

Lam Construction Group

HR & Admin. Manual (HK)	Document No. : HRM 0200
Salary Administration	

Revision Record

Revision No.	Date	Description of Changes	Prepared (W. Leung)	Reviewed (Peter Lee)	Approved (Peter Lam)
--	1-6-99	New Issue	W. Leung	Peter Lee	Peter Lam
A	21-6-99	Two forms are added : - LAM/HRM/0200/F3 - LAM/HRM/0200/F4	W. Leung	Peter Lee	Peter Lam
B	1-12-99	Amend Attendance Record to LAM/HRM/0200/F2a.	W. Leung	Peter Lee	Peter Lam
C	1-5-02	- Clause 3.1.1 has been revised - Clause 3.1.4 has been revised - Clause 3.1.5 has been added - Clause 3.2 has been revised - Overtime Record Form revised to LAM/HRM/0200/F1a - Attendance/O.T. Record Sheet revised to LAM/HRM/0200/F2b - Requisition for Title / Salary Adjustment revised to LAM/HRM/0200/F3a - Staff Change Form revised to LAM/HRM/0200/F4a			

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1.0 Objective and Scope

- 1.1 To define the salary calculation method and the payment administration.
- 1.2 To define the eligibility of overtime compensation.

2.0 Responsibility

- 2.1 The staff should fill in the Overtime Record Sheet / Overtime Application Form when overtime work has been done.
- 2.2 The staff should obtain their supervisor prior approval before working overtime.
- 2.3 The supervisor should justify the necessity and make the necessary arrangement for overtime work.
- 2.4 The supervisor is responsible to approve the attendance record and submit to HR & Admin. Department for payroll process latest by 22nd of the month.

3.0 Procedure

3.1 Payroll

- 3.1.1 Pay Date : Salaries are paid on the 28th day of each month or on the first working day following the 28th if it falls on Sundays or public holidays.
- 3.1.2 For monthly paid employees, salary will include the basic salary and fix allowance of the current month plus any approved overtime work done, meal allowances, medical claims and other payment of the previous month.
- 3.1.3 For daily paid employees, cut off date of the wage is 20th day of each month. It will include basic salary, overtime work done, meal allowances and others payments from 21st of previous month to 20th of the current month.

- 3.1.4 For first payment of the new recruits, salary will be calculated as follows:

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Basic Salary
----- x No. of calendar days the staffs served.
Days of the month

3.1.5 For final payment of the terminated, salary will be calculated as follows:

Average of the last 12 months' salary
----- x No. of calendar days the staffs served.
Days of the month

3.2 Overtime Pay

3.2.1 Employees with internal staff grade from AI to AII are eligible to claim overtime pay according to the conditions stated in 3.2.3. below.

3.2.2 Employees with internal staff grade BI are eligible to claim overtime pay only if they are required to work on rest days or public holidays. They are also abided by the conditions stated in 3.2.3 below.

3.2.3 Overtime pay eligibility conditions: -

(3.2.3.1) Prior approval has been obtained from his/her supervisor.

(3.2.3.2) The overtime work has been at least a one full hour.

3.2.4 Meal breaks are excluded from the total number of hours claimed whenever applicable.

3.2.5 Overtime, up to a maximum of 4 hours, can be compensated, within the same month, by allowing "time off work" calculated as follows :

Hours of overtime worked (x) 1 = Hours of "time off work"

Prior approval by your supervisor and notification to HR & Admin. Department will be required.

3.2.6 Public holidays or statutory holidays, as the case may be, are paid at the normal overtime rate.

3.2.6 Overtime Rate (Hourly Rate) :

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All Shift = Basic Salary / 30 / working hours (x) 1

3.2.7 Administration

3.2.7.1 Overtime Record sheet is provided for recording and payment purposes. This must be approved by the BUOO / GSDH the next working day after overtime work has been performed. The Overtime Record sheet should reach the HR & Admin. Department no later than the 22nd of the month.

3.2.7.2 For Geo-SI all site staff are required to seek the Project Manager's prior approval through the telephone.

The telephone will then pass to the team secretary to record the details, such as : job number, estimate overtime required, etc..

On the 10th of each month, employee is required to complete and submit to the secretary the overtime application form covering the previous month for reconciliation and claim process.

3.3 General Salary Review

3.3.1 Background :

A company-wide salary review will be conducted once a year. New salary will be effective on April 1st.

3.3.2 Factors contributing to the individual increase

- 3.3.2.1 Company's profit
- 3.3.2.2 Employee's past performance
- 3.3.2.3 Market matching of the specific position
- 3.3.2.4 CPI inflation rate

3.3.3 Administration

3.3.3.1 HR & Admin. Manager will be responsible to capture the data of all the factors mentioned at clause 3.3.2 above.

3.3.3.2 A salary increase matrix will work out together with the EVP-Group Services.

3.3.3.3 A first report will be generated and distributed to the respective

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appraisers for review, and making adjustment to some extent.
3.3.3.4 A final report will then be made for President's approval.

4.0 Process Flow Chart

Nil

5.0 Report

Nil

6.0 Standard Form

LAM/HRM/0200/F1a - Overtime Record Sheet

LAM/HRM/0200/F2b - Attendance / O.T. Record Sheet (apply to Team 1 - Site)

LAM/HRM/0200/F3a - Requisition for Title / Salary Adjustment

LAM/HRM/0200/F4a - Staff Changes Form

7.0 Appendix

Nil