

Regulations on remuneration, incentives, social benefits and guarantees for employees

**Regulations on Remuneration, Incentives, Social Benefits and Guarantees for
Employees of EI “Almaty Management University”**

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1. Purpose of the document

This Regulation on remuneration, incentives, social benefits and guarantees for employees of the EI "Almaty Management University" (hereinafter - the Regulation) establishes the procedure for remuneration, additional payments, various forms of incentives, one-time

incentive payments and benefits to employees of the EI "Almaty Management University" (hereinafter - the University) and is designed to approve the system, conditions and procedure for remuneration at the University.

The purpose of the financial incentive system at the University:

- - Increased employee productivity;
- - Increased efficiency in managing the corporate project portfolio;
- - Improving the quality of staff performance;
- - Development of young professionals, formation of a talent pool;
- - Increase in sales volume.

2.Scope of the document

These regulations shall apply to all employees of the University.

3.Terms and abbreviations

Bonus - a cash payment based on performance equal to a percentage of the cost of the programme or project.

Close relatives - parents (parent), children, adoptive parents, adopted children, spouses.

Documentolog – the University's electronic document management system.

One-time material assistance - a voluntary payment by the employer.

Commission - Commission on Educational Grants and Discounts.

Commercial projects - projects where measures to implement it are aimed at making a profit.

The best rationalisation proposal - recognised as a rationalisation proposal, accepted for implementation and having an economic effect.

Innovation - rationalization proposal with no economic effect, recognised and accepted.

Educational grant of the EI “Almaty Management University” - the right to study at no cost or reduction of the cost of education by the amount/percentage, the amount (-s) of which is (are) set in accordance with the acts of the employer.

President - Executive Body of AlmaU LLP, which is the Founder of EI “Almaty Management University”.

Employer - the University with which the employee has an employment relationship.

Employee - a natural person who has an employment relationship with an employer and directly performs work under a contract of employment.

The resources of the University - the means available to carry out educational and business activities, such as tangible resources, human (labour) resources, which are necessary for the implementation of the statutory objectives of the University.

University - Educational Institution “Almaty Management University”.

Fundraising - the process of raising external, third-party resources for the University needed to achieve strategic and statutory objectives, to realize a material or non-material objective, to implement a project.

Members of the project team - University staff employed to carry out the project from among the administrative staff, full-time and part-time teaching staff with the necessary qualifications, as well as students of the University.

Advisory Council (AC) - an advisory group comprising the Vice Rector for Science, the Director of Project Coordination, the Risk Advisor, the Director of Finance, the Director of Legal Affairs, which makes recommendations on project implementation issues.

AMS - administrative and managerial staff. All employees of the University except for teaching staff.

Faculty - teaching staff.

RK - The Republic of Kazakhstan.

EC - Employment contract.

LC RK - Labor Code of the Republic of Kazakhstan.

HRD - HR Department.

PCD - Project Coordination Department.

LCF – Labor compensation fund.

4. General regulations

4.1. These Regulations shall be agreed by the President and approved by the Rector. Any amendments and additions to these Regulations shall be valid after agreement by the President and approval by the Rector.

4.2. These Regulations shall apply to all employees of the University and shall be binding on all structural units and employees of the University.

4.3. The requirements of these Regulations should be applied at all stages of the negotiation and approval of remuneration, incentives, benefits and guarantees for University employees.

4.4. These Regulations govern:

- types of remuneration and procedure for payment of salaries;
- types of remuneration and procedure for payment of incentives;
- types of benefits and guarantees and the procedure for their provision.

5. Basic principles and regulations

5.1. The University establishes the following types of remuneration of employees in accordance with the current legislation of the Republic of Kazakhstan, these Regulations, and internal acts of the University:

- wage payments and other payments provided for in the Labor Code;
- incentive payments;
- benefits and guarantees for University employees and their family members.

5.2. Incentive payments include:

- recruitment bonuses;
- rewards for participating in project activities;
- incentive payments and benefits for attracting monetary and other benefits to the University and offering innovative ideas;
- bonuses and performance evaluation bonuses.

