

PEAK INTERNATIONAL LTD
Form PRE 14A
August 22, 2005

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934**

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

PEAK INTERNATIONAL LIMITED

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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x No fee required.

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PEAK INTERNATIONAL LIMITED

38507 Cherry Street

Unit G

Newark, California 94560

(Incorporated in Bermuda with limited liability)

September [], 2005

Dear Shareholder:

You are cordially invited to attend the Annual General Meeting of Peak International Limited (the Company) to be held on Tuesday, October 11, 2005, 11:00 a.m. local time, at the Company's principal executive offices at 38507 Cherry Street, Unit G, Newark, California 94560.

Details of the business to be transacted at the meeting can be found in the accompanying Notice of Annual General Meeting and Proxy Statement. The Annual Report for the fiscal year ended March 31, 2005 on Form 10-K is also enclosed.

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his or her place. A proxy need not be a shareholder of the Company. We hope you are planning to attend the meeting personally and we look forward to meeting you. **However, the vote of each shareholder is of utmost importance and we kindly request that you complete, date and sign your proxy card and return it to us promptly in the enclosed envelope, whether or not you currently plan to attend the meeting.** Your proxy must be received by the Company's transfer agent, Mellon Investor Services, at least 24 hours before the time of the meeting. Completing and returning the enclosed form of proxy will not preclude you from attending and voting in person at the meeting. You may revoke your proxy at any time before it is voted by giving written notice to the undersigned, by filing a properly executed proxy bearing a later date, or by voting in person at the meeting.

On behalf of the Board of Directors and the management of Peak International Limited, I would like to extend our appreciation for your continued support.

Sincerely yours,

Calvin Reed
President and Chief Executive Officer

PEAK INTERNATIONAL LIMITED

38507 Cherry Street

Unit G

Newark, California 94560

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD OCTOBER 11, 2005

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Peak International Limited, a Bermuda corporation with limited liability (the Company) will be held at the Company's principal executive offices located at 38507 Cherry Street, Unit G, Newark, California 94560, on Tuesday, October 11, 2005, at 11:00 a.m. local time for the following purposes:

1. To elect one director to the Company's Board of Directors;
2. To authorize the Board of Directors to fix the remuneration of the directors of the Company;
3. To appoint BDO McCabe Lo & Company as the independent registered public accounting firm for the Company for the fiscal year ending March 31, 2006;
4. To authorize the Board of Directors to fix the remuneration of the independent registered public accounting firm for the fiscal year ending March 31, 2006; and
5. To transact any other business that may properly be brought before the meeting or any adjournment or postponement thereof.

The shareholders on the Register of Members at the close of business on September 1, 2005 are entitled to notice of, and to vote at, the Annual General Meeting and all postponements or adjournments thereof. Shareholders who have purchased shares since that date should obtain a proxy from the person from whom they bought their shares. To be valid, a form of proxy for the meeting, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) must be deposited with the Company's transfer agent, Mellon Investor Services, Proxy Processing, P.O. Box 3510, S. Hackensack, New Jersey 07606-9210 before 2:00 p.m. New York time on Tuesday, October 10, 2005.

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We look forward to seeing you at the meeting.

By Order of the Board of Directors,

Jack Menache
Secretary

September [], 2005

Newark, California

YOUR VOTE IS IMPORTANT NO MATTER HOW MANY SHARES YOU OWNED ON THE RECORD DATE.

PLEASE COMPLETE, SIGN, DATE, AND RETURN PROMPTLY THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE PREPAID ENVELOPE, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL GENERAL MEETING.

PEAK INTERNATIONAL LIMITED

38507 Cherry Street

Unit G

Newark, California 94560

(510) 449-0100

PROXY STATEMENT

ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 11, 2005

INFORMATION CONCERNING SOLICITATION AND VOTING

General

The enclosed proxy accompanying this Proxy Statement is solicited by and on behalf of the Board of Directors of Peak International Limited, a Bermuda corporation (which we will refer to as the Company or Peak throughout this Proxy Statement) for use at the 2005 Annual General Meeting of Shareholders of the Company to be held on October 11, 2005, 11:00 a.m. local time, at the Company's principal executive offices located at 38507 Cherry Street, Unit G, Newark, California 94560, and any postponement or any adjournment thereof (the Annual General Meeting).

