

PARADE TECHNOLOGIES, LTD.
CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. STATEMENT OF POLICY

This Charter specifies the scope of the responsibilities of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Parade Technologies, Ltd. (the “Company”) and the manner in which those responsibilities shall be performed, including its structure, processes and membership requirements.

The primary purpose of the Committee is to oversee the accounting and financial reporting processes of the Company and the audits of the Company’s financial statements. Among others, the Committee shall also review the qualifications, independence and performance, and approve the terms of engagement of the Company’s independent auditor and prepare any reports required of the Committee under rules and regulations of the R.O.C. Securities and Exchange Act (the “Act”).

The Company shall provide appropriate funding, as determined by the Committee, to permit the Committee to perform its duties under this Charter, to compensate its advisors and to compensate any registered public accounting firm engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Company. The Committee, at its discretion, has the authority to initiate investigations, and hire legal, accounting or other outside advisors or experts to assist the Committee, as it deems necessary to fulfill its duties under this Charter. The Committee may also perform such other activities consistent with this Charter, the Company’s Bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

II. MEMBERSHIP REQUIREMENTS

The membership of the Committee consists of all of the independent Directors of the Company. The tenure of office of the Committee members shall be consistent with their tenure as an independent Director of the Company.

At least one member of the Committee shall be knowledgeable in accounting or financial matters.

III. MEETINGS, MEETING MINUTES

The Committee will meet at least once every quarter; additional meetings may be scheduled as required. All Committee members are expected to attend each meeting, in person or via video-conference. If a Committee member cannot attend the meeting, he/she may designate another Committee member to attend on his/her behalf; under such event, a delegation letter specifying the specific scope of delegation shall be issued. Each Committee member can only accept one designation letter to act on behalf of another Committee member at each meeting. A signing

booklet shall be prepared at each meeting for the attending members to sign and shall constitute part of the meeting minutes of the Committee. The signing booklet shall be kept throughout the life of the Company.

If for a legitimate reason it is impossible to hold a Committee meeting, matters on the meeting agenda shall be adopted with the consent of two-thirds or more of the entire Board. Notwithstanding the foregoing, with respect to the matters in Article 14-5, paragraph 1, subparagraph 10, of the Act, a written reply shall be obtained from each independent director member indicating approval or disapproval.

Upon nomination of the Chairman of the Board, the Committee members shall elect one chairperson (the "Chair") from amongst themselves by majority vote of the Committee membership. If the Chair cannot convene or is unable to attend a meeting, the Chair shall designate one of the Committee members to act on his/her behalf; failing such designation, the members of the Committee may designate one member to act on behalf of the Chair by majority vote of the Committee membership.

The Committee will invite members of management, the internal audit department, the independent auditors, legal consultants, or others to attend meetings and provide pertinent information, as necessary; however, the foregoing attendee shall be absent during the discussion and the voting. It may hold private meetings with auditors and in executive session. Except in the case of an emergency, meeting agendas will be provided to members at least seven days before the meetings, along with appropriate briefing materials.

A Committee member shall declare and disclose the essential contents of his/her interest from discussing and resolving matters if there is a conflict of interest; if such interest is likely to prejudice the interests of the Company, the Committee member shall recuse himself/herself from discussing and resolving matters and shall not act on behalf of another committee member to exercise voting rights on that matter. Where the spouse or a blood relative within the second degree of kinship of an independent director has interests in the matters under discussion at the meeting of the Committee, such independent director shall be deemed to have a personal interest in the matter. When a matter is unable to be resolved at a Committee meeting for the reason stated herein, the fact shall be reported to the Board, and such matter shall be resolved by the Board instead.

The resolutions of the Committee shall be adopted by a majority of the members; announced in the meetings; and shall be recorded in writing. The meeting minutes shall contain the following items:

1. Session, time, and place of meeting.
2. Name of Chair.
3. Attendant independent directors, specifying names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as nonvoting

participants.

5. Name of the recorder.
6. Matters reported.
7. Matters resolved, including the resolution method and result of each proposal, and summary of the comments made by, and the objections or reservations, if any, expressed by, the independent directors and the experts and any other persons present at the meeting, and if the previous paragraph is applicable, the name of interested Committee member, essential contents of interests, reasons to recuse or not and participations in discussion or voting.
8. Extraordinary motions, including the name of the person making the motion, the resolution method and result of each proposal, and summary of the comments made by, and the objections or reservations, if any, expressed by, the independent directors on the Committee and the experts and any other persons present at the meeting, and if the previous paragraph is applicable, the name of interested Committee member, essential contents of interests, reasons to recuse or not and participations in discussion or voting.
9. Other matters required to be recorded.

The meetings minutes shall be affixed with the signature or seal of the chair of the meeting and the recorder, and shall be distributed to all Committee members within twenty days after the meeting. The meeting minutes may be recorded and distributed in electronic form. All meeting minutes shall be kept throughout the life of the Company.

The process of a meeting shall be fully recorded on audio or video tape and retained for five years in a method that may be electronic. If litigation occurs regarding any matter resolved by the Audit Committee before the above retention period expires, the relevant audio or video recordings shall continue to be retained until the litigation is concluded, and the above mentioned five-year rule shall not be applicable.

If a Committee meeting is held via video conference, the video and recording tapes shall be part of the meeting minutes and be retained throughout the life of the Company.

IV. COMMITTEE RESPONSIBILITIES

To fulfill its responsibilities and duties, the Committee shall:

1. Setting up or revising internal control standards in accordance with Article 14-1 of the Act.
2. Auditing the effectiveness of internal control standards.

3. Setting up or amending material financial procedures in acquisition and disposal of fixed assets, transactions of financial derivatives, loans, endorsements and guarantees in accordance with Article 36-1 of the Act.
4. Matters that involve personal interests of directors.
5. Material transactions of assets or derivatives.
6. Material loans, endorsements or guarantees.
7. Public offering or private placement of equity linked securities.
8. The hiring or dismissal of an attesting certified public accountant, or the compensation given thereto.
9. Appointing or removing managers of finance, accounting and internal auditing divisions.
10. Reviewing and having discussions with independent auditors in regards to the Company's annual and semi-annual financial reports.
11. Perform any other activities consistent with or required under this Charter, the Company's Articles of Incorporation, and governing law, as the Committee or the Board deems necessary or appropriate.

Resolutions for items 1 to 11 shall be effective if one-half or more of the entire Committee membership consent, and then such resolutions shall be proposed for Board resolutions.

Items 1 to 9 and 11 shall still be effective, if not consented by one-half or more of the entire Committee membership, by consents from two-thirds or more of the entire Board membership.

The term "entire membership" used in this Charter shall be calculated as the number of members actually in office.

The Committee convener shall represent the Committee to the public.

The provisions of Article 14-4, paragraph 4, of the Act concerning provisions of the Company Act concerning acts done by supervisors, and the role of supervisors as representatives of the company, shall apply mutatis mutandis to the members on the Committee.

V. ANNUAL REVIEW

The Committee shall review and reassess the adequacy of its Charter at least annually and recommend any proposed changes to the Board for approval. The Committee shall cause the Charter to be "published" in accordance with applicable laws and regulations.

VI. ADOPTED

The Charter shall be approved by the Board. Any amendment may be authorized to be effected by a resolution of the Board.