5.3. Social benefits and guarantees include:

- material assistance to employees;
- grants and discounts on training for employees and their families;
- voluntary medical insurance;
- additional leave and paid time off for employees.

6. Wages and other benefits provided for in the Labour Code

6.1. The University employee's salary is determined by the employment contract and cannot be lower than the minimum wage set for the relevant financial year by the law of the Republic of Kazakhstan on the national budget.

6.2. The salary shall be paid in cash in tenge at least once a month by the 10th (tenth) day of the month following the reporting month. If the payday coincides with a weekend or public holiday, the payment takes place on the day before.

6.3. The employer has the right to make payments in part and earlier than the deadlines set out in point 6.2. of these Regulations, but the full payment of salaries must be made no later than the deadline set out in point 6.2. of these Regulations.

6.4. In agreement with the Director of Finance, the Employee may be paid an advance of not more than 30% of the salary due to the Employee. An advance of not more than 50% of the salary due to the Employee may be paid upon agreement with the Rector of the University.

6.5. The employer assumes the obligation to pay individual income tax, mandatory pension contributions and other mandatory deductions in accordance with the legislation of the Republic of Kazakhstan.

6.6. Deductions from an employee's salary are made in cases prescribed by the legislation of the Republic of Kazakhstan.

6.7. Deductions from an employee's salary to pay off debts owed to the University shall be made by an employer's act with written notification to the employee:

- for the settlement of unspent and non-reimbursed business trips and for the failure to submit supporting documents related to business trips;
- in cases where the employer is reimbursed for the costs of training the employee, if there is a training contract in accordance with the terms of that contract;
- to reimburse the unearned salary advance paid to an employee;
- in cases of postponement or withdrawal of an employee from annual paid leave, except for the payment of compensation for unused days of leave;
- in other cases with the written consent of the employee.

6.8. The parties shall sign an undertaking when paying out money on account.

6.9. The monthly deduction from the salary under several writs of execution, as well as in cases stipulated by the legislation of the Republic of Kazakhstan, may not exceed fifty per cent of the salary due to the employee.

6.10. Procedures for setting and reviewing salaries.

6.11. The salary of an employee may be revised at the initiative of the employer in the following cases:

- in the case of an increase in job responsibilities or a significant increase in the volume of work;
- in the case of a transfer of an employee to another position and/or to another region;
- in case of a review of salaries in general.

6.11.1. The head of unit is responsible for initiating all necessary pay changes for his or her employees.

6.11.2. In the case of an increase in job responsibilities or a significant increase in the volume of work, an employee's salary revision shall be based on a Note from the employee's head, detailing the justification for the need for the revision.

6.11.3. Salary reassessment on transfer of an employee to another position, as well as on transfer to another region, is initiated by the employee's future direct head.

6.11.4. The approval of the Salary Review Note shall be made by the supervising Vice Rector / Managing Director, Managing Director of HR and shall be approved by the Rector.

6.12. Remuneration for combining jobs, extending service areas and acting (replacing) the duties of a temporarily absent employee:

6.12.1. Employees who perform, in addition to their main job under a contract of employment, additional work in another or the same position, or the duties of a temporarily absent employee without being released from their main job, shall receive an additional payment as follows;

6.12.2. A supplement of 500 tenge per day shall be paid to an employee for performing (replacing) the duties of a temporarily absent employee in the event that the substitution of a temporarily absent employee is not part of the job description of the substituting employee. No additional payment shall be paid to an employee if a temporarily absent employee's substitution is included in the job description of a substitute employee;

6.12.3. A supplement of thirty per cent (30%) of the salary of the combining employee shall be paid for combining equivalent or higher positions for a vacant position. The duties of an equivalent or higher position for a vacant unit may be shared by two or three co-employees. In this case, the overlap allowance is set in proportion to the amount of work allocated, but no more than:

- - 25% (twenty-five) per cent of the salary of the combining worker, when the work is done by two workers;
- - 15% (fifteen per cent) of the salary of the combining worker, when the work is performed by three workers;

6.12.4. The head of the unit of the absent worker is responsible for initiating a timely cancellation of the overlap pay when a vacant position is filled.