This Proxy Statement, the accompanying form of proxy and Peak's Annual Report on Form 10-K, which contains financial statements and schedules required to be filed for the fiscal year ended March 31, 2005, were first mailed on or about September [], 2005 to shareholders entitled to notice of and vote at the meeting (the Shareholders or, individually, a Shareholder).

The Company will pay the cost of soliciting proxies, including expenses incurred by brokerage firms and other representatives of beneficial owners in forwarding solicitation materials to beneficial owners. Directors, officers and regular employees may solicit proxies, either personally or by fax or telephone, on behalf of the Company, without additional compensation.

The Company will provide copies of exhibits to the Annual Report on Form 10-K to any requesting Shareholder upon payment of a reasonable fee and upon request of the Shareholder made in writing to Peak International Limited, 38507 Cherry Street, Unit G, Newark, California 94560, Attn: Jack Menache, Secretary. The request must include a representation by the shareholder that, as of September 1, 2005, the Shareholder was entitled to vote at the Annual General Meeting.

Who Can Vote

Pursuant to Bye-law 45 of the Company's Bye-laws, the Board of Directors has set September 1, 2005 (5:00 p.m. Eastern Daylight Time) as the record date for the meeting (which we will refer to as the Record Date throughout this Proxy Statement). Only Shareholders whose names and addresses appear in the Register of Members on that date will be entitled to receive notice of and attend and vote at the meeting. The only outstanding class of voting securities of the Company is its common stock, par value \$0.01 per share (the Shares). There were [] Shares outstanding as of the close of business on September 1, 2005.

How You Can Vote

You may vote your shares at the Annual General Meeting either in person or by proxy. To vote by proxy, you should mark, date, sign and mail the enclosed proxy in the prepaid envelope. Giving a proxy will not affect your right to vote your shares if you attend the Annual General Meeting and want to vote in person. Shares represented by the proxies received in response to this solicitation, and not properly revoked, will be voted at the Annual General Meeting in accordance with the instructions on the proxy. On matters coming before the Annual General Meeting for which a Shareholder specifies a choice on the proxy card, the shares will be voted accordingly. If you sign your Proxy Card with no further instructions, you will appoint the Chairman of the Annual General Meeting as your proxy to vote your shares, your shares will be counted as a vote FOR the director nominated by the Board and FOR approval of the proposals referred to in Items 2, 3, and 4 in the Notice of Annual General Meeting and described in this Proxy Statement.

Shares held directly in your name as the shareholder of record may be voted in person at the meeting. If you choose to attend the meeting, please bring the enclosed Proxy Card or proof of identification to the meeting. If you hold your shares in a brokerage account in the broker's name (street name), you must request a legal proxy from your stockbroker in order to vote at the meeting.

Revocability of Proxies

A Shareholder who gives a proxy may revoke it at any time prior to its exercise by filing with the President of the Company a written revocation or a duly executed proxy bearing a later date. The proxy may also be revoked if the Shareholder attends the meeting and elects to vote in person. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the meeting.

Required Vote

On a show of hands, every Shareholder present in person or by proxy shall be entitled to one vote and on a poll, every Shareholder present or by proxy shall be entitled to one vote per fully paid share. The proposals below shall be decided on a show of hands unless a poll is demanded. In the election of director, you may vote FOR the nominee, or your vote may be WITHHELD with respect to the nominee. The director is elected by a majority vote of shares present at the Annual General Meeting, and the person receiving the highest number of FOR votes will be elected. You may vote FOR, AGAINST or ABSTAIN on the other proposals submitted for Shareholder approval at the Annual General Meeting. The other proposals submitted for Shareholder approval at the Annual General Meeting will be decided by the affirmative vote of the majority of the shares present in person or represented by proxy at the Annual General Meeting and entitled to vote on such proposal. Abstentions with respect to any proposal are treated as shares present or represented and entitled to vote on that proposal, and thus will have the same effect as a vote against a proposal.

