Conduct of the 2006 Starting Salaries Survey for the Civil Service:

- Final Consultancy Report

May 2007

Submitted to:
Civil Service Bureau

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## Appendices

1. List of participating private companies
2. Data collection package
I. Introduction

1.1 Watson Wyatt (WW) was commissioned by the Civil Service Bureau (CSB) of the Hong Kong Special Administrative Region Government, in June 2005, to conduct a starting salaries survey for the civil service. We conducted the survey along side the 2006 pay level survey for the civil service, which was also undertaken by us for the CSB. (Our report on the “Conduct of the 2006 Pay Level Survey for the Civil Service: Final Consultancy Report” was published in April 2007.)

1.2 The purpose of the starting salaries survey is to find out the entry-level pay for jobs in the private sector requiring different pre-determined qualification requirements, using 1 April 2006 as the reference date. The data obtained from the survey will enable the CSB to determine the starting salaries for entry ranks in the civil service that have similar qualification requirements, and to revise – as necessary – the existing starting salaries for the relevant civil service ranks. We understand this is in accord with the Government’s stance that comparability with the private sector should be an important factor in setting civil service pay.
II. Methodology

Overview

2.1 WW adopted the qualification benchmark methodology in its conduct of the 2006 starting salaries survey. This methodology was recommended by a consultant to the Government (hereafter referred to as the Phase One Consultant) in 2004, and was also adopted by the Government for the 1989 and 1999 starting salaries review.

The Qualification Benchmark Methodology

2.2 All the grades in the civil service are categorized into different qualification groups (QGs) based on their education qualification requirement and, where applicable, their relevant experience requirement. For each QG, there is one (or two) pay benchmark, which is set having regard to the pay for entry-level jobs requiring similar qualifications in the private sector as determined through a starting salaries survey. Where no comparable entry pay is found in the private sector for a QG existing in the civil service, the benchmark for that QG is determined through internal relativities with other QGs.

2.3 When the benchmark of a QG is determined, the Government then sets the starting salaries of the civil service grades in that particular QG either on par with, or at one or more pay points higher than (where justified for reasons of special job requirements or recruitment difficulties), the said benchmark.

Qualification Groups in the Civil Service

2.4 At present, there are 12 QGs in the civil service, namely –

(a) **QG 1**: Grades not requiring five passes in the HKCEE (e.g. Clerical Assistant, Postman, etc.);

(b) **QG 2**: Grades requiring school certificate. This QG is sub-divided into two groups. Group I are for grades that require five passes in the HKCEE but not experience (e.g. Assistant Clerical Officer, Postal Officer, etc.). Group II are for grades that require both five passes in the HKCEE and considerable experience (e.g. Confidential Assistant, Assistant Taxation Officer, etc.);

(c) **QG 3**: Grades requiring higher diploma and diploma. This QG is sub-divided into two groups. Group I are for grades that require higher diploma (e.g. Dental Therapist, Physiotherapist grades, etc.) and Group II for grades that require diploma only (e.g. Technical Officer, Survey Officer, etc.);

(d) **QG 4**: Technical inspectorate and related grades requiring higher certificate plus relevant experience (e.g. Assistant Clerk of Works, Assistant Inspector of Works, etc.);

(e) **QG5**: Technician, supervisory and related grades – Group I – requiring relevant certificate or apprenticeship plus experience (e.g. Amenities Assistant III, Works Supervisor II, etc.);

(f) **QG6**: Technician, supervisory and related grades – Group II – requiring relevant craft and skill plus experience or relevant apprenticeship plus
experience (e.g. Artisan, Motor Driver, etc.);

(g) **QG7**: Grades requiring two passes in Hong Kong Advanced Level Examination plus three credits in HKCEE (2A30) (e.g. Court Prosecutor, Liaison Officer II, etc.);

(h) **QG8**: Grades requiring professional qualification. This QG is sub-divided into two groups. Group I are for grades which require membership of a professional institution or equivalent (e.g. Treasury Accountant, Government Counsel, etc.). Group II are for grades with pay structure related to those grades in Group I (e.g. Economist, Administrative Officer, etc.);

(i) **QG9**: Grades requiring bachelor degree qualification (e.g. Executive Officer, Assistant Labour Officer, etc.);

(j) **QG10**: Grades on the Model Scale I requiring ability to read Chinese and strong physique (e.g. Workman II, Ganger, etc.);

(k) **QG11**: Grades in the education area with diverse educational qualification requirements (e.g. Certificated Master/Mistress, Assistant Education Officer, etc.); and

(l) **QG 12**: Other grades with disparate qualification requirements and falling outside the above 11 QGs (e.g. Air Traffic Control Officer III, Assistant Hawker Control Officer, Assistant Information Officer, etc.).

**Coverage of the 2006 Starting Salaries Survey**

2.5 The Government has accepted the recommendation of the Phase One Consultant that three of the existing 12 QGs (namely QG 7, 11 and 12) should be excluded from the 2006 starting salaries survey. This is partly because the jobs requiring the concerned qualification requirements were less easily found in the private sector (e.g. QG 7), and partly because the civil service grades included in these QGs (specifically QG 11 and 12) have very diverse entry qualification requirements. Accordingly, our survey has not addressed these three QGs.

2.6 With regard to QG 2, with the agreement of the CSB, we have focused on jobs in the private sector requiring the same qualification as that for the grades in Group I of this QG only. This is because the experience and skill requirements for the different grades in Group II of this QG are quite diverse. Our approach is consistent with the practice adopted in the Government’s past starting salaries review.

**Requirements on Experience**

2.7 With regard to the relevant experience requirement for a number of QGs, having regard to the typical experience requirement of the civil service grades in these QGs, we have adopted the requirements of: three years’ experience for QG4, two years’ experience for QG5, and two/three years’ experience for QG6, for the purpose of data collection in this survey.

2.8 For those QGs not requiring any experience, the Phase One Consultant recommended that both data for jobs requiring no experience and those requiring no more than one year of experience should be used for the starting salaries survey, as private sector
companies normally did not differentiate between jobs requiring no experience and those requiring as little experience as one year. We have adhered to the Phase One Consultant’s recommendation in our survey.