7.The University's employee incentive scheme

7.1.General provisions for bonuses, premiums and allowances

7.1.1. Payments of bonuses, premiums and surcharges on projects and programmes are made upon full completion, on the basis of submission of the required reports and receipt of cash payment from the client. Positive operational and financial performance and

sufficient sources of funding are prerequisites for all types of payments, except for established bonus figures.

7.1.2. Bonuses, premiums and allowances are calculated on the basis of the Rector's order, taking into account all taxes, fees and other obligatory contributions (Gross) provided for by the legislation of the Republic of Kazakhstan.

7.1.3. No bonuses and bonuses will be paid for unprofitable projects and/or programmes.

7.1.4. Bonus and premium amounts in the approved budget and estimates are mandatory.

7.1.5. Payments shall be formalised by an employer's act, based on Notes of Service, stating the aims and objectives, the composition of performers and the amount of personal remuneration of the persons to be rewarded.

7.1.6. The University management has the right to withhold all or part of the bonuses and premiums to individual staff members for the following operational irregularities:

- Failure to submit timely and inadequate reporting, embezzlement and misrepresentation in reporting;
- Violation of the internal work regulations;
- Causing material damage to the University;
- Justified complaints of listeners, students, colleagues;
- Violation of job or work instructions;
- Any disciplinary action which has not been taken;
- Indebtedness to the University.

7.1.7. The amount and procedure for remuneration of employees for participation in projects shall be in accordance with the relevant internal regulations governing the University's project activities.

7.2. Recruitment bonus

7.3. Fundraising

7.4. Bonuses, premiums and extra payments at the end of the year

7.5. Bank of ideas. Stimulating innovation

7.5.1. A process of introducing, implementing ideas and suggestions that rationalise, improve or optimise any work at the University. A rationalisation proposal is deemed to be:

- a proposal is new if it was not known at the University to an extent sufficient for use before it was submitted;
- the proposal is useful if the use has any positive effect:
- an improvement in the quality of the work performed;

- the proposal optimises manual work, saves time, resources, costs, etc.;
- increase of safety at work, improvement of ecology in the enterprise, improvement of working conditions;
- improvement of culture, better organisation of workplaces, etc;
- improvement of current production, pedagogical, administrative, managerial and other processes..

7.5.2. An innovation proposal or idea is not recognised as an improvement if:

- the proposal reduces the reliability, durability, safety and other quality of work, the quality of work organisation, economic performance, working conditions, the environment or other areas of activity;
- the proposal only sets out a task or only defines the effect that can be achieved if the proposal is applied, but does not specify a concrete way of solving the task or implementing the idea, nor does it have a process for implementing and implementing the idea.

7.5.3. Procedure for the submission and consideration of proposals for innovations:

- authors/submissions in the AlmaUnion portal to the Bank of Ideas;
- the Human Resources Manager accepts and registers ideas for an innovation proposal and, if necessary, establishes an Expert Committee (hereinafter referred to as the EC);
- ideas to be realised are presented to the EC, where the author must present their idea and/or proposal in any way they like (presentation, diagram, layout, sample, just sketching on the board, etc.);
- the EC considers the proposal in the presence of the author and decides whether or not it is a rationalisation proposal. If it is decided that the idea or proposal cannot be considered rationalisation, the EC members return the idea to the author with an explanation of the reasons why the proposal cannot be considered rationalisation;
- for a recognised rationalisation proposal, the author chooses the awards stipulated in point 7.5.5. of these Regulations.

7.5.4. Design requirements:

- the title of the proposal should be precise, concise and appropriate to the content, a preliminary description of the situation with the identified shortcomings (analysis of the problem, place of implementation, place of origin of the problem);
- the description of the proposal should contain a solution to the problem, levels of optimisation of the current situation, etc., rather than a problem statement with

recommendations of a general nature. The meaning of the proposal should be disclosed taking into account the possibility of practical application;

- a description of the intended effect after implementation;
- ideas that cannot be implemented at the University due to lack of budget, resources, etc. will not be considered;
- if the idea only poses a problem or identifies only an effect, but does not specify a concrete way of solving the problem or implementing it and has no implementation or implementation process - the EC proposal will not be considered.