If you just sign your Proxy Card with no further instructions, your shares will be counted as a vote FOR the director nominated by the Board and FOR approval of the proposals referred to in Items 2, 3 and 4 in the Notice of Annual General Meeting and described in this Proxy Statement.

Quorum; Abstentions; Broker Non-votes

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Two (2) Shareholders entitled to vote and present in person or by proxy representing not less than one-third in nominal value of the total issued voting Shares of the Company will constitute a quorum for the transaction of business at the meeting. Abstentions and broker non-votes are counted for purposes of establishing a quorum. A broker non-vote occurs when a nominee (such as a broker) holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular matter and has not received instructions from the beneficial owner. Abstentions and broker non-votes will not affect the voting results, although they will have the practical effect of reducing the number of affirmative votes required to achieve a majority by reducing the total number of shares from which the majority is calculated.

Audited Financial Statements

Under the Company's By-laws and Bermuda law, audited financial statements must be presented to Shareholders at an annual general meeting of Shareholders. To fulfill this requirement, we will present at the Annual General Meeting audited consolidated financial statements for the fiscal year ended March 31, 2005. Copies of those financial statements are included in our Annual Report on Form 10-K, which is being mailed to Shareholders together with this Proxy Statement. Representatives of BDO McCabe Lo & Company, our independent registered public accounting firm, are not expected to be present at the meeting. These statements have been approved by the Company's Board of Directors and the Audit Committee of the Board of Directors. There is no requirement under Bermuda law that such statements be approved by the Shareholders, and no such approval will be sought at the meeting.

IMPORTANT

PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT AT YOUR EARLIEST CONVENIENCE IN THE ENCLOSED POSTAGE-PREPAID RETURN ENVELOPE SO THAT, WHETHER YOU INTEND TO BE PRESENT AT THE ANNUAL GENERAL MEETING OR NOT, YOUR SHARES CAN BE VOTED. THIS WILL NOT LIMIT YOUR RIGHTS TO ATTEND OR VOTE AT THE ANNUAL GENERAL MEETING.

PROPOSAL NO. 1

ELECTION OF DIRECTOR

The Company's Board of Directors currently has five (5) members. One of the Company's current directors, Mr. William Snyder, has decided to retire from the Board of Directors immediately prior to the Annual General Meeting and will not stand for re-election. Mr. Russell Silvestri, who is currently not a director, has been recommended by the Company's Nominating Committee and nominated by the Board as the candidate for election to the Board by the Shareholders at the Annual General Meeting.

Pursuant to Bye-law 87 of the Company's Bye-laws, at each annual general meeting, one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) must retire from office by rotation. The Chairman of the Board is not, while holding such office, subject to retirement by rotation or taken into account in determining the number of directors to retire each year. A retiring director is eligible for re-election. The directors to retire by rotation include (so far as necessary to ascertain the number of directors to retire by rotation) any director who wishes to retire and will not stand for re-election. Any further directors to retire are those subject to retirement by rotation who have been longest in office since their last re-election or appointment. As between persons who became or were last re-elected directors on the same day, those to retire will (unless they otherwise agree among themselves) be determined by lot.

Nominee

The Company's Nominating Committee, which is comprised of directors that are considered independent under the listing standards of the Nasdaq Stock Market and the rules of the Securities and Exchange Commission, has recommended to the Board and the Board has nominated and recommends the election of Russell Silvestri, who is currently not a director of the Company. Mr. Silvestri's age and business background is set forth below. Mr. Silvestri will be elected to serve until his successor is elected and qualified. If, at the time of the meeting, should he be unable or decline to serve, the discretionary authority provided in the proxy will be exercised to vote for a substitute chosen by the Company's Board of Directors. Mr. Silvestri has consented to serve, if elected, and the Company has no reason to believe that any substitute nominee will be required.

