

# **PARADE TECHNOLOGIES, LTD.**

## **CHARTER OF COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

### **I. PURPOSE**

The Compensation Committee (the “Committee”) of the Board of Directors of Parade Technologies, Ltd. (the “Company”) is appointed by the Board of Directors (the “Board”). This charter specifies the scope of the responsibilities of the Committee and the manner in which those responsibilities shall be performed, including, *inter alia*, its structure, processes, membership requirements and resources to be provided by the Company when the Committee exercises its duties (the “Charter”). In addition, this Charter sets forth the authority and responsibility of the Committee for approving and evaluation Chief Executive Officer (“CEO”), executive officer and director compensation arrangements, plans, policies and programs of the Company. The primary purpose of the Committee is to assess and review the compensation and benefits policies of the Company’s officers and directors and to submit its recommendations to the Board.

Except for otherwise expressly defined herein, all capitalization terms used herein shall have the same meanings ascribed thereto in the Company’s Memorandum and Articles of Association.

### **II. ORGANIZATION AND MEMBERSHIP REQUIREMENTS**

The Committee shall be comprised of at least three directors, each of whom shall satisfy the professional qualifications and independence requirements set forth in the Applicable Public Company Rules, including but not limited to “Regulations Governing Appointment of Compensation Committee and the Exercise of Powers by Compensation Committee for the Companies whose Stock is Listed on the Stock Exchange or Traded on the Over-the-Counter market (the “Regulations”). Within the Committee, one member shall be the Committee convener (defined as the below).

The members of the Committee shall be appointed by the Board and any member of the Committee may be replaced by the Board. If the number of the Committee is less than three members due to the resignation or removal of any of the member(s) for any reason, the Board shall hold, within three months from the concurrence of such resignation or removal, a board meeting to appoint the member(s) of the Committee to fill the vacancies. The tenure of office of the Committee members shall be consistent

with the tenure of the Board in which the Committee members are appointed. Any appointment or change related to the members of Committee shall be published on an information reporting website designated by the competent authority within two days from the appointment or change.

### **III. COMMITTEE RESPONSIBILITIES**

The Committee shall have the authority, at the cost of the Company, to engage legal counsel, certified public accountant or other professional as appropriate, to conduct a necessary audit or provide advice with respect to any matter related to the exercise of the Committee's duties.

The Committee also 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, such personnel shall be absent during the discussion of or voting on that agenda item by the Committee. Except in the case of an emergency, meeting notice specifying the date and place of the meeting and attached meeting agendas shall be provided to members at least seven days before the meetings. The meeting agendas shall be determined by the Convener. However, the other members may also provide meeting agendas. Meeting agendas shall be provided to the Committee's members prior to the Committee meetings.

The Board may, upon approval by majority of the directors at a meeting attended by two-third or more of all the directors, dismiss the Committee's recommendation or make amendment or modification against the Committee's recommendations. In such event, the Board shall illustrate specially in its resolution whether the compensation and benefits of the Company's officers and directors is more preferential than the Committee's recommendation. In the event that the compensation and benefits of the Company's officers and directors approved by the Board is more preferential than the Committee's recommendation, the discrepancies and any rationale contained therein shall be recorded in the minutes of the Board meeting and shall be published on an information reporting website designated by the competent authority within two days from the date of approval by the Board.

In the event that the compensation and benefits of Subsidiaries' officers and directors is required to be approved by the Board pursuant to its internal authority rules, the compensation and benefits shall be first reviewed and recommended by the Committee and then submitted to the Board for approval.

The Committee shall perform its following responsibilities and duties pursuant to the laws of the Cayman Islands and the Regulations and relevant Applicable Public Company Rules and shall submit its recommendations to the Board:

1. Set up and periodically review the policies, systems, standards, and structures

of the performance review and the compensation and benefits of the Company's officers and directors.