Data Elements Collected

2.9 The following two aggregates of cash compensation were collected in the 2006 starting salaries survey-

(a) **Annual base salary**, defined as basic salary plus contractually guaranteed bonus; and

(b) **Annual total cash compensation**, defined as annual base salary plus any other cash payment (including cash allowances and variable pay) except those that are conditional on particular working conditions (such as overtime or work location) or on individual circumstances (e.g. payments for reimbursement of business expenses).

2.10 In accordance with the recommendation of the Phase One Consultant, starting salary in the private sector is defined as the salary paid to an employee after the confirmation adjustment at the end of his/her probation period (if any) and within the first year of employment. In the private sector, the full value of the entry-level job normally can only be reflected by the pay after probation when the employee’s suitability to the job is confirmed. Probation in the private sector normally lasts a relatively short period (typically three months although sometimes it could be as long as six months or a year). In the civil service, however, probation is usually for a period of two to three years. During this period, a probation civil servant continues to progress along the relevant pay scale starting from the entry point. To ensure parity in pay comparison, the private sector starting salaries as defined above are compared with the entry point of the pay scale of the civil service entry ranks requiring similar qualifications for appointment.
III. Data Collection and Analysis

Scope of Surveyed Companies

3.1 The survey field for the starting salaries survey was the same as that for the 2006 pay level survey. We invited all the private companies approached to provide pay data for both the surveys.

3.2 Of the 208 private sector companies invited, 97 participated in the 2006 pay level survey. Of these 97 companies, 56 participated in the starting salaries survey as listed at Appendix 1. We surmise that some companies participated in the pay level survey but not the starting salaries survey for different reasons. A possible reason may be because some companies had not employed any new recruits that matched with the qualification requirements stipulated for the nine QGs in the 12-month period preceding the reference date of the survey. Another may be some companies had employed new recruits in the period concerned but their qualification requirements did not match the nine QGs. Another possible reason may be some recruits were subject to a probation period longer than one year.

3.3 The distribution of the 56 private sector companies by economic sector is as follow –

<table>
<thead>
<tr>
<th>Economic Sector</th>
<th>No. of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community, Social and Personal Services</td>
<td>8</td>
</tr>
<tr>
<td>Construction (works-related)</td>
<td>15</td>
</tr>
<tr>
<td>Financing, Insurance, Real Estate and Business Services</td>
<td>12</td>
</tr>
<tr>
<td>Hotels and Restaurants</td>
<td>5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4</td>
</tr>
<tr>
<td>Transport, Storage, Communication and Utility</td>
<td>3</td>
</tr>
<tr>
<td>Wholesale, Retail and Import/Export</td>
<td>9</td>
</tr>
</tbody>
</table>

3.4 The distribution above shows that over a quarter of the participating companies were from the construction/works related sector. This is reflection of the design of the civil service QG system, as five out of the nine QGs included in the starting salaries survey (namely: QG 3, QG 4, QG 5, QG 6 and QG 8) fall within the construction/works related sector.

3.5 All the invited private sector companies were required to provide the information on starting pay sought in the data collection package (a copy of which is at Appendix 2), consisting of a spreadsheet, a questionnaire, and a reference guide to steer them through the process. WW provided the necessary assistance to participating companies to ensure that they submitted the requested data accurately. In particular, we explained to each company how to input the pay data into the appropriate entries in the spreadsheet to ensure the accuracy of the data collected.

3.6 All the data received from participating private sector companies that fell within the extreme range (i.e. the top 10% and the lowest 10% of each QG) were double-checked by our senior staff. Where necessary, the relevant companies were contacted for clarification in order to ensure that the data provided were valid and met the requirements set for the relevant QG.
3.7 We are mindful that the actual qualification of an employee could exceed the requirements of the job concerned. For such cases, the actual qualification requirement as denoted during the recruitment process would be the determining criterion. For instance, the pay data of a diploma holder who filled a job that required only five passes in HKCEE would be used as data for QG 2 (i.e. HKCEE grades) instead of QG 3 (i.e. grades requiring diploma or higher diploma). The rationale is that starting salaries should be determined having regard to the qualifications required for the specific jobs. While we cannot rule out the possibility that private sector employers may give a higher or lower salary than their stated entry pay in specific instances, the common practice is over-qualified recruits (both in terms of educational qualification and experience) are usually not rewarded with a higher pay.

Data Consolidation Approach

3.8 The data collected are analyzed under the typical organisation practice approach, i.e. each participating company providing data has equal weight irrespective of its employment size, as recommended by the Phase One Consultant (and also adopted for the 2006 pay level survey). Under this approach, it is the number of companies providing data for each of the nine surveyed QGs that is important in ensuring the validity of the results.

Data Analysis

3.9 Under the typical organization practice approach for data consolidation, we consider that each QG should have data collected from at least 10 companies. This criterion was met in six out of the nine surveyed QGs. The data collected for QG 4, QG 6 and QG 10 were from less than 10 private sector companies. In view of the insufficient data, we do not consider the results for these QGs valid. We recommend the Government to derive the benchmark for these QGs based on their existing internal relativities with other QGs.

3.10 QG 3 comprises both civil service grades requiring a diploma and those requiring a higher diploma. While we had made every effort to collect data for both job categories, the pay data collected for QG 3 were dominated by diploma jobs. Accordingly, we recommend that the results for QG 3 should be used for establishing the benchmark pay for civil service jobs requiring a diploma qualification only.
IV. Results of the Starting Salaries Survey

The results

4.1 The table below shows the consolidated annual cash compensation for the different QGs based on the private sector entry-level pay data collected –

<table>
<thead>
<tr>
<th>QG</th>
<th>Market Median (P50)</th>
<th>Market Upper Quartile (P75)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Basic Cash Compensation ($)</td>
<td>Annual Total Cash Compensation ($)</td>
</tr>
<tr>
<td>QG1</td>
<td>90,000</td>
<td>92,877</td>
</tr>
<tr>
<td>QG2</td>
<td>91,000</td>
<td>100,000</td>
</tr>
<tr>
<td>QG3</td>
<td>114,780</td>
<td>114,780</td>
</tr>
<tr>
<td>QG4</td>
<td>(insufficient data)</td>
<td></td>
</tr>
<tr>
<td>QG5</td>
<td>109,170</td>
<td>118,827</td>
</tr>
<tr>
<td>QG6</td>
<td>(insufficient data)</td>
<td></td>
</tr>
<tr>
<td>QG8</td>
<td>267,972</td>
<td>277,501</td>
</tr>
<tr>
<td>QG9</td>
<td>169,000</td>
<td>169,000</td>
</tr>
<tr>
<td>QG10</td>
<td>(insufficient data)</td>
<td></td>
</tr>
</tbody>
</table>