Mr. Russell Silvestri, age 43, has served as a managing director of SKIRITAI Capital LLC, an investment advisory firm, since its founding in May 2002. SKIRITAI Capital is the general partner of the Leonidas Opportunity Fund L.P. and the investment manager of the Leonidas Opportunity Offshore Fund Ltd. The Leonidas Opportunity funds own approximately 2,561,111 shares of the Company's Common Stock. Prior to founding SKIRITAI Capital, from January 2000 until January 2002, Mr. Silvestri served as a managing partner of Focus Capital LLC, an investment advisory firm. Mr. Silvestri holds a B.S. in business administration from the University of Southern California.

Required Vote

The nominee receiving the highest number of affirmative votes of the Shares present at the Annual General Meeting in person or by proxy and entitled to vote shall be elected as director.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE NOMINEE SET FORTH ABOVE.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information with respect to the directors and executive officers of the Company and their ages as of September 1, 2005.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Mr. Calvin Reed	62	Chairman of the Board and Chief Executive Officer
Mr. Douglas Broyles ⁽¹⁾⁽²⁾⁽³⁾	63	Director
Ms. Katie Fung	38	Vice President, Chief Financial Officer
Mr. Thomas Gimple ⁽¹⁾⁽²⁾⁽³⁾	43	Director
Mr. Frank Lazo, Jr.	61	Vice President, Advanced Technologies, Peak International, Inc.
Mr. Jack Menache	62	Vice President, General Counsel, Secretary
Mr. Dean Personne	61	President and Chief Operating Officer
Ms. Christine Russell ⁽¹⁾⁽²⁾⁽³⁾	55	Director
Mr. William Snyder	61	Director
Mr. Danny Tong	37	President, Peak Plastic & Metal Products (International) Limited

- (1) Member of the Audit Committee.
(2) Member of the Compensation and Stock Option Committee.
(3) Member of the Nominating Committee.

Mr. Calvin Reed has served as our Chief Executive Officer and as a member of our Board of Directors since April 1999 and as Chairman of the Board of Directors since October 2001. In May 2004, Mr. Reed stepped down as our President, a position he had held since April 1999. Mr. Reed has over thirty years of experience in the electronics and technology sectors.

Mr. Douglas Broyles has served as a member of our Board of Directors since May 1999. Since June 2000, Mr. Broyles has served as a general partner of Huntington Ventures, a venture capital firm. From 1996 to March 2000, Mr. Broyles served as president and chief executive officer of Avalon Data, a wireless data communications design and manufacturing company. Prior to that, he was a partner for ten years with Glenwood Management, a venture capital firm based in Menlo Park, California.

Ms. Katie Fung has served as our Vice President and Chief Financial Officer since April 2005. Prior to that, Ms. Fung was employed by the Company's subsidiary Peak Plastic & Metal Products (International) Limited beginning in August 2003 and was promoted to Vice President, Finance of the Company in May 2004 and to Vice President, Principal Accounting Officer in February 2005. From January 2002 to April 2003, Ms. Fung served as Associate Director of Investment and Financing at Kong Sun Holdings Limited, a company listed in Hong Kong. From June 2000 to November 2001, Ms. Fung served as Senior Manager of Auditing and Business Advisory Services at Ernst & Young (Hong Kong). Ms. Fung has a bachelor degree in economics from the University of London and a Master of Business Administration (Executive) from City University of Hong Kong.

Mr. Thomas Gimple has served as a member of our Board of Directors since February 2003. Since June 2003, Mr. Gimple has served as chief executive officer and president of Geneva Woods Healthcare Services, a health care services company. From November 1996 to December 2002, Mr. Gimple served as chief executive officer of Tickets.com, an internet entertainment ticket provider. Mr. Gimple holds a bachelor degree in business administration from the University of Southern California.

Mr. Frank Lazo, Jr. has served as our Vice President of Advanced Technologies since March 2004. From September 2001 to December 2003, Mr. Lazo served as director of new product introductions at KR Precision, Ltd., a hard disk drive component company. From April 2000 to September 2001, Mr. Lazo was the Director of

Manufacturing at Secogen Corp., an optical company. From September 1991 to April 2000, Mr. Lazo was the vice president of advanced engineering at Western Digital Corp., a disk drive company. Mr. Lazo holds a Bachelor of Science degree in Industrial Systems Engineering from California State University at San Jose.

