implementation of upgrading mechanism for members of the Board of Directors will enhance the operating effectiveness of the Board of Directors of the Real Estate Fund. In addition, the provision is made for the members of the Board of Directors to exercise their rights, in particular through engagement of external experts in cases when the issues considered by the Board of Directors require a professional and independent external expertise. In line with this policy the Corporate Secretary Service formed the corresponding budget for 2013.

2. ACTIVITIES OF THE BOARD OF DIRECTORS FOR 2012

2.1. Number of meetings and attendance of members of the Board of Directors

In 2012 the JSC “Real Estate Fund “Samruk-Kazyna” held 12 meetings of the Board of Directors (*from 58 to 69th meeting*), of which 9 were meetings in presentia and 3 meetings in absentia. In total 121 issues were considered on key aspects of Fund’s activities in which regard 218 decisions and 38 orders were made.

Out of the 38 orders (Management Board - 30, CBA - 4, CS - 4) 1 order was discontinued, 35 orders were executed, 2 orders were executed in part or being in process. No violations of time-limits for performing the orders of the Board of Directors.

Participation in meetings of the Board of Directors of the JSC “Real Estate Fund “Samruk Kazyna” in 2012:

Ser. No	FULL NAME	Participation in meetings of the BD	%
1.	Munzhasarov J. A.	12 out of 12	100%
2.	Zhaksybayev B. K.	12 out of 12	100%
3.	Palymbetov B.A.	12 out of 12	100%
4.	Naigel Stapleton	11 out of 12	92%
5.	Abdykarimova J.M.	2 out of 2	100%
6.	Abdizhapparov N.K.*	4 out of 5	80%
7.	Bishymbayev K.V.*	3 out of 4	75%
8.	Dolzhenkov V.A.*	1 out of 3	33%

□ removed out of the Board of Directors

2.2 Main issues addressed by the Board of Directors in 2012

During the reporting period at the meetings of the Board of Directors there were considered both strategic and current issues of activities within its competence. The list of issues and decisions on them are shown in the relevant minutes and decisions of the Board of Directors. Meetings in presentia of the Board of Directors were held on a regular basis in accordance with the approved Plan of work for 2012.

Development Strategy

By Decision of the Board of Directors dd. April 10, 2012 Minutes No 60 there was approved the Development Strategy of the JSC “Real Estate Fund “Samruk-Kazyna” for 2012-2022.

The strategy outlines the vision, strategic direction, goals, objectives and strategic key performance indicators of the Fund for the period of 2012 - 2022. The strategy also includes a plan of action (“roadmap”) for the implementation thereof.

In accordance with the Development Strategy of the JSC “Real Estate Fund “Samruk-Kazyna” for 2012 - 2022 there was approved a new organizational structure of the Real Estate Fund (Minutes No 63 dd. 29.05.12).

In December 2012, the strategy was updated in accordance with the Development Strategy of the JSC “Samruk-Kazyna”.

“Affordable Housing -2020” Program

By the Resolution of the Government of the Republic of Kazakhstan dd. June 21, 2012 № the “Affordable Housing- 2020” Program was approved.

Implementation of this program is one of the key strategic lines of the Real Estate Fund. Within the “Affordable Housing- 2020” Program framework the Real Estate Fund provides for two options of housing sale: direct sale and lease with an option to buy.

At the meetings of the Board of Directors No 64 dd. 28.08.12 and No 67 dd.

24.10.12 the first projects financing was approved under this program.

- on project implementation for phase 1 construction of the residential complex “Asyl Arman” in Almaty region (suburban area of Almaty), the developer - LLC “ElitstroyProekt”;

- on project implementation for construction of the residential complex “YunisCSiti” in Aktob, the developer - LLC “OksiBild”;

- on project implementation “Construction of multi-storied residential complex “Azhar” with commercial and administrative offices on the first floors in community No 29, Aktau, 1 phase.

In September of the current year the Real Estate Fund signed a loan agreement with the JSC “Samruk-Kazyna” for facility in the amount of 99,053,000,000.

During the reporting period the Board of Directors in accordance with the plan of work of the Board of Directors for 2012 has carried out an active work with regard to monitoring over the preparation and review of basic documents governing the internal operations of the Fund. In 2012 based on the decisions of the Board of Directors there was approved and amended a number of internal documents.