4.2 The following table presents the consolidated annual cash compensation for the different QGs in the form of equivalent monthly compensation –

<table>
<thead>
<tr>
<th>QG</th>
<th>Market Median (P50)</th>
<th>Market Upper Quartile (P75)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Equivalent Monthly Basic Cash Compensation ($)</td>
<td>Equivalent Monthly Total Cash Compensation ($)</td>
</tr>
<tr>
<td>QG1</td>
<td>7,500</td>
<td>7,740</td>
</tr>
<tr>
<td>QG2</td>
<td>7,583</td>
<td>8,333</td>
</tr>
<tr>
<td>QG3</td>
<td>9,565</td>
<td>9,565</td>
</tr>
<tr>
<td>QG4</td>
<td>(insufficient data)</td>
<td></td>
</tr>
<tr>
<td>QG5</td>
<td>9,098</td>
<td>9,902</td>
</tr>
<tr>
<td>QG6</td>
<td>(insufficient data)</td>
<td></td>
</tr>
<tr>
<td>QG8</td>
<td>22,331</td>
<td>23,125</td>
</tr>
<tr>
<td>QG9</td>
<td>14,083</td>
<td>14,083</td>
</tr>
<tr>
<td>QG10</td>
<td>(insufficient data)</td>
<td></td>
</tr>
</tbody>
</table>

4.3 The annual and monthly basic cash compensation figures above consist of basic salary and contractually guaranteed bonus. Where discretionary bonus and other allowances and benefits in the form of cash are paid to new recruits in the private sector, they are also included in the annual and monthly total cash compensation figures. The market median (P50) refers to the level that separates the top 50% paying companies from the remaining companies, and the market upper quartile (or P75) refers to the level that separates the top 25% paying companies from the 75% lower paying companies.

4.4 The above results shown in graphic form are presented below –
**Market Median (P50)**

- QG1: Insufficient data
- QG2: Insufficient data
- QG3: Insufficient data
- QG4: Insufficient data
- QG5: Insufficient data
- QG6: Insufficient data
- QG8: Insufficient data
- QG9: Insufficient data
- QG10: Insufficient data

**Market Upper Quartile (P75)**

- QG1: Insufficient data
- QG2: Insufficient data
- QG3: Insufficient data
- QG4: Insufficient data
- QG5: Insufficient data
- QG6: Insufficient data
- QG8: Insufficient data
- QG9: Insufficient data
- QG10: Insufficient data

Legend:
- Equivalent Monthly Basic Cash Compensation
- Equivalent Monthly Total Cash Compensation
## List of participating private sector companies

<table>
<thead>
<tr>
<th>Name of company</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC Nielsen (China) Ltd</td>
</tr>
<tr>
<td>Bank of East Asia, Ltd</td>
</tr>
<tr>
<td>C M Wong &amp; Associates Ltd</td>
</tr>
<tr>
<td>Chen Hsong Holdings Ltd</td>
</tr>
<tr>
<td>Chevalier International Holding Ltd.</td>
</tr>
<tr>
<td>Davis Langdon &amp; Seah Hong Kong Ltd</td>
</tr>
<tr>
<td>DKSH Hong Kong Ltd</td>
</tr>
<tr>
<td>DTZ Debenham Tie Leung Limited</td>
</tr>
<tr>
<td>Du Pont China Limited</td>
</tr>
<tr>
<td>Elec &amp; Eltek International (HK) Ltd</td>
</tr>
<tr>
<td>Hang Lung Properties</td>
</tr>
<tr>
<td>Hang Seng Bank Ltd</td>
</tr>
<tr>
<td>Hasbro Far East Limited</td>
</tr>
<tr>
<td>Hewlett-Packard HK SAR Ltd</td>
</tr>
<tr>
<td>Hip Hing Construction Co., Ltd.</td>
</tr>
<tr>
<td>Hong Kong Aero Engine Services Ltd</td>
</tr>
<tr>
<td>Hong Kong Country Club, The</td>
</tr>
<tr>
<td>Hong Kong Housing Society</td>
</tr>
<tr>
<td>Hong Kong Jockey Club, The</td>
</tr>
<tr>
<td>Hong Kong Trade Development Council</td>
</tr>
<tr>
<td>Hotel Inter-Continental Hong Kong</td>
</tr>
<tr>
<td>Hsin Chong Construction Group Ltd</td>
</tr>
<tr>
<td>ISS Eastpoint Facility Services Ltd</td>
</tr>
<tr>
<td>Jardine Engineering Corporation, Ltd.</td>
</tr>
<tr>
<td>Jardine Pacific Ltd</td>
</tr>
<tr>
<td>K Wah Construction Materials (HK) Ltd</td>
</tr>
<tr>
<td>KPMG</td>
</tr>
<tr>
<td>Li &amp; Fung (Trading) Ltd</td>
</tr>
<tr>
<td>Mandatory Provident Fund Schemes Authority</td>
</tr>
<tr>
<td>Marco Polo Hotels</td>
</tr>
<tr>
<td>Maunsell Consultants Asia Ltd</td>
</tr>
<tr>
<td>Meinhardt (Hong Kong) Ltd</td>
</tr>
<tr>
<td>Meyer Aluminium Ltd</td>
</tr>
<tr>
<td>Modern Terminals Ltd</td>
</tr>
<tr>
<td>Motorola Asia Pacific Ltd</td>
</tr>
<tr>
<td>Mott Connell Ltd</td>
</tr>
<tr>
<td>Name of company</td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td>Otis Elevator Company (H.K.) Ltd</td>
</tr>
<tr>
<td>Pearson Education Asia Limited</td>
</tr>
<tr>
<td>Philips Electronics Hong Kong Ltd</td>
</tr>
<tr>
<td>Shanghai Commercial Bank Ltd</td>
</tr>
<tr>
<td>Sheraton Hong Kong Hotel &amp; Towers</td>
</tr>
<tr>
<td>Standard Chartered Bank (Hong Kong) Ltd</td>
</tr>
<tr>
<td>Television Broadcasts Ltd</td>
</tr>
<tr>
<td>The Kowloon Motor Bus Holdings Ltd</td>
</tr>
<tr>
<td>Urban Property Management Ltd</td>
</tr>
<tr>
<td>Wing On Department Stores (HK) Ltd, The</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
</tr>
<tr>
<td><strong>46</strong></td>
</tr>
<tr>
<td>**Anonymous ***</td>
</tr>
<tr>
<td><strong>10</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
</tr>
<tr>
<td><strong>56</strong></td>
</tr>
</tbody>
</table>