Mr. Jack Menache has served as Vice President, Secretary and General Counsel since July 1999. Mr. Menache served as a member of our Board of Directors from May 1999 until July 1999 and from October 2001 until November 2004. From September 1989 until July 1999, he served as vice president, general counsel and secretary for Integrated Device Technology, Inc., an international manufacturer of semiconductors. Mr. Menache holds an LLB degree from George Washington University Law School, and a bachelor of arts degree from the University of the Americas. He is admitted to the Bar in California.

Mr. Dean Personne has served as our President and Chief Operating Officer since February 2005. Prior to that, Mr. Personne was self employed as a management consultant. From August 2000 until November 2001, Mr. Personne served as Chief Executive Officer of Novus Packaging Corporation, a manufacturer of plastic packaging materials. From 1995 to 1999, Mr. Personne served as President and Chief Operating Officer of ASAT Limited, a Hong Kong company engaged in the back end assembly of semiconductors. Mr. Personne has bachelor and master degrees in business administration from Wichita State University, Wichita, Kansas.

Ms. Christine Russell has served as a member of our Board of Directors since March 2000. Since 2003, Ms. Russell has served as Chief Financial Officer of Ceva, Inc., a company that provides digital signal processing cores for the wireless and multimedia markets. From 1997 to 2003, Ms. Russell served as the vice president and chief financial officer of Persistence Software, a company that provides distributed data management software. She is a graduate of the University of Santa Clara and has a masters degree in business administration in finance.

Mr. William Snyder has served as a member of Board of Directors since July 1999. From January 2003 until April 2005, Mr. Snyder served as our Vice President and Chief Financial Officer. Mr. Snyder served as chief financial officer of Etec Systems, Inc., a multinational capital equipment manufacturer, from August 1997 until March 2000, when Etec was acquired by Applied Materials, Inc. Mr. Snyder has bachelor and masters of science degrees from the University of Illinois and a masters in business administration from the University of Arizona. Mr. Snyder will retire from the Board of Directors immediately prior to the Annual General Meeting.

Mr. Danny Tong has served as President of our subsidiary, Peak Plastic and Metal since May 2004. Mr. Tong served as our Vice President of Sales and Marketing of Peak Plastic & Metal Products (International) Limited from March 2002 to May 2004, and has been responsible for the Company's sales and operations in Asia and Europe since March 2002. From 1995 to March 2002, Mr. Tong was the Company's Vice President responsible for the sales of various regions and locations of the Company. Mr. Tong holds a bachelor of applied science degree in mechanical engineering from the University of Toronto.

There are no family relationships between any directors or executive officers of the Company.

INFORMATION ABOUT THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

The Board of Directors held four regular meetings, no special meetings, and acted by written consent six times during the last fiscal year. The Board has four committees: the Audit Committee, the Compensation and Stock Option Committee, the Stock Option Management Committee, and the Nominating Committee which was formed in May 2005. The Compensation and Stock Option Committee did not meet during the fiscal year ended March 31, 2005, but acted two times by written consent. The Stock Option Management Committee acted once by written consent. The Audit Committee met six times during the fiscal year. Each director has attended at least 75% of the aggregate of all Board meetings and meetings of the committees of which he or she is a member. In 2004, two of our five directors serving on the Board attended the Company's Annual General Meeting of Shareholders. The Company does not have a policy on director attendance at the Company's annual general meetings.

The Board of Directors formed the Compensation Committee and the Audit Committee in February 1997. The Board has determined that each director who serves on these committees is independent, as that term is defined by applicable listing standards of the Nasdaq Stock Market and Securities and Exchange Commission rules. The Board has approved a charter for both of these committees that can be found on the Company's website under the Investor Relations link. A copy of the Company's Audit Committee charter is attached hereto as Appendix A. The Board of Directors established a formal Nominating Committee in May 2005 and has determined each committee member is independent. Prior to the formation of the Nominating Committee, the Board had the independent directors (based on the Nasdaq definition of independence) on the Board make recommendations to the full Board regarding candidates for nomination and the size and composition of the Board. The members of the Nominating Committee are Douglas Broyles, Thomas Gimple and Christine Russell. The Chairman of the Nominating Committee is Thomas Gimple.