Approved:

- The development strategy of the JSC “Real Estate Fund “Samruk-Kazyna” for the period of 2012 - 2022
- The annual financial statements of the JSC “Real Estate Fund “Samruk-Kazyna” for 2011;
- A report on the activities of the Board of Directors and Corporate Secretary Service for 2011;
- Cards of the key performance indicators of the leadership and management employees of the JSC “Real Estate Fund “Samruk-Kazyna” with actual data for 2011;
- Cards of the key performance indicators of the leadership and management employees of the JSC “Real Estate Fund “Samruk-Kazyna” with actual data for 2012;
- The rules of consideration and funding of pilot projects of the JSC “Real Estate Fund “Samruk-Kazyna”;
- Annual report of the Internal Audit Service of the JSC “Real Estate Fund “Samruk-Kazyna” for 2011;
- A plan for corporate governance system improvement of the JSC “Real Estate Fund “Samruk-Kazyna”;
- Provision on the Corporate Secretary Service of the JSC “Real Estate Fund “Samruk-Kazyna”.
- The rules for selection of projects in the sphere of housing construction;
- Changes to the Provision on the Corporate Secretary Service of the JSC “Real Estate Fund “Samruk-Kazyna”;
- Risk Management Policy of the JSC “Real Estate Fund “Samruk-Kazyna” in new edition.

Pre-approved:

- Amendments to the Statute of the JSC “Real Estate Fund “Samruk-Kazyna”;
- Amendments to the Provision on the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna”.

In accordance with the order of the JSC “Samruk-Kazyna” (Minutes No 49 dd. May 18, 2012) the Work Plan was approved of the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna” for the second half of 2012 according to the new form.

2.3 Corporate governance improvement

In 2012 one of the priorities of the Board of Directors was control over Fund’s corporate governance improvement and increase of the efficiency of the Board of Directors.

In accordance with the recommendations of the KPMG Company based on the corporate governance system diagnostics results based on decision of the Board of Directors according to results of 2011 dd. April 10, 2012, minutes No 60 the Plan was approved of the corporate governance improvement of the JSC “Real Estate Fund “Samruk-Kazyna” for 2012, which defines the specific activities, persons responsible and time limits. Responsible executives shall be both structural subdivisions accountable to the Management Board of the Company and the Board of Directors of the Company as well (Corporate Secretary Service and Internal Audit Service).

As of 31.12.2012 118 activities out of 126 were performed according to the scheduled in the Plan of corporate governance improvement, 5 activities in accordance with specified Plan has not been considered due to the fact that the term of performance thereof has not come yet.

For the reporting period the documents’ update and improvement was performed in the field of corporate governance, as well as the experience exchange within the group of companies of the JSC “National Welfare Fund “Samruk-Kazyna”.

2.4 Activity of the Board of Directors Committees

In order to improve the effectiveness of the Board of Directors and corporate governance structure based on the decisions of the Board of Directors of the Fund dd. December 2, 2011 № 56 there were established the Audit Committee and Nomination and Remuneration Committee. Based on the decision of the Board of Directors of the Fund dd. December 29, 2011 No 57 the provisions were approved for the Audit Committee and Nomination and Remuneration Committee.

According to the international best practices, the independent directors were elected as chairmen of the Committees.

Composition of the committees (*as of 31.12.2012*):

The Audit Committee

FULL NAME	Position	Member of the committee since:
Naigel Stapleton	Chairman of the Committee, Independent Director of the JSC “Real Estate Fund “Samruk Kazyna”	December 2, 2011
Zhaksybayev Bahyt Kalmurzayevich	Member of the Committee, Member of the Board of Directors of JSC “Real Estate Fund “Samruk Kazyna”	February 20, 2012
Davletova Gulmira Mektepbayevna	Expert (without voting right), Chief Manager of the Audit and Control Department of the JSC “Samruk-Kazyna”	February 20, 2012

Nomination and Remuneration Committee:

FULL NAME	Position	Member of the committee since:
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Abdykarimova Zhanar Muratovna	Chairman of the Committee, Independent Director of the JSC “Real Estate Fund “Samruk Kazyna”	November 22, 2012
Naigel Stapleton *	Member of the Committee, Independent Director of the JSC “Real Estate Fund “Samruk Kazyna”	December 2, 2011.
Raisova Gulmira Bolatovna	Expert (without voting right), Director of the Human Resources Department of the JSC “Samruk-Kazyna”	February 20, 2012
Munzhasarov Zhumagali Ahmetgaliyevich* *	Member of the Committee, Managing Director of the JSC “REF “Samruk-Kazyna”	February 20, 2012 - November 22, 2012

