



Leoch International Technology Limited

理士國際技術有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 842)

Leoch International Technology Limited ("Company")

Terms of Reference for Remuneration Committee

Constitution

1. The board of directors of the Company (the "**Board**") has established a committee known as the remuneration committee (the "**Committee**"). LR3.25

Membership

2. The members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members, a majority of whom should be independent non-executive directors. Two members shall form a quorum of the Committee.
3. The chairperson of the Committee shall be appointed by the Board and should be an independent non-executive director. In his absence, members present may elect any member to chair a Committee meeting.

Attendance at meetings

4. Members of the Committee shall have the right to attend Committee meetings. Other individuals may be invited to attend for all or part of any meetings of the Committee, as and when appropriate. The company secretary of the Company or his delegate or such other person appointed by the chairperson of the Committee shall be the secretary of the Committee (the "**Committee Secretary**").

Frequency and procedure of meetings

5. Meetings of the Committee shall be held at least once a year to consider and review the remuneration policies of the Company and make recommendations to the Board. Meetings of the Committee may also be convened at the request of the director of the Company. The members of the Committee may adopt from time to time the procedures governing the convening of the Committee meetings, and the means and procedures for the passing of resolutions at meetings of the Committee.

Authority

6. The Committee shall consult the chairman and/or the chief executive officer (if any) of the Company in making their recommendations relating to the remuneration of the other executive directors of the Company. The Committee should have access to independent professional advice if considered necessary. App 14
B1.2
7. The Committee is authorized by the Board to deal with any activity within its terms of reference. It is authorized by the Board to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
8. The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, at the Company's expenses.
9. The Committee may, from time to time, seek advice from the special personnel consulting groups so as to ensure that the Board remains informed of market trends and practices.

Duties

10. The duties of the Committee shall be: App 14
B1.1
 - (a) to make recommendations to the Board on the Company's policy and structure of the remuneration of the Directors and the Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
 - (c) to make recommendations to the Board on the remuneration packages of individual executive director and senior management of the Company benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - (d) to make recommendations to the Board of on the remuneration of non-executive directors of the Company;
 - (e) to review and approve the remuneration payable to the executive directors and senior management of the Company for any loss or termination of office or appointment to ensure that it is consistent with relevant contractual terms and is otherwise fair and not excessive;
 - (f) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and

- (g) to ensure that no director of the Company or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration.
11. In determining any specific package, the Committee shall consider salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group.

Other Procedures

12. The chairperson of the Committee, in consultation with the Committee Secretary, should be primarily responsible for drawing up and approving the agenda for each Committee meeting. The chairperson of the Committee, with the assistance of the Committee Secretary, shall ensure that all members shall have sufficient information in a timely manner to enable effective discussion at a Committee meeting and be briefed on the issues arising at each Committee meeting. The Committee Secretary shall record minutes of all duly constituted meetings of the Committee. All minutes shall record in sufficient detail the matters considered, decisions reached or recommendations made and any concerns raised by any member including dissenting views of any member. The Committee Secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Committee to all members for comments and records within a reasonable time after each meeting. The chairperson of the Committee shall report at the forthcoming regular board meeting any key decisions made by the Committee and shall table before the Board an index of meetings and issues discussed.
13. Unless otherwise defined, terms and expressions used herein shall have the same meanings as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.