The role of the Compensation Committee is to make recommendations to the Board of Directors relating to salaries and other compensation for the Company's directors, officers and employees and to administer the employee share option and stock purchase plans. The Committee was subsequently renamed as the Compensation and Stock Option Committee and is composed of directors Douglas Broyles, Thomas Gimple and Christine Russell. In July 2003, the Compensation and Stock Option Committee formed a Stock Option Management Committee, to which it delegated the authority to grant options to purchase shares of the Company's Common Stock to non-executive employees up to a certain specified number.

The primary role of the Audit Committee is to review the results and scope of the annual audit and other services provided by the Company's independent registered public accounting firm, to review and evaluate the Company's internal financial reporting system and control functions, to monitor transactions between the Company and its directors, officers, employees and other related parties and reviews other matters relating to the relationship of the Company with its auditors. It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Management is responsible for preparing the Company's financial statements, and the Company's independent registered public accounting firm is responsible for auditing those financial statements. However, the Audit Committee does consult with management and the Company's independent registered public accounting firm prior to the presentation of financial statements to Shareholders and, as appropriate, initiates inquiries into various aspects of the Company's financial affairs. The Audit Committee also meets with the independent registered public accounting firm, with and without management present, to discuss their evaluations of the Company's internal controls, the results of their examination(s) and the overall quality of the Company's financial reporting. The members of the Audit Committee are independent directors Christine Russell, Douglas Broyles and Thomas Gimple.

Compensation of Directors

As amended in May 2004, during fiscal 2005, each director of the Company who is not an employee of the Company or its affiliates received an annual fee of \$25,000 plus a fee of \$1,000 for each Board meeting attended and \$500 for each committee meeting attended. In addition, each such director was annually awarded a fully

vested option to purchase 10,000 Shares at a purchase price determined on the date of grant in accordance with the applicable stock option plan. Each member of the Audit Committee was granted an additional fully vested option to purchase 5,000 Shares at a purchase price determined on the date of grant in accordance with the applicable stock option plan. The chairpersons of the Compensation and Stock Option Committee and Audit Committee were granted an additional fully vested option to purchase 3,000 Shares at a purchase price determined on the date of grant in accordance with the applicable stock option plan. Chairpersons and directors who are also employees of the Company or its affiliates receive no remuneration for serving as directors. The total number of Shares subject to options granted in any one year to any non-employee director shall not exceed an aggregate of 20,000 Shares. All independent directors who provide services to the Company or act to discharge their duties were paid \$1,500 per day plus actual expenses.

Director Nominations

As described above, the Nominating Committee recommends nominees for election as directors to the full Board of Directors. The Nominating Committee will consider proposals for nomination from shareholders that are made in writing to the Company's Secretary, that are timely received and that contain sufficient background information concerning the nominee to enable proper judgment to be made as to his or her qualifications. The Nominating Committee does not have a charter.

The Board of Directors and the Nominating Committee have as an objective that the Board's membership be composed of experienced and dedicated individuals with a diversity of backgrounds, perspectives and skills. The Nominating Committee will recommend candidates for director based on their character, judgment, diversity of experience, business acumen, and ability to act on behalf of all shareholders. The Nominating Committee believes that a nominee for director must have the following specific, minimum qualifications: (i) experience, such as experience in management or accounting and finance, or industry and technology knowledge, that may be useful to the Company and the Board, (ii) high personal and professional ethics, and (iii) the willingness and ability to devote sufficient time to effectively carry out his or her duties as a director.

Other than the foregoing there are no stated minimum criteria for director nominees. The Company believes, however, that it is appropriate for at least one, and preferably multiple members of the Board, to meet the criteria for an audit committee financial expert as defined by the Securities and Exchange Commission, and that a majority of the members of the Board meet the definition of independent director under the rules of The Nasdaq Stock Market. The Company also believes it is appropriate for certain key members of management to participate as members of the Board.