* Hold the position of the Chairman of the Nomination and Remuneration Committee since December 2, 2011 through November 22, 2012

** Removed from the Committee

In 2012 in JSC “Real Estate Fund “Samruk-Kazyna” there was held:

- 5 meetings in presentia of the Audit Committee. In total 48 issues were considered on key competencies of the Committee, upon which 83 decisions were adopted and appropriate recommendations issued to the Board of Directors of the Real Estate Fund;
- 6 meetings in presentia of the Nomination and Remuneration Committee. In total 33 issues were considered by the Committee on key competencies of the Committee, upon which 44 decisions were adopted and appropriate recommendations issued to the Board of Directors of the Real Estate Fund

During the reporting period at the meetings of the Committees of the Board of Directors there were addressed the issues of activities within their competence in accordance with the approved work Plans for 2012.

Participation in meetings of the Audit Committee in 2012:

Ser. No	FULL NAME	Participation in meetings of the BD	%
1.	Naigel Stapleton	5 out of 5	100%
2.	Zhaksybayev B.K.	3 out of 5	60%
3.	Davletova G.B> (expert)	5 out of 5	100%

Participation in meetings of the Nomination and Remuneration Committee in 2012:

Ser. No	FULL NAME	Participation in meetings of the BD	%
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1.	Munzhasarov J.A.	5 out of 6	83%
2.	Naigel Stapleton	6 out of 6	100%
3.	Raisova G.B. (expert)	5 out of 5*	100%

** Number of meetings attended by expert*

3. REPORT OF THE CORPORATE SECRETARY FOR 2012

3.1 Provision on the Corporate Secretary

The Provision on the Corporate Secretary has been approved by the decision of the Board of Directors dd. September 23, 2009 No 10. In accordance with the Provision the Corporate Secretary shall be the Company employee, who is not a member of the Board of Directors or the Management Board, who shall be appointed by the Board of Directors and accountable to the Board of Directors of the Company.

The work of the Corporate Secretary on behalf of the Board of Directors shall be overseen by the Chairman of the Board of Directors of the Company.

The main objectives of the Corporate Secretary shall be:

- 1) monitoring of compliance of the Board of Directors, Management Board and officers of the Company with the laws of the Republic of Kazakhstan in the field of corporate governance and internal documents of the Company regulating the corporate governance, improving of the policy and practice in the field of corporate governance;
- 2) provision of activities implementation with regard to preparation of the Sole Shareholder's decisions in accordance with the laws of the Republic of Kazakhstan and internal documents of the Company;
- 3) ensuring the effective operation of the Board of Directors and its committees (in the case of establishment of the latter);
- 4) provision of storage, disclosure and delivery of information about the Company;
- 5) provision of clear and effective communication between the Company's bodies.

3.2 Work of the Corporate Secretary Service for 2012

In 2012 the JSC "Real Estate Fund "Samruk-Kazyna" held 12 meetings of the Board of Directors (*from 58th to 69th meeting*), out of which 8 were meetings in presentia and 3 were meetings in absentia. There were five meetings in presentia of the Audit Committee and the six meetings in presentia of the Nomination and Remuneration Committee.

The Corporate Secretary Service provided of the analysis of materials submitted to the Board of Directors by the structural subdivisions of the Fund for compliance with the laws of the Republic of Kazakhstan in the field of corporate

governance and internal documents regulating corporate governance.

During the reporting period, in order to ensure the effective operation of the Board of Directors the Company Secretary provided:

- arrangement and distribution of materials necessary for organization and holding of meetings of the Board of Directors, Committees (notice of meetings, draft resolutions on the agenda of the meeting, draft documents for preview only, and others);
- timely passage of documents registration submitted to the Board of Directors, Committees, as appropriate, preparation of requests and responses to letters on behalf of the Board of Directors, distribution of documents, approved by the Board of Directors;
- Taking into account the meetings in absentia the relevant newsletters were made, delivery (handing out) of voting ballots provided for members of the Board of Directors, receipt of ballots, written opinion of the directors, and their transfer to the Chairman of the Board of Directors.

Based on the decision of the Board of Directors dd. February 20, 2012 No 58:

- a report approved on the activities of the Board of Directors and Corporate Secretary in 2011,
- the Provision approved on the Corporate Secretary Service;
- In cooperation with the Management Board of the Fund a work was carried out to develop an improvement plan for the corporate governance of the Fund for the 2012;

The work performed on holding of the first meetings of the Audit and Nomination and Remuneration Committees.