*These companies do not want to have their names published.*
Pay Level Survey for the Civil Service

Reference Guide
for completing the data entry spreadsheet on cash compensation elements

General note

1. You are invited to provide in –

   (a) **Part I (General Pay Level Survey):** relevant data on **ALL** cash compensation elements paid to each job-holder of each job in your organisation which has been identified as broadly comparable with the relevant civil service benchmark job in the job matching process (“private sector benchmark job”); and

   (b) **Part II (Starting Salaries Survey):** starting salary (including **ALL** cash compensation elements) paid to each job-holder of each entry-level job in your organisation requiring similar entry qualifications as the civil service entry job.

2. The information provided should be updated as at 1 April 2006 (i.e. the survey reference date).

3. The remuneration data provided should be determined on the basis of factors and considerations applying to Hong Kong rather than outside Hong Kong.

4. For ensuring confidentiality, you are **NOT** required to provide the name of your organisation or your employees concerned.

5. The pay data of those jobs which are filled by expatriates who stay in Hong Kong for a limited time period or on specific projects should be excluded.

**Part I: General Pay Level Survey**

General information

**Column 1 – Company code (“CoCode”)**

6. Each participating organisation is requested to complete one data entry spreadsheet. To ensure confidentiality of the name of your organisation,
a company code as assigned by Watson Wyatt (WW) has been inserted into this column.

**Column 2 - Job code (“WW_job_code”)**

7. A number of private sector benchmark jobs have already been identified with your organisation in the job matching process. WW has assigned a job code for each of the private sector benchmark jobs and inserted the codes into this column.

**Column 3 – Employee number (“EENO”)**

8. There may be more than one job-holder in your organisation for each private sector benchmark job. You are invited to provide information on ALL job-holders of each private sector benchmark job. Please assign code number for each job-holder and insert the code number into this column.¹

9. For the avoidance of doubt, there is NO need to provide the name of any job-holders concerned.

**Column 4 – Date of birth of the job-holder (“DOB”)**

10. Please provide the date of birth of all job-holders concerned in this column.

**Column 5 – Date of hire of the job-holder (“DOH”)**

11. Please provide the date on which the job-holder was recruited to your organisation in this column.

**Column 6 – Date of holding current job (“DOJ”)**

12. Please provide the date on which the job-holder started to hold the current job.

**Column 7 – Years of minimum experience for being appointed to the job (“MinExp”)**

13. Please provide the minimum number of years of relevant experience that the job-holder must possess before he/she is eligible for being appointed to the job.

¹ If there are difficulties with providing data for all job-holders, it would be useful if you would provide the average figure for each of the private sector benchmark jobs and the number of job-holders involved in calculating the average.
**Column 8 – Years of relevant experience in the job (“RelExp”)**

14. Please provide the total number of years of relevant experience held by each job-holder in the field in which he/she is working.

**Column 8A – Minimum qualifications for being appointed to the job (“MinQ”)**

15. Please provide the minimum qualifications that the job-holder must possess before he/she is eligible for being appointed to the job.

**Cash compensation elements**

16. You are invited to provide the total amount of all cash compensation elements, whether on an accountable or non-accountable basis, paid to the job-holder, including basic salary (Column 9), guaranteed bonus (Column 10), housing allowance (Column 11), education allowance (Column 12), passage allowance (Column 13), other cash allowances (Column 14), actual variable compensation (Column 15).

17. The following cash allowances which are conditional on specific work conditions or individual circumstances are excluded -

   (i) Cash payments which are conditional on individual circumstances (e.g. cash payment as reimbursement or substitute for reimbursement of an accountable expense borne by the employee). Examples are:

   (a) transport and meal allowances paid subject to working overtime or unsocial hours or in remote locations or paid in lieu of actual reimbursement of legitimate business expenses; and

   (b) non-accountable entertainment allowances paid in lieu of reimbursement of actual expenses.

   (ii) Cash payments which are conditional on specific working conditions that may be unique to an organisation or particular jobs in the organisation. Examples are:

   (c) payments for overtime, shift work, remote locations, typhoon duty, noxious or dangerous duties, etc. that are related to the working conditions of a particular job; and

   (d) flat rate overtime or shift allowances paid without regard to the actual hours of overtime or shifts worked instead of compensation for actual overtime hours or shifts worked.
(iii) Some exceptional cases of payment of certain benefits in cash in the private sector. Examples include:

(e) cash reimbursement of out-patient medical expenses paid directly by the employer rather than through a medical insurance scheme. In most cases, these benefits are paid in kind or through an insurance scheme but not in the form of cash payment to employee direct.

18. Policy information on the provision of cash compensation elements and employee benefits/compensation not paid in cash is collected separately through the questionnaire attached.

**Column 9 – Basic salary (“Salary”)**

19. Please provide the annual basic salary offered to the job-holder using the survey reference date of 1 April 2006 (i.e. monthly salary as at 1 April 2006 times 12).

**Column 10 – Guaranteed bonus (“G_Bonus“)**

20. Please provide the annual bonus (in terms of the number of months of salary as at 1 April 2006) paid on top of the basic salary provided in Column 9 and on a guaranteed basis (either contractually or by established practice) (e.g. 1 month in the case of the 13th month salary).

**Column 11 – Housing allowance per annum (“HS_Allow”)**

21. Please provide the total amount of housing allowances paid in cash to the job-holder over the 12 months prior to 1 April 2006.

**Column 12 – Education allowance per annum (“Edu_Allow”)**

22. Please provide the total amount of education allowances for children (including allowances for school passage, where applicable) paid in cash to the job-holder over the 12 months prior to 1 April 2006.

