

APPROVED

**By the decision of the Board of Directors
of the Non-profit Joint Stock Company
"Aktobe Regional University named
after K. Zhubanov"
(Protocol No. 2 dated April 19, 2022)**

**REGULATION
ON THE TERMS OF REMUNERATION AND BONUSES
FOR THE CHAIRMAN OF THE MANAGEMENT BOARD – RECTOR,
MEMBERS OF THE MANAGEMENT BOARD OF THE
NON-PROFIT JOINT STOCK COMPANY "AKTOBE REGIONAL
UNIVERSITY NAMED AFTER K. ZHUBANOV"**

Aktobe, 2022

1. General Provisions

1. This Regulation on the terms of remuneration and bonuses of the Chairman of the Board – Rector, members of the Board of NJSC "Aktobe Regional University named after K. Zhubanov " (hereinafter referred to as the Regulation) has been developed on the basis of the Law of the Republic of Kazakhstan dated May 13, 2003 No. 415-II "On Joint-Stock Companies", and in accordance with the Model Regulation on the terms of remuneration and bonuses for managers of national companies, joint-stock companies, the controlling stakes of which belong to the state, approved by the Decree of the Government of the Republic of Kazakhstan dated December 31, 2015 No. 1183, the Model Regulation "On Determining the Limits of Certain Types of Administrative Expenses of National Management Holdings (Except for the National Wealth Fund), National Holdings and National Companies, the Controlling Stakes of Which Belong to the State, as well as National Companies That Are Part of National Management Holdings (Except for National Companies, which are part of the group of the National Welfare Fund), national holdings and the mechanism for their monitoring and amendments and additions to some decisions of the Government of the Republic of Kazakhstan" approved by the Decree of the Government of the Republic of Kazakhstan dated December 2, 2014 No. 1266, Order of the Ministry of Education and Science of the Republic of Kazakhstan No. 171 dated 19.04.2021 "Corporate Governance Code of a Non-Profit Joint Stock Company in the Field of Higher and Postgraduate Education", the Charter of NJSC "Aktobe Regional University named after K. Zhubanov".

2. Basic concepts used in this Regulation:

1) remuneration of labor - a system of relations related to the provision by the employer of mandatory payment of remuneration to an employee for his work in accordance with the Labor Code of the Republic of Kazakhstan dated November 23, 2015, other regulatory legal acts of the Republic of Kazakhstan, as well as agreements, labor, collective agreements, acts of the employer and this Standard Provision;

2) official salary – a fixed amount of remuneration of an employee per month for the fulfillment of labor standards (labor duties) taking into account the qualifications of the employee, the complexity, quantity, quality and conditions of the work performed;

3) annual bonus – remuneration based on the results of work for the year, paid to the management of the organization once a year depending on the results

of work in order to materially reward the achieved successes and increase the efficiency of work. The annual bonus is not permanent;

4) KPI (key performance indicators) – indicators characterizing the level of efficiency of the Company, officers and employees of the Company, which allow the effectiveness of their activities. KPIs have a quantitative and qualitative value approved for the Company as part of the Company's development strategy and/or development plan, or approved differentially for each employee of the Company and corresponding to the results of activities for the planned and reporting periods;

5) Motivational KPI– Indicators Included in System bonuses to members of the Management Board to focus their efforts on achieving priority goals in a given reporting period;

6) corporate KPIs are a type of motivational KPIs that determine the amount of bonuses for the Company's performance and are uniform for all members of the Management Board;

7) Functional KPI– view Motivational KPI, That are established differentially for each member of the Management Board and determine the amount of bonuses for its performance; 8) KPI weight – a coefficient that determines the significance, priority of this indicator in relation to other indicators;

9) threshold – a KPI value that characterizes the minimum expectations from the result of activity, which is highly likely to be achievable under the condition of conscientious performance of official duties, as a rule, corresponding to the best of the following values: planned value for the planned year and actual value for the year preceding the planned one;

10) goal – the value of KPI, which characterizes the expected level of high performance results;

11) challenge – the value of KPI, characterizing outstanding performance results, contributing to the implementation of ambitious goals of the Company;

12) KPI performance – a value that determines the degree of achievement of target KPI bars;

13) final performance – the weighted average performance for all motivational KPIs, taking into account their weight.