A policy of induction approved for the newly elected members of the Board of Directors of the JSC “Real Estate Fund “Samruk-Kazyna”. In accordance with which the Corporate Secretary Service provided introduction for the newly elected members of the Board of Directors of the Fund’s activities.

During the reporting period the Corporate Secretary Service optimized the costs and adjusted the clear operation for translation of materials for the meetings of the Board of Directors and Committees into English. Also an agreement was signed for translation of the meetings of the Board of Directors, Committees into English.

In 2012 the Corporate Secretary participated in the second program of “Study tour” of the Hong Kong Institute of Chartered Secretaries. General Manager of the CSS J. Isayeva and CSS manager Gabdullin successfully passed the certification in the Corporate University of “Samruk-Kazyna” on “Certification of Corporate Secretaries”.

In order to improve the efficiency of the Board of Directors in 2012 CSS in accordance with the Plan of the corporate governance improvement have developed and submitted for approval by the Board of Directors the following documents:

- Amendments to the Provision on the Corporate Secretary of the JSC "Real Estate Fund" Samruk-Kazyna ";
- Cards of the Corporate Secretary KPI and cards of targets of the Corporate Secretary Service employees;

- Operation Plan of the Board of Directors of the JSC "Real Estate Fund" Samruk-Kazyna "for the second half of 2012;
- Upgrading policy for the members of the Board of Directors of JSC "Real Estate Fund" Samruk-Kazyna "and engagement of external experts by the Board of Directors of the JSC" Real Estate Fund "Samruk-Kazyna";
- The induction policy for the newly elected members of the Board of Directors of the JSC "Real Estate Fund" Samruk-Kazyna ".
- Evaluation policy for work of the Board of Directors, Committees of the Board of Directors and each member of the Board of Directors of the JSC "Real Estate Fund" Samruk-Kazyna ".

CSS has worked out the issue of implementation in Company of the Ombudsman Institute. It developed and approved the Provision on Ombudsman. Based on the decision of the Board of Directors dd. 24.10.12, No 67 the Ombudsman of the Real Estate Fund was elected Abilkairov D.M.

In accordance with the order of the Chairman of the Board of Directors of the JSC "Real Estate Fund" Samruk-Kazyna "J. Munzhasarov dd. August 2, 2012 and decision of the Board of Directors of the JSC" Real Estate Fund "Samruk-Kazyna" dd. August 28, 2012 No 64 the CSS carried out the work on holding two open competitions for vacancies of Chief and Auditor of the Internal Audit Service of the Real Estate Fund.

In general, during the reporting period the Corporate Secretary and employees of Service provided the implementation of a wide range of tasks and functions specified by the internal documents of the Fund, including the tasks of ensuring the effective functioning of the Board of Directors, as well as a clear and effective communication between the Board of Directors, sole shareholder and Management Board of the Fund.

CONCLUSION

During 2012 the Board of Directors has fully complied with the goals, objectives and responsibilities established by the Corporate Governance Code, Provision on the Board of Directors of the Company, as well as the work plan of the Board of Directors for 2012. A total of 12 meetings were held by the Board of Directors, 121 issues were considered on the key aspects of the Fund, upon which 218 decisions were made. It should be noted that the work was carried out to minimize the meetings of the Board of Directors held in absentia.

During the reporting period the work of the Board of Directors was aimed at improving the efficiency of the Board of Directors, improving the corporate governance within the Fund and conforming to the requirements of corporate governance best practice, as well as the launch of the "Affordable Housing – 2020” Program.

An important step was the approval by the Board of Directors of the Development Strategy of the JSC "Real Estate Fund" Samruk-Kazyna "for 2012 - 2022.

It should be noted that the creation of the audit committee and nomination and remuneration committee, as well as formation of the Corporate Secretary Service

allowed to significant extent improving the efficiency of the work of the Board of Directors. In turn, it will have a positive impact on the ratings of corporate governance of the Fund in the short term prospective.

In general, during the reporting period of its work the Board of Directors was actively engaged in cooperation with the Sole Shareholder and Executive Body, as well as with all stakeholders of corporate relations to achieve the tasks set forth by the Fund.

The process of interaction between the Board of Directors with all parties to corporate relationship has been clearly and effectively adjusted by the Corporate Secretary and its Service.

In 2013 the Real Estate Fund is facing new goals. The Development Strategy implementation starts until 2022, the work on improving corporate governance to be continued, it is planed to evaluate the functioning of the Board of Directors.