**Column 13 – Passage allowance per annum (“Pass_Allow”)**

23. Please provide the total amount of passage allowances for the job-holder and his/her spouse/children paid in cash to the job-holder over the 12 months prior to 1 April 2006.
Column 14 – Other cash allowances (“Other_Allow”)  

24. Please provide the total amount of any other allowances paid in cash (e.g. car park allowance) to the job-holder over the 12 months prior to 1 April 2006.

Column 15 – Actual variable compensation (“Var_Com”)  

25. Please provide the total amount of actual variable compensation (e.g. commission, incentive bonus, etc), based on individual or organisation performance, paid in cash to the job-holder over the 12 months prior to 1 April 2006.

Part II: Starting Salaries Survey  

26. Please provide information on the starting salaries in respect of private sector entry-level jobs under different qualification groups as set out in paragraph 26 below. In this context, starting salary is defined as the cash compensation elements paid to an employee after the confirmation adjustment at the end of his or her probation period (if any) and within the first year of employment. Private sector entry-level jobs are defined as the first-tier of jobs in private sector organisations requiring similar qualification requirement as the civil service entry ranks and are considered as broadly comparable with the relevant civil service benchmark job.

27. Starting salaries in respect of the following qualification groups are requested -

<table>
<thead>
<tr>
<th>Qualification Group 1</th>
<th>Education of Form 5 or below plus 0 – 1 year of experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grades not requiring five passes in the Hong Kong Certificate of Education Examination (HKCEE)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Qualification Group 2</th>
<th>Five passes in the HKCEE plus 0 – 1 year of experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>School certificate grades</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Qualification Group 3</th>
<th>Higher diploma or diploma plus 0 –1 year of experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher diploma and diploma grades</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Qualification Group 4</th>
<th>Higher certificate plus 3 years of</th>
</tr>
</thead>
</table>


<table>
<thead>
<tr>
<th>Qualification Group</th>
<th>Experience/Qualification Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualification Group 5</td>
<td>Relevant certificate or apprenticeship plus 2 years of experience</td>
</tr>
<tr>
<td>Qualification Group 6</td>
<td>Craft and skill plus experience or apprenticeship plus 2-3 years of experience</td>
</tr>
<tr>
<td>Qualification Group 8</td>
<td>Membership of a professional institution or equivalent which may or may not implicitly imply an experience requirement depending on the industry concerned</td>
</tr>
<tr>
<td>Qualification Group 9</td>
<td>A degree plus 0 – 1 year of experience</td>
</tr>
<tr>
<td>Qualification Group 10</td>
<td>Strong physique and ability to read Chinese</td>
</tr>
</tbody>
</table>

(A) Individual entry-level job

28. Except for Columns 4 to 8 under Part I which are not required for the Starting Salaries Survey, information to be provided for starting salaries for Columns 1-3 and 5-11 are the same as that for Columns 1-3 and 9-15 under Part I respectively.

Column 4 - Qualification code ("QG_code")

29. Please insert the qualification code (e.g. QG1) for the qualification group to which the job-holder concerned belongs in this column.

(B) Individual qualification group

Column 3 – Average total cash compensation ("Ave_total_cash")

30. Please provide an average of the total amount of cash compensation elements (i.e. items equal to Columns 5-11 under Part (A) above) paid to all entry-level jobs in your organisation (including both benchmark jobs and non-benchmark jobs) for each of the qualification groups, where
applicable, in this column.

**Column 4 – Total number of jobs involved (“No_of_jobs”)**

31. Please provide the total number of entry-level jobs involved in calculating the average figures in paragraph 29 above.

Prepared by Watson Wyatt Hong Kong Limited
Pay Level Survey for the Civil Service

Provision of Data on Cash Compensation Elements -
Data entry spreadsheet
(Note: The spreadsheet below is a sample and all figures contained herein are made up for illustration only)

**Part I: General Pay Level Survey**

<table>
<thead>
<tr>
<th>CoCode</th>
<th>WW_job_code</th>
<th>EENO</th>
<th>DOB</th>
<th>DOJ</th>
<th>MinExp</th>
<th>RelExp</th>
<th>MinQ*</th>
<th>Salary</th>
<th>G_Bonus</th>
<th>HS_Allow</th>
<th>Edu_Allow</th>
<th>Pass_Allow</th>
<th>Other_Allow</th>
<th>Var_Com</th>
</tr>
</thead>
<tbody>
<tr>
<td>A001</td>
<td>JF1/JL2/01</td>
<td>1234</td>
<td>1.1.1960</td>
<td>7.1.1989</td>
<td>12.1.1999</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>150000</td>
<td>1</td>
<td>0</td>
<td>30000</td>
<td>0</td>
<td>3000</td>
</tr>
</tbody>
</table>

* 1 – HKCEE five passes; 2 – Higher diploma; 3 – Degree; etc

**Part II: Starting Salaries Survey**

*(A) Individual entry-level job*

<table>
<thead>
<tr>
<th>CoCode</th>
<th>WW_job_code</th>
<th>EENO</th>
<th>QQ_code</th>
<th>Salary</th>
<th>G_Bonus</th>
<th>HS_Allow</th>
<th>Edu_Allow</th>
<th>Pass_Allow</th>
<th>Other_Allow</th>
<th>Var_Com</th>
</tr>
</thead>
<tbody>
<tr>
<td>A001</td>
<td>JF1/JL1/01</td>
<td>3456</td>
<td>QG2</td>
<td>90000</td>
<td>1</td>
<td>0</td>
<td>3000</td>
<td>0</td>
<td>5000</td>
<td>10000</td>
</tr>
<tr>
<td>A001</td>
<td>JF4/JL2/01</td>
<td>4567</td>
<td>QG4</td>
<td>160000</td>
<td>1</td>
<td>10000</td>
<td>5000</td>
<td>0</td>
<td>5000</td>
<td>10000</td>
</tr>
<tr>
<td>A001</td>
<td>JF3/JL3/01</td>
<td>5678</td>
<td>QG8</td>
<td>300000</td>
<td>1</td>
<td>20000</td>
<td>10000</td>
<td>10000</td>
<td>140000</td>
<td>30000</td>
</tr>
</tbody>
</table>

*(B) Individual qualification group*

<table>
<thead>
<tr>
<th>CoCode</th>
<th>QQ_code</th>
<th>Ave_total_cash</th>
<th>No_of_jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>A001</td>
<td>QG1</td>
<td>110000</td>
<td>50</td>
</tr>
<tr>
<td>A001</td>
<td>QG3</td>
<td>180000</td>
<td>25</td>
</tr>
</tbody>
</table>
Pay Level Survey for Civil Service