The Nominating Committee reviews annually the appropriate skills and characteristics required of Board members in the context of the current composition of the Board. Candidates considered for nomination to the Board may come from several sources, including current and former directors, professional search firms and shareholder nominations. Nominees for director are evaluated by the Nominating Committee, who may retain the services of a professional search firm to assist them in identifying or evaluating potential nominees. The nominee for election to the Board at the Annual General Meeting, Mr. Russell Silvestri, was recommended for election by SKIRITAI Capital LLC. SKIRITAI Capital LLC is the general partner of the Leonidas Opportunity Fund L.P. and the investment manager of the Leonidas Opportunity Offshore Fund Ltd. The Leonidas Opportunity funds own approximately 20% of the Company's Shares.

Shareholder Communication with the Board of Directors

Shareholders may send communications to the Board or individual Board members to the offices of the Company, 38507 Cherry Street, Unit G, Newark, California 94560; Attn.: Jack Menache, Secretary. You must include your name and address in the written communication and indicate whether you are a shareholder of the Company. The Company will compile all such communications and forward them to the appropriate director or directors based on the subject matter or to the individual director or directors to whom such communication is addressed.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended March 31, 2005, the Compensation and Stock Option Committee of the Board of Directors consisted of Mr. Broyles, Mrs. Russell and Mr. Gimple. Neither Mr. Broyles, Mrs. Russell nor Mr. Gimple is an officer or employee of the Company. No member of the Compensation and Stock Option Committee or executive officer of the Company has a relationship that would constitute an interlocking relationship with executive officers or directors of another entity.

Audit Committee Financial Expert

The Audit Committee of our Board of Directors contains at least one audit committee financial expert. The name of the Audit Committee financial expert is Christine Russell, and the Board of Directors has determined that she is independent as that term is defined in Item 7(d)(3)(iv) of Section 14A of the Securities and Exchange Act of 1934, as amended.

PROPOSAL NO. 2

REMUNERATION OF DIRECTORS

The Board of Directors also seeks Shareholder approval to authorize the Board of Directors to fix the remuneration of the directors with respect to their service to the Company as directors. Information regarding the remuneration paid to directors last year is set forth under Information about the Board of Directors and Committees of the Board Compensation of Directors above.

Required Vote

Adoption of this proposal requires the affirmative vote of a majority of the votes cast at the meeting by the Shareholders entitled to vote thereon.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL TO AUTHORIZE THE BOARD OF DIRECTORS TO FIX THE REMUNERATION FOR THE DIRECTORS.

EXECUTIVE COMPENSATION AND RELATED INFORMATION

The following Summary Compensation Table sets forth for fiscal 2005, 2004 and 2003 certain information with respect to the compensation of the Company's Chief Executive Officer and the four other most highly compensated executive officers as of the end of the fiscal year ended March 31, 2005, whose salary and bonus for services rendered in fiscal 2005 exceeded \$100,000 (the Named Executive Officers).

Summary Compensation Table

	Year	Annual Compensation			Long-Term Compensation	All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Underlying Options/SARs (#)	
Calvin Reed	2005	\$ 450,000	\$	\$		\$ 14,397 ⁽¹⁾
Chief Executive Officer	2004	450,000				
	2003	445,462			170,500	
William Snyder ⁽²⁾	2005	250,000				13,065 ⁽¹⁾
	2004	250,000				
VP and Chief Financial Officer	2003	62,500			175,000	
Jack Menache	2005	250,000				7,835 ⁽¹⁾
	2004	250,000				
VP, Secretary and General Counsel	2003	292,808			143,000	
Darien Spencer ⁽³⁾	2005	225,901		457,356 ⁽⁴⁾	50,000	40,112 ⁽⁵⁾
	2004	309,375		3,540 ⁽⁶⁾		163,290
President and Chief Operating Officer	2003	292,554		5,256 ⁽⁶⁾	100,000	123,991
Danny Tong	2005	200,000	25,000		50,000	
	2004	225,000	110,000			
President, Peak Plastic & Metal Products (International) Limited	2003	194,136			65,000	

(1) Represents amounts paid for health care benefits available to the Company's executive officers.

