

**NetDragon Websoft Holdings Limited**  
(the “**Company**”)  
*(Incorporated in the Cayman Islands with limited liability)*

## **HUMAN RESOURCES DEVELOPMENT MANAGEMENT GUIDELINES**

### **I. Purpose**

Human resources form the cornerstone of our long-term sustainable development. NetDragon Websoft Holdings Limited (together with its subsidiaries, the “**Group**”) is committed to providing employees with a harmonious, diverse and inclusive platform for growth and self-fulfilment, and supporting them in achieving their personal career development goals. The Human Resources Management Guidelines (“the Guidelines”) are formulated to standardise the Group’s employment management and related management practices. Individual subsidiaries that operate independently may formulate and implement their own management systems, subject to approval by the Group.

### **II. Scope of Application**

1. The Guidelines apply to the Group and all employees thereof (including full-time and part-time employees).

### **III. Diversity, Equality and Inclusion**

1. The Group adheres to the principles of fairness, impartiality and transparency and provides equal opportunity to all job applicants. Employment decisions are based on the qualifications and assessment results of candidates, free from bias on the grounds of age, ethnicity, race, family status, ethnic background, colour, gender, sexual orientation, religious belief, social status, nationality, disability, pregnancy or any other prejudice prohibited by applicable laws and regulations. Equal opportunity is ensured throughout the hiring process, and discrimination and bias are rejected in all forms.
2. The Group strives to cultivate a diverse and inclusive workplace and explores agile and flexible employment models in the new era. The Group recruits talent globally, without temporal or geographical constraints. By embracing remote work, flexible hours, and task-centric approaches, the Group respects the diversity and differences of its workforce and offers more opportunities for flexible employment. The Group implements various diversity incentives and programmes, enabling every employee to grow and create value in an environment built on equality, respect, inclusiveness and diversity.

3. The Group is committed to building a learning organisation and a knowledge-based organisation. Online courses covering various topics such as new management concepts, latest industry trends, best practices, educational philosophies, and business products are provided to meet the learning needs of employees for advancing their awareness, understanding, and skills during organisational development. Employees can also select learning content based on their interests to enrich their skillsets. In making decisions on compensation, promotion, demotion, transfer, development, benefits, training opportunities, retirement and other matters, the Group reviews an employee's work results, performance and abilities independent of factors such as age, ethnicity, race, family status, ethnic background, colour, gender, sexual orientation, religious belief, social status, nationality, disability, pregnancy and others.
4. The Group strives to create a workplace free from discrimination and harassment and intolerant of conducts that involve insults, harassment, or offense. Harassment in any form, including verbal, written, visual, or physical acts against the will of others, is unacceptable. The Group encourages employees who experience harassment to report such matters promptly to their supervisors or Human Resources for investigation. We will conduct confidential investigations as soon as possible upon receiving such reports, and once the investigation substantiates the allegations, appropriate corrective measures will be taken.
5. The Group has incorporated the principles of diversity, anti-discrimination, impartiality, and anti-harassment into the Employee Handbook and requires all employees and individuals engaging in business with the Group to embrace and comply with these principles and related regulations.
6. The Group's management oversees its performance in diversity, equality, and inclusion on a regular basis.

#### **IV. Valuing Employee Well-being**

1. The occupational health and safety of employees is the Group's most important responsibility. We value the health of our people and continue to implement practical, on-trend and fun programmes to encourage our employees to embrace a healthy and balanced lifestyle. We are committed to providing a healthy and safe workplace for all employees, contractors and other visitors to our premises.
2. Please refer to the link below for the Group's Occupational Health and Safety Policy Statement:  
[http://file.download.99.com/down/ir\\_e\\_20230915.pdf](http://file.download.99.com/down/ir_e_20230915.pdf)

## **V. Performance Management**

We take a task-centered approach to actively support strategy execution and goal setting. We have established organisational and individual goal systems based on this principle, aiming to enhance the efficiency and effectiveness of performance management, thereby creating greater value for sustainable business success and growth. The performance management process is as follows:

### **1. Performance Goals**

Task-centered goal breakdown involves decomposing the company's strategic goals into the Organisational Strategic Task Pool for each department and project to assume the corresponding tasks. While each department serves as a task repository and talent pool, they also take on tasks in the Project Task Pool based on their scope of work. Employees have the flexibility to select tasks based on task requirements, personal career development, and individual interests. Departmental and individual goals are set based on the tasks they assume. This ensures that departmental and individual efforts align with the overall organisational goals.