QUESTIONNAIRE

Policy information on –
(a) cash compensation elements; and
(b) employee compensation/benefits not paid in cash

Company Code 
Employee Type : Local
Job type : Jobs at job level 1 (i.e. job codes xxx, xxx, etc.)
[N.B. The same questionnaire will be used for other job levels]
Survey reference date : 1 April 2006

Prepared by Watson Wyatt Hong Kong Limited
I. COMPANY PROFILE ................................................................. II

II. CASH COMPENSATION ELEMENTS
  II-1 BASIC SALARY ............................................................... II 1
  II-2 CASH ALLOWANCES .................................................... II 1
  II-3 GUARANTEED BONUS ................................................... II 5
  II-4 VARIABLE COMPENSATION ......................................... II 5
  II-5 STARTING SALARIES ..................................................... II 6

III. EMPLOYEE COMPENSATION/BENEFITS NOT PAID IN CASH
  III-1 RETIREMENT SCHEME OFFERED ................................. III 1
  III-2 EDUCATION BENEFITS FOR CHILDREN (not paid in cash) .......... III 3
  III-3 HOUSING BENEFITS (not paid in cash) ............................ III 3
  III-4 PASSAGE AND TRAVEL-RELATED BENEFITS FOR EMPLOYEE AND SPOUSE/CHILDREN (not paid in cash) ......................... III 5
  III-5 ANNUAL LEAVE ENTITLEMENT .................................... III 5
  III-6 MEDICAL INSURANCE .................................................. III 6
  III-7 LONG TERM INCENTIVES ............................................. III 7
  III-8 STATUS CAR ............................................................... III 8
  III-9 CLUB MEMBERSHIP ....................................................... III 9
SECTION I - COMPANY PROFILE

I-1. COMPANY INFORMATION

a. Company Code

b. Contact persons:
   - Name: ____________________________
   - Position: _________________________
   - Phone: __________________________
   - Fax: ____________________________
   - Name: ____________________________
   - Position: _________________________
   - Phone: __________________________
   - Fax: ____________________________

c. No. of employees (monthly paid): Local: _____________

Date: ____________________
### I-2. STAFF TURNOVER

<table>
<thead>
<tr>
<th>Overall Company Staff Turnover (For local staff only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>_________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>a. No. of permanent employees who voluntarily resigned in the past 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>_________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b. No. of permanent employees 12 months ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>_________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c. No. of permanent employees at present</th>
</tr>
</thead>
<tbody>
<tr>
<td>_________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>d. Staff turnover rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>_________ %</td>
</tr>
</tbody>
</table>

N.B.: Formula for calculation staff turnover rate (item d)

\[
\text{Staff turnover rate} = \frac{\text{No. of permanent employees who voluntarily resigned in the past 12 months}}{(\text{No. of permanent employees 12 months ago} + \text{No. of permanent employees at present}) \times 0.5}
\]

\[
= \frac{a}{(b + c) \times 0.5}
\]
SECTION II – CASH COMPENSATION ELEMENTS

II-1. BASIC SALARY

<table>
<thead>
<tr>
<th></th>
<th>Local Mgmt</th>
<th>Local Non-Mgmt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of salary review per annum</td>
<td>O Once</td>
<td>O Once</td>
</tr>
<tr>
<td></td>
<td>O Twice</td>
<td>O Twice</td>
</tr>
<tr>
<td></td>
<td>O Other</td>
<td>O Other</td>
</tr>
</tbody>
</table>

b. Salary review month(s) (e.g. 01 for January, 02 for February, etc. and 99 for anniversary of employment date)

II-2. CASH ALLOWANCES

II-2.1 EDUCATION BENEFITS FOR CHILDREN

II-2.1A Local Schooling (skip to Question II-2.1B if No)

O Yes  O No

a. Minimum service required

O On joining
O After probation
O After _________ months

b. Maximum number of children covered

O ___________ child(ren)
O No limit
O Other _______________

c. Maximum amount available

O Cash allowance of max HK$ ________________ p.a.
O Actual reimbursement of _________% with max HK$ _________ p.a.
O No limit, align with market rate
O Other ___________________
SECTION II – CASH COMPENSATION ELEMENTS

d. Age limit/Education level covered

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>No limit</td>
</tr>
<tr>
<td>O</td>
<td>Up to completion of secondary school studies</td>
</tr>
<tr>
<td>O</td>
<td>Up to completion of university studies</td>
</tr>
<tr>
<td>O</td>
<td>Up to age ____________</td>
</tr>
<tr>
<td>O</td>
<td>Other ____________</td>
</tr>
</tbody>
</table>

II-2.1B Overseas Schooling

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>Yes</td>
</tr>
</tbody>
</table>

a. Minimum service required

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>On joining</td>
</tr>
<tr>
<td>O</td>
<td>After probation</td>
</tr>
<tr>
<td>O</td>
<td>After _________ months</td>
</tr>
</tbody>
</table>

b. Maximum number of children covered

- _________ child(ren)
- No limit
- Other ________________

c. Maximum amount available

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>Cash allowance of max HK$ ________________ p.a.</td>
</tr>
<tr>
<td>O</td>
<td>Actual reimbursement of _________% with max HK$ _______________ p.a.</td>
</tr>
<tr>
<td>O</td>
<td>No limit, align with market rate</td>
</tr>
<tr>
<td>O</td>
<td>Other ________________</td>
</tr>
</tbody>
</table>

d. Age limit/Education level covered

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>No limit</td>
</tr>
<tr>
<td>O</td>
<td>Up to completion of secondary school studies</td>
</tr>
<tr>
<td>O</td>
<td>Up to completion of university studies</td>
</tr>
<tr>
<td>O</td>
<td>Up to age ____________</td>
</tr>
<tr>
<td>O</td>
<td>Other ________________</td>
</tr>
</tbody>
</table>

O One choice only  ❑ More than one choices
SECTION II – CASH COMPENSATION ELEMENTS

e. Air Travel
   i. Frequency of air travel
      O Once every 2 years
      O Once a year
      O Twice a year
      O Other ________________