(2) Mr. Snyder joined the Company as an employee in January 2003 and resigned in April 2005.

(3) Mr. Spencer's employment with the Company was terminated in December 2004. Compensation included in the Summary Compensation Table for Mr. Spencer includes amounts paid to Mr. Spencer by Peak Multi-Products (China) Factory (Peak Multi-Products), the Company's factory, operated pursuant to a processing agreement with an independent third party, in the PRC.

(4) Amount paid to PRC for taxes payable by Mr. Spencer.

(5) Includes, \$15,667 housing allowance, \$19,208 for educational benefits for Mr. Spencer's child, \$4,365 for storage fees and \$872 for health care benefits available to the Company's executive officers.

(6) Represents tax reimbursements.

Stock Option Information**Options/SAR Grants in Last Fiscal Year**

The following table sets forth information regarding stock options granted to the Named Executive Officers during the fiscal year ended March 31, 2005. The exercise price in all cases is equal to 100% of the fair market value of our Shares on the date of grant.

In addition, in accordance with the Securities and Exchange Commission rules, the table shows the hypothetical gains that would exist for these options if exercised at end of the option term. These gains are based on the assumed rates of annual compound stock price appreciation of 5% and 10% from the date the options were granted to their expiration date, and do not represent the Company's estimates or projections of future stock prices. There can be no assurance that any of the values reflected in the table will be achieved. The gains shown are net of the option exercise price, but do not include deductions for taxes or other expenses associated with the exercise of the options or the sale of the underlying shares of stock. The actual value that an executive may realize, if any, will depend upon the difference between the market price of our Shares and the exercise price of the option on the date the option is exercised.

Name	Individual Grants ⁽¹⁾				Potential Realized Value at Assumed Annual Rates of Share Price Appreciation for Option Term	
	Number of Securities Underlying Options/SARs Granted (#)	Percent of Total Options/SARs Granted ⁽²⁾	Exercise Price (\$/Share)	Expiration Date	5% (\$)	10% (\$)
Calvin Reed		%	\$		\$	\$
William Snyder						
Jack Menache						
Darien Spencer	50,000	8.3	5.365	5/13/09	57,809	124,495
Danny Tong	50,000	8.3	5.365	5/13/09	57,809	124,495

(1) All options were granted under the Company's 1997 and 1998 Share Option Plans. Unless otherwise noted, the options vest quarterly over a three year period from the grant date. The options have a term of four years, subject to earlier termination if the officer leaves the Company. Vesting of the options is subject to acceleration under the circumstances described under Employment Contracts, Termination of Employment and Change-in-Control Arrangements.

(2) Based on a total of 599,420 options granted to employees in fiscal 2005.

Aggregated Option/SAR Exercises in Last Fiscal Year**And Fiscal Year-End Option/SAR Values**

The following table shows information about option exercises by the Named Executive Officers during the fiscal year ending March 31, 2005, and the value of unexercised options at March 31, 2005. Value at fiscal year end is measured as the difference between the exercise price and fair market value on March 31, 2005, which was \$3.695.

Name

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	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options/SARS at Fiscal Year End (#)		Value of Unexercised In-the-money Options/SARS at Fiscal Year End (\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Calvin Reed			673,917	10,000	\$ 35,503	\$ 2,200
William Snyder			182,667	58,333	3,667	1,833
Jack Menache			280,500	6,667	25,073	1,467
Darien Spencer						
Danny Tong	40,000	72,397	130,560	42,500	7,475	1,100

Employment Contracts, Termination of Employment and Change-in-Control Arrangements

Effective April 22, 1999, the Company entered into an employment agreement with Mr. Reed, providing that beginning on that date, he would serve as President and Chief Executive Officer of the Company for an initial term of three years, to be automatically extended by one year on an annual