3. The management of the Company includes:

1) Chairman of the Board - Rector;

2) Members of the Board.

2. Terms of remuneration and bonuses for managers

4. The amount of the monthly official salary of the Company's executives shall be established by a decision of the Board of Directors.

5. To strengthen the interest of the Company's managers in improving the efficiency of production and the quality of work, an annual bonus is paid.

6. The amount of the annual bonus for the executive employees of the Company is determined on the basis of an individual assessment of their performance and depends on both qualitative and quantitative indicators of the implementation of the University's Strategic Plan (Development Plan). The total amount of the annual remuneration (annual bonus) shall not exceed six (6) monthly base salaries.

7. The procedure and conditions for the payment of the annual bonus to the executive employees of the Company are determined by a resolution of the Board of Directors.

8. Annual bonuses to the executive employees shall be paid based on the results of the financial year, after the official approval of the Company's financial and operational performance based on audited financial statements.

9. The calculation of the average salary of an executive employee shall be carried out in accordance with the legislation of the Republic of Kazakhstan, excluding the annual bonus.

10. The terms of remuneration and bonuses for the executive employees of the Company shall be determined by a resolution of the Board of Directors.

11. The Chairperson of the Management Board – Rector and members of the Management Board shall undergo an annual performance evaluation conducted by the Board of Directors. The primary evaluation criterion is the achievement of the established KPIs.

12. The KPIs for the Chairperson of the Management Board – Rector and members of the Management Board shall be approved by the Board of Directors of the Company, based on the development strategy and/or development plan of the Company. Proposals for the KPIs of the members of the Management Board shall be submitted to the Board of Directors by the Management Board.

13. Motivational KPIs shall be developed in the form of a KPI map, in accordance with Appendix 1 to this Regulation, by cascading the Company's strategic goals into specific indicators.

14. KPI maps for executive employees shall be developed by the Department of Strategic Planning and coordinated with the members of the Management Board to ensure optimal weighting and adequacy of target values.

The maps shall then be submitted by the Company for approval by the Board of Directors.

15. Adjustments to the KPI map shall be made by the Department of Strategic Planning in the event of unforeseen circumstances that significantly affect the achievement of the indicators, as well as in the following cases:

- 1) the emergence of new / discontinuation of existing business processes / lines of activity;
- 2) adjustments to the strategic directions of the Company's activities;
- 3) changes in the organizational structure of the Company.

16. Members of the Management Board shall complete their KPI maps with actual values using the form provided in Appendix 2 to this Regulation and submit them to the Department of Strategic Planning (responsible structural unit).

17. The Department of Strategic Planning, in cooperation with the Department of Economic Planning and Accounting, shall convert the actual KPI results into performance percentages, calculate the corresponding bonus amounts, and prepare the necessary documentation for the Board of Directors to make a decision on the payment of bonuses.

18. The amount of the annual bonus based on performance evaluation shall be determined in accordance with the methodology provided in Appendix 3 to this Regulation.

19. The payment of bonuses to the Chairperson and members of the Management Board shall be executed based on an order issued by the Chairperson of the Management Board – Rector or the acting official, in accordance with the relevant resolution of the Board of Directors of the Company.

20. Social support, guarantees, and compensation payments shall be determined in accordance with the internal regulations of the Company.

3. Other Provisions

21. The approval of this Regulation, as well as any amendments and additions thereto, falls within the competence of the Board of Directors of the Company.

22. Any matters not regulated by this Regulation shall be governed by the legislation of the Republic of Kazakhstan.

Appendix 1 to the Regulations on
Remuneration and Bonuses
Chairman and members of the Board
NJSC "Aktobe Regional University
named after K. Zhubanov"

KPI map with target values

№	Name of the KPI	Unit of measurement	Threshold	Goal	Challenge	Weight %
Corporate KPIs - %						
Functional KPIs - %						

Position title,

Full name_____

Appendix 2 to the Regulation
on the conditions of remuneration
and bonuses of the Chairman and
members of the Board of
NJSC "Aktobe Regional University
named after K. Zhubanov"

KPI map with actual values

Position title,

Full name _____

№	Indicator	Goal	Threshold value, year	
			Plan	Fact
	Corporate KPIs - %			
	Functional KPIs - %			

Agreed:

№	Position	Last name, initials	Signature, date

Date of Completion: “_____” _____ 20____