II.2.2 HOUSING BENEFITS

   O Yes       O No

a. Minimum service required
   O On joining
   O After probation
   O After _________ months

b. Type of Benefit

   - Cash Allowance (Pls answer II-2.2A)
   - Rental Reimbursement (Pls answer II-2.2B)
   - Additional Accommodation Costs Paid (Pls answer II-2.2C)

II-2.2A Cash Allowance

   Maximum limit for cash allowance

   O HK$ __________ per month
   O __________ % of basic monthly salary
   O Other ________________

II-2.2B Rental Reimbursement

   Maximum limit for rental reimbursement

   O HK$ __________ per month
   O __________ % of basic monthly salary
   O Other ________________
SECTION II – CASH COMPENSATION ELEMENTS

II-2.2C Accommodation Related Costs

Please choose which of the following are paid:

☐ Rates
☐ Management fee
☐ Water/Gas/Electricity
☐ Domestic housekeeper
☐ Telephone
☐ International calls
☐ Furnishing
☐ Maintenance
☐ Other __________________

II-2.3 PASSAGE AND TRAVEL-RELATED BENEFITS FOR EMPLOYEE AND SPOUSE/CHILDREN

O Yes  O No

a. Minimum service required

O On joining
O After probation
O After _________ months

b. Type of benefit

O Cash allowance of max HK$ ____________ p.a.
O Actual reimbursement with max. HK$ __________ p.a.
O Other _________________

II-2.4 OTHER CASH ALLOWANCES

O Yes  O No

a. Minimum service required

O On joining
O After probation
O After _________ months

b. Type of allowance

________________________________________________________________________
________________________________________________________________________
SECTION II – CASH COMPENSATION ELEMENTS

c. Amount

- HK$ ___________/month
- _______ % of basic annual salary
- Other _________________

II-3 GUARANTEED BONUS

- Yes
- No

a. Minimum service required

- On joining
- After probation
- After _________ months

b. Any plan to remove the guaranteed bonus and replace it by performance-based variable pay?

- Yes
- No

II-4 VARIABLE COMPENSATION (e.g. commission, incentive bonus, etc.)

- Yes
- No

a. Minimum service required

- On joining
- After probation
- After _________ months

b. Actual amount of variable compensation paid as % of annual basic salary for the past 12 months

- %

c. Variable compensation payment is based on?

- Company performance
- Department/Business Unit performance
- Individual Performance
- Others _________________
II-5 STARTING SALARIES

a. Will you provide a higher remuneration level for the entry-level job when the actual qualifications of the job-holder is higher than the job qualification requirements?

- [ ] Yes
- [ ] No

- [ ] ________ % of basic annual salary
- [ ] Other ____________
III-1 RETIREMENT SCHEME OFFERED

III-1.1 Type of plan offered

- O MPF Min only
- O MPF Top up only
- O MPF Min + ORSO Defined Contribution (DC) / Defined Benefit (DB)
- O MPF Top up + ORSO Defined Contribution (DC) / Defined Benefit (DB)

a. Employer’s Contribution (% of salary)

| Initial Contribution: _______ % |
| Contribution at Year of Service (YOS) 5: _______ % |
| Contribution at YOS 10: _______ % |
| Maximum: _______ % at YOS _______ |

b. Employee’s Contribution

| O Yes | O No |

| Initial Contribution: _____ % |
| Contribution at YOS 5: _____ % |
| Contribution at YOS 10: _____ % |
| Maximum: _____ % at YOS _____ |

c. Normal Retirement

- O DC: Total of 100% employers’ and employees’ contributions plus accrued interest
- O DB: Final salary x YOS ______
- O Hybrid: Greater of 100% employers’ and employees’ contribution plus accrued interest OR Final salary x YOS x ________
- O Same as leaving service benefit
- O Other ________________
SECTION III – EMPLOYEE COMPENSATION/BENEFITS NOT PAID IN CASH

d. Leaving Service Benefit
For companies with Defined Contribution (DC) plan, please complete the vesting percentage only.
For companies with Defined Benefit (DB) plan, please complete the factor only.
For companies with Hybrid plan, please complete both the factor and vesting percentage.

<table>
<thead>
<tr>
<th>Leaving at</th>
<th>Factor</th>
<th>Vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td>0&lt;=YOS&lt;1:</td>
<td>_____</td>
<td>_____%</td>
</tr>
<tr>
<td>1&lt;=YOS&lt;2:</td>
<td>_____</td>
<td>_____%</td>
</tr>
<tr>
<td>2&lt;=YOS&lt;3:</td>
<td>_____</td>
<td>_____%</td>
</tr>
<tr>
<td>3&lt;=YOS&lt;4:</td>
<td>_____</td>
<td>_____%</td>
</tr>
<tr>
<td>4&lt;=YOS&lt;5:</td>
<td>_____</td>
<td>_____%</td>
</tr>
<tr>
<td>YOS=10:</td>
<td>_____</td>
<td>_____%</td>
</tr>
<tr>
<td>YOS=15:</td>
<td>_____</td>
<td>_____%</td>
</tr>
<tr>
<td>YOS=20:</td>
<td>_____</td>
<td>_____%</td>
</tr>
</tbody>
</table>

Maximum: _____% at YOS _____

III-1.2 MPF Scheme

a. Definition of salary

- Basic monthly salary
- Basic monthly salary + guaranteed bonus
- Same as MPF relevant income
- Other _____________________

b. Salary cap

- No salary cap
- Salary cap at $______________

c. Employer’s Contribution (% of salary) (including mandatory contributions of 5% of relevant income)

- Initial Contribution: _____%
- Contribution at YOS 5: _____%
- Contribution at YOS 10: _____%
- Maximum: _____% at YOS _____

d. Employee’s Contribution

- Yes
- No
SECTION III – EMPLOYEE COMPENSATION/BENEFITS NOT PAID IN CASH

Employee’s Contribution (% of salary) (including mandatory contributions of 5% of relevant income)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Contribution:</td>
<td>%</td>
</tr>
<tr>
<td>Contribution at YOS 5:</td>
<td>%</td>
</tr>
<tr>
<td>Contribution at YOS 10:</td>
<td>%</td>
</tr>
<tr>
<td>Maximum:</td>
<td>% at YOS</td>
</tr>
</tbody>
</table>

e. Normal Retirement

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O 100% of employers’ and employees’ contributions plus accrued interest</td>
<td></td>
</tr>
<tr>
<td>O Same as leaving service benefit</td>
<td></td>
</tr>
<tr>
<td>O Other</td>
<td></td>
</tr>
</tbody>
</table>

f. Vesting scale on employer top-up contribution

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vesting start at YOS</td>
<td>%</td>
</tr>
<tr>
<td>Full vesting at YOS</td>
<td></td>
</tr>
</tbody>
</table>