7.5.5. Rewards can be tangible or intangible.

7.5.5.1. For innovation, the author is awarded a certificate of merit and receives his or her choice of reward:

- additional paid leave of up to 5 working days;
- Convenient, flexible working hours, with no more than 40 hours per week and an 8-hour working day;
- have priority when competing for a vacant position;
- attachment to voluntary health insurance (for employees who are not attached by seniority);
- other motivational offers from the employee may be considered.

7.5.5.2. For the best rationalisation proposal, the author is awarded a certificate of merit and receives his or her choice of reward:

- additional paid leave of up to 10 working days;
- convenient, flexible working hours, with no more than 40 hours per week and an 8-hour working day;
- work distance/remote from home once a week;
- have priority when competing for a vacant position;
- be attached to health insurance (for employees who are not attached by seniority);
- improved technical equipment in the workplace;
- a discount for the MBA programme at the University. The amount of the discount is determined by agreement between the parties;
- other motivational offers from the employee may be considered.

7.5.6. No remuneration will be granted if a disciplinary sanction has not been withdrawn.

7.6. Stimulating publication activities

7.7.AlmaU Awards

7.7.1. In order to create an effective corporate culture aimed at the development and achievement of strategic goals, the University holds an annual competition "AlmaU Awards", aimed at identifying and encouraging the most effective employees.

7.7.2. Contest categories, prize fund, rules and procedure shall be determined by the Rector's order.

7.7.3. The prize fund for the competition should be budgeted by the University.

7.7.4. The organisation and running of the competition is carried out by HR.

7.8.One-time bonus

8.Social benefits and guarantees

8.1.Conditions, amount and procedure for the provision of material assistance

8.2.Discounts and study grants at the University for employees and their close relatives

8.2.1. The main rules for receiving grants or discounts, criteria for retention and renewal are set out in the Educational Grants and Discounts Regulations of the EI "Almaty Management University" and apply for the entire period of study for all University employees and their close relatives using grants and discounts of the University.

8.2.2. The amount of the training grant/discount depending on the programme, the participants and their length of service are defined in Table 3.

8.2.3. A discount/grant is available for the whole period of study.

8.2.4. The decision to grant a discount/grant is taken by the Commission. The application for a discount/grant, agreed with the direct supervisor and supervising member of the rectorate is sent via the Documentolog to the HR Department for *verification of compliance of the rules for grants or discounts/grantees with the requirements of this and the Regulation "On Educational Grants and Discounts" and further submission to the Commission meeting for decision making on granting a discount/grant.*

8.2.5. An application for a discount/grant will not be considered if there are outstanding disciplinary penalties at the date of application.

8.2.6. If the student does not meet the performance conditions (GPA level), the grant or discount will be withdrawn, without the right to reapply.

8.2.7. An employee may not receive more than one discount/grant for the same programme per academic year.

8.3.Voluntary health insurance (medical care) and additional rest days

8.3.1. The University may provide employees (other than part-time employees) with a health care and/or health insurance scheme at the expense of the University. However, health care/insurance schemes are a benefit to employees and not an obligation of the University.

8.3.2. The terms and conditions of the health care/insurance programme shall be determined by the Rector's order and the University budget for the relevant period.

8.3.3. The HR Department is responsible for organising the purchase of the health care/insurance programme and for coordinating with the service provider.

8.3.4. Additional leave days and other additional rest days are governed by the internal regulations governing the granting of leave. Additional time off may be granted to employees as an incentive or benefit at the discretion of the University management.

9. Final provisions

9.1. The conditions laid down in these regulations are binding on both the employer and the employees.

9.2. In matters not regulated by these Regulations, the Parties shall be governed by the applicable legislation of the Republic of Kazakhstan.

9.3. The university watches after the pay scale equity including a commitment to measurement and elimination of gender pay gaps.

9.4. The university measures pay scale gender equity.