2. Periodically assess and set up the compensation and benefits of the Company's officers and directors.
3. Determine the form and amount of compensation to be paid or awarded to all employees of the Company; the Committee may delegate authority to subcommittees of the Committee or to executive officers of the Company with respect to compensation determinations for persons who are not executive officers of the Company.
4. Retain and terminate any consultant to be used to assist the Committee in the evaluation of the CEO, executive officer and director compensation, including the authority to approve any such consultant's fees and other retention terms.
5. Annually review and approve the corporate goals and objectives relevant to CEO compensation and evaluate the CEO performance in light of these goals and objectives. Based on this evaluation, the Committee will make and annually review decisions respecting (i) salary paid to the CEO, (ii) the grant of all cash-based bonuses and equity compensation to the CEO, (iii) the entering into or amendment or extension of any employment contract or similar arrangement with the CEO, (iv) any CEO severance or change in control arrangement, and (v) any other CEO compensation matters as from time to time directed by the Board. In determining the long-term incentive component of the CEO's compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at companies that the Committee determines comparable based on factors it selects, and the incentive awards given to the Company's CEO in prior years.
6. Annually review and approve the corporate goals and objectives relevant to executive officers compensation. In light of these goals and objectives, the Committee will make and annually review decisions respecting (i) salary paid to the executive officers, (ii) the grant of cash-based bonuses and equity compensation provided to the executive officers, (iii) the entering into or amendment or extension of any employment contract or similar arrangement with the executive officers, (iv) executive officers' severance or change in control arrangement, and (v) any other executive officer compensation matters as from time to time directed by the Board. In determining the long-term incentive component of the executive officer's compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at companies that

the Committee determines comparable based on factors it selects, and the incentive awards given to the Company's executive officers in prior years.

7. Annually review and make recommendations to the Board with respect to adoption and approval of, or amendments to, all cash-based and equity-based incentive compensation plans and arrangements, and the shares and amounts reserved thereunder after taking into consideration the Company's strategy of long-term and equity-based compensation.
8. Make regular reports to the Board, where such reports will be provided at least quarterly.

#### **IV. MEETINGS, MEETING MINUTES**

Meetings of the Committee will be held from time to time, but no less than twice each year, in response to the needs of the Board or as otherwise determined by the convener of such Committee.

All Committee members are expected to attend each meeting, in person or via video-conference. For the avoidance of doubt, the Committee member who attends the meeting via video-conference shall be deemed to constitute presence in person at the meeting. 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.

Within the Committee, the entire Committee members shall elect one Independent Director as the convener (the "Convener") and the chairman of the Committee meetings from amongst themselves. In addition, the Convener shall call and convene the Committee meetings. If the Convener cannot call and convene or is unable to attend a meeting, the Convener shall designate one Committee member who is also an Independent Director to act on his/her behalf; failing such designation, the other members of the Committee may designate one member to act on behalf of the Convener.

A Committee member shall declare and disclose the essential contents of his/her interest from discussing and resolving matters regarding his/her compensation and benefits if there is a conflict of interest; if such interest is likely to prejudice the interests of the Company, the Committee member shall abstain himself/herself from discussing and voting and shall not act on behalf of another committee member to exercise voting rights on that matter.

Resolutions of the Committee shall be effective of one-half or more of the entire Committee membership consent. Resolutions shall be deemed adopted if no objection is voiced by any of the present members after the chairman enquires and asks for the decision of members. Resolution shall be announced at the meeting and shall be recorded in the minutes of the meeting.

The meeting minutes shall contain the following items:

1. Session, time, and place of meeting.
2. Name of chairman.
3. Attendant members, 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; the name of any interested member of the Committee, the essential contents of compensation, and the status of their abstention from voting; opinions expressing objections or reservations by the members. Any matter about which a Committee member expresses an objection or reservation that has been included in records or stated in writing shall be not only recorded in the minutes of the Committee meeting but also published on an information reporting website designated by the competent authority within two days from the occurrence of such event.
8. *Ad hoc* 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 members, experts and others; the name of any interested member of the Committee, the essential contents of compensation and the status of their abstention from voting; opinions expressing objections or reservations by the members.
9. Other matters required to be recorded.

The meetings minutes shall be affixed with the signature or seal of the chairman of the meeting and the recorder, and shall be distributed to all Committee members within twenty days after the meeting, shall be reported to the Board and be carefully preserved as important Company records for five years. If litigation occurs regarding any matter resolved by the Committee, all meeting minutes shall be kept till the litigation is concluded. The meeting minutes may be recorded and distributed in electronic form. If the Committee meeting is held via video-conference, the video and recording tapes shall be part of the meeting minutes.

## **V. ANNUAL REVIEW**

For matters approved by the Committee, the following implementation work can be executed by the Convener or any other member of the Committee and the result shall be reported to the Committee during the execution period. It can also be presented in the next Committee meeting, if necessary.

Any matter not set forth in this Charter shall be governed and dealt with in accordance with Applicable Public Company Rules.

## **VI. ADOPTED**

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