III-2 EDUCATION BENEFITS FOR CHILDREN (not paid in cash)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O Yes</td>
<td>O No</td>
</tr>
</tbody>
</table>

a. Minimum service required

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O On joining</td>
<td></td>
</tr>
<tr>
<td>O After probation</td>
<td></td>
</tr>
<tr>
<td>O After ________ months</td>
<td></td>
</tr>
</tbody>
</table>

b. Details of benefits provided

```
________________________________________________________________________
________________________________________________________________________
```

III-3 HOUSING BENEFITS (not paid in cash)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O Yes</td>
<td>O No</td>
</tr>
</tbody>
</table>

a. Minimum service required

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O On joining</td>
<td></td>
</tr>
<tr>
<td>O After probation</td>
<td></td>
</tr>
<tr>
<td>O After ________ months</td>
<td></td>
</tr>
</tbody>
</table>
SECTION III – EMPLOYEE COMPENSATION/BENEFITS NOT PAID IN CASH

b. Type of Benefit

☑ Mortgage Assistance Programmes (Pls answer III-3.1)
☑ Actual Accommodation (Pls answer III-3.2)
☑ Other

III-3.1 Mortgage Assistance Programmes

a. Type of benefits provided

O Housing Loan (pls answer items b and c)
O Interest Subsidy (pls answer item d)

b. Maximum amount of the loan

☐ HK$ ______________
☐ ____________ months’ salary
☐ __________ % of purchase price or appraised value
☐ Other ______________

c. Interest paid by employee

O __________ %
O Prime + __________ %
O Prime - __________ %
O Prime x __________
O Mortgage rate x __________
O Mortgage rate - __________ %
O Other ______________

d. Interest paid by employer

O __________ %

III-3.2 Actual Accommodation

a. Accommodation arrangement

O Company rented
O Company owned

b. Employee contribution required

O Yes  O No
SECTION III – EMPLOYEE COMPENSATION/BENEFITS NOT PAID IN CASH

O HK$ ___________ per month
O __________ % of basic monthly salary
O Other ______________

III-4 PASSAGE AND TRAVEL-RELATED BENEFITS FOR EMPLOYEE AND SPOUSE/CHILDREN (not paid in cash)

O Yes  O No

a. Minimum service required

O On joining
O After probation
O After _________ months

b. Details of benefits provided

___________________________________________
___________________________________________

III-5 ANNUAL LEAVE ENTITLEMENT

a. i. Is additional leave granted according to the length of service? (skip to Question b if No)

O Yes  O No

ii. Minimum number of years required for additional leave

____________ years

b. Please specify the leave entitlement (working days p.a.) according to the length of service

<table>
<thead>
<tr>
<th>YOS</th>
<th>________ days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
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Maximum:

YOS = ______: ________ days
SECTION III – EMPLOYEE COMPENSATION/BENEFITS NOT PAID IN CASH

III-6. MEDICAL INSURANCE

a. Minimum service for eligibility

- On joining
- After probation
- After ________ months

b. Employee coverage

i. Which medical benefits are employees eligible?

- Clinical
- Hospitalisation
- Maternity
- Medical Checkup
- Dental
- Supplementary Major Medical

ii. Employee’s contribution of premium for employee coverage

- Free coverage – no contribution required
- Contribution required
  - ________% of premium
  - HK$ ____________ p.a.
  - Other ________________

c. i. Dependant coverage

- Yes
- No

- Whole family
- Spouse only
- Children only
- Other ________________

ii. Which medical benefits are the dependants eligible?

- Clinical
- Hospitalisation
- Maternity
- Medical Checkup
- Dental
- Supplementary Major Medical
iii. Is dependant’s coverage free of charge?

- Free coverage – no contribution required
- Contribution required
  - ________% of premium
  - HK$ ____________ p.a.
  - Other _______________

III-7. LONG TERM INCENTIVES (Awards that are paid out based on over 1 year of service)

(skip to Question III-7.1 if No)

- Yes  O No

a. Minimum service for eligibility

- On joining
- After probation
- After ___________ months

b. Type of incentive plan

- Performance units (cash) plan*, with a maximum of HK$ __________ p.a.
- Share options plan ** (Please go to Question c)
- Restricted share plan ***, with a maximum of _____________ shares
- Other __________________

* Cash is granted to recipient at a specified date. Awards are earned-out based on achievement of pre-determined performance targets.

** Right to purchase stock at stipulated price over specified period of time.

*** Shares become transferable by recipients as restrictions lapse, generally after a specified period of continuous employment.

c. Share Option

i. Option grant frequency

- Semi-annually
- Annually
- Once for 2 years
- No Pattern
- Other
SECTION III – EMPLOYEE COMPENSATION/BENEFITS NOT PAID IN CASH

ii. Criteria used to select individual option recipients

- Individual performance
- Discretionary judgement
- All those eligible receive awards
- Other

iii. Individual grant determination

- Award size is based on salary
- Award size is based on staff grade/level
- Award size is completely discretionary

III-7.1 Share Purchase Plan

- Yes  
- No

a. Maximum amount available

- _______ % of basic annual salary
- _______ shares
- Other

b. Share price

- Fixed at HK$ ______/share
- _______ % discount of share price
- Other

III-8. STATUS CAR (for private use)

- Yes  
- No

a. Please specify eligible staff

_______________________________________
_______________________________________
_______________________________________
b. Are employees eligible for the following benefits?

- Chauffeur
- Running Cost
- Company Parking
- Residential Parking

III-9. **CLUB MEMBERSHIP** (e.g. Aberdeen Marina Club, Hilltop Country Club, The Hong Kong Jockey Club)

a. Please specify eligible staff:

________________________
________________________
________________________

b. What kinds of fees are paid by company?

- Debenture
- Entrance Fee
- Monthly Subscription Fee

c. Maximum number of clubs allowed

- ________ club(s)
- No limit