Individual goals, typically set collaboratively by an employee and his or her manager, foster a greater sense of ownership and commitment. In addition, employees who participate in the goal-setting process are more likely to comprehend and embrace their goals.

Managers regularly monitor employees' progress towards their goals and provide timely feedback. This includes communicating challenges and advances, and providing necessary support and guidance. To assure employee achievement of goals, managers should ensure that employees execute the established plan and resolve any problems that arise.

### **2. Performance Review**

Currently, monthly, quarterly and annual performance reviews are conducted on departments and employees regularly based on how their goals are achieved. Monthly and quarterly reviews provide immediate feedback that helps employees make timely adjustments and enhances their motivation. The annual review assesses long-term performance, establishes development plans, ensures goal alignment, and fosters mutual growth for both the organisation and the employees. Collectively, these performance reviews serve to improve employee performance, align organisational goals, maintain positive momentum, and promote employee career development.

Performance reviews of employees include not only the achievement of individual performance goals but also their contribution to their teams' goals. We look at a number of factors to comprehensively understand an employee's contribution to his or her team and the company, such as demand-side feedback and core stakeholder evaluation. In addition, the overall performance of a department affects the performance review results of each member. We enforce a predetermined distribution of performance ratings for each department to stimulate team spirit and enhance cohesion.

Performance review discussions are designed to not only review performance review results, but also to provide feedback and discuss individual development plans. It is a collaborative effort to explore an employee's career development aspirations, training needs, and strategies to better achieve job goals, thereby facilitating their growth and advancement. In addition, this practice helps foster positive employee relations.

This comprehensive performance management cycle ensures a fair, impartial, and transparent performance review process. It empowers employees to achieve goals while fostering continuous improvement and personal growth. This increases the efficiency and effectiveness of performance management, creating greater value for sustainable business success and growth.

## **VI. Employee Grievance**

1. The Group is committed to creating an environment of equal, harmonious, open and transparent communication. We provide safe and confidential channels for employees and others to file complaints on related matters. We strictly maintain the confidentiality of complainants' information and protect their legitimate rights and interests.
2. The Internal Audit Department serves as the center for receiving employee complaints at the Group's headquarters. It is responsible for receiving employee complaints, recording, investigating, handling, reporting and following up on subsequent actions regarding reported violations or misconduct.
3. Grievance Channels
  - a) "BUG Collection" in the intranet and "99U-Applications-Office Management-BUG Collection" apply to complaints of all types.
  - b) "Senior Staff Complaint Collection" applies to managers, project leaders, and other personnel whose job grade is Grade 7 or above.
  - c) Email: [neishen@nd.com.cn](mailto:neishen@nd.com.cn)

#### 4. Handling Procedure

- a) Complainants may post their complaints in a public, semi-public or anonymous manner through the above channels;
- b) Internal Audit shall assign the complaint to a dedicated internal auditor within one business day, who shall forward the complaint to the relevant department for action;
- c) The relevant department shall investigate and handle the complaint, and reply in the BUG thread with the confirmed handling results. The internal auditor shall provide the progress and final decision on the matter in the BUG thread;
- d) The respondent shall confirm when its corrective action can be verified based on work arrangements. The internal auditor shall issue a verification ticket accordingly. If the verification process exceeds six months, the Internal Audit Department shall gather relevant data and report the matter to the responsible Deputy General Manager.
- e) If the complainant disagrees with the handling of the matter and still wishes to complain about it or the unfair behaviour of the handling personnel, the complainant may file another complaint on BUG Collection. The Internal Audit Department will continue to handle it according to the above procedure.

#### 5. Confidentiality of Complaints

When filing complaints through BUG Collection, complainants may choose from three options: public, semi-public, or anonymous. In the case of semi-public complaints, the complainant's personal information will only be available to the complainant, the Head of Internal Audit and the internal auditors assigned to handle the complaint. The Internal Audit Department will maintain strict confidentiality of the complainant's personal information. In the case of anonymous complaints, BUG Collection will not record the department or name of the complainant. Anonymous submissions will appear as "Anonymous" to all employees, including the Internal Audit Department.

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