

Corporate Policy 10

Version: June 23, 2019

Delegation of Authority

Effective: August 6, 2006

Revised: March 19, 2007, November 1, 2007, May 23, 2013, November 6, 2014, February 24, 2016, May 23, 2019 and June 23, 2019

The board of directors (the "**Board**") of Lenovo Group Limited (the "**Company**") wishes to promote effective management of the Company by delegating to senior executives of organizations appropriate authority and responsibility for their operations.

The responsibility to oversee the management of the Company and its business is retained by the Board. The principal method of delineating and describing the scope of these responsibilities and authorities is to reserve selected powers or authorities to the Board.

Powers not reserved to the Board are considered to be delegated to the Chief Executive Officer, who shall have the authority to sub-delegate those powers as set forth herein.

The Company's subsidiaries should only enter into agreements which bind that individual subsidiary and not the Company or any of the Company's other subsidiaries.

This policy shall be reviewed annually (or such other period as designated by the Board) to ensure that it remains appropriate to the needs of the Company.

1. **Powers Reserved to the Board of Directors**

The following are powers reserved to the Board, which are required for corporate governance or by law.

- Administering corporate governance as required by the Hong Kong stock exchange;
- Declaring or making recommendation to declare any dividend on the equity securities of the Company;
- Appointing external auditors and/or changing the Company's external auditors to conduct the primary financial audits of the Company;
- Establishing retirement plans for the benefit of the employees of the Company or any of its subsidiaries or making material changes to the terms of such plans;
- Approving material accounting policy, standards, reporting and release of financial information;
- Establishing executive compensation plans and policies;

- Issuing bonds or similar publicly traded debt instruments binding on the Company;
- Issuing shares or any forms of securities in the Company (other than issuance of shares pursuant to any previously approved scheme or document);
- Creating any share repurchase program;
- Approving any proposal to shareholders to wind down the Company or making a declaration of bankruptcy or insolvency of the Company or any of its subsidiaries;
- Establishing a bonus, profit sharing, share option or other incentive scheme other than those used customarily in the industry to compensate employees or making material changes to the terms of such schemes;
- Hiring or terminating the Chief Executive Officer and determining and/or changing the compensation payable to the Chief Executive Officer or any senior executive of the Company who directly reports to the Chief Executive Officer;
- Approving or amending the Company's annual operating budget;
- Approving any proposal to shareholders to amend or waive any provision of the Articles of Association of the Company;
- Establishing any investment, acquisition, financing or other transaction requiring approval of the Board, pursuant to (i) the Company's Articles of Association, (ii) previously adopted resolutions of the Board, or (iii) any applicable law, rule or regulation;
- Forming material transaction that the Chief Executive Officer in his or her judgment determines to be extraordinary or outside the ordinary course of the Company's business; and/or
- Establishing a material change to the business of the Company.

2. **Transactions Requiring Board Approval**

The following transactions shall report back to the Board and require the prior review and approval of the Board:

- 1.1 Binding the Company to sell, transfer, lease, license or otherwise dispose of substantial tangible or intangible property assets of the Company or its subsidiaries having a net book value exceeding \$25M USD net asset value individually, or in excess of \$50M USD net asset value in the aggregate per fiscal year, outside the ordinary course of its or their business (e.g. other than (x) selling products or services to customers and resellers or (y) entering into factoring, securitization or other similar arrangements involving the sale of receivables arising from the sale of products or services to customers and resellers ("Ordinary Course Transactions"));

- 1.2 Purchasing the equity securities or assets of, or other ownership interest in, any party (other than a wholly-owned, direct or indirect subsidiary of the Company) for an aggregate consideration in excess of \$150M USD;
- 1.3 Creation of any investment, acquisition, financing, contract, arrangement or other transaction with any director or senior executive officer of the Company or with any such director's or officer's connected entity(ies), provided that (a) such transaction is significant to the business of the Company, and (b) the interest of such director, officer or connected entity in such transaction is material;
- 1.4 Incurring a lease obligation involving payments in excess of \$20M USD per year and total lease payments over the life of the lease in excess of \$50M USD;
- 1.5 Entering into any transaction that requires public announcement or constitutes a notifiable transaction or a discloseable connected transaction under Hong Kong Stock Exchange listing rules, other than Ordinary Course Transactions that are not "connected transactions" under such listing rules;
- 1.6 (x) Borrowing or raising of money from banks or financial institutions exceeding \$300M USD and/or for a term of more than 5 years or guaranteeing or (y) indemnifying the obligations of the Company's subsidiaries (other than direct or indirect subsidiaries of which not less than 75% equity interests are owned by the Company) under any financial or commercial transaction for a liability exceeding \$300M USD for each guarantee or indemnity, in the case of each of clauses (x) and (y), other than in connection with Ordinary Course Transactions; and/or
- 1.7 Purchasing any real property or entering into any transaction that would have the effect of a real property purchase for a consideration in excess of \$50M USD.

3. **Authorization and Delegation to the Chief Executive Officer:**

Subject to the limitations set forth in Sections 1 and 2 above, the Board authorizes and directs the Chief Executive Officer of the Company, in the name of and on behalf of the Company, to do, perform and authorize such acts, approve any transaction or series of transactions and execute any documents (if required under the Common Seal of the Company and countersigned by another director of the Company), as he or she thinks fit and appropriate, in order to manage, conduct and advance the business of the Company in the ordinary course. The Chief Executive Officer is further authorized to delegate (including the authority to re-delegate) any authority granted herein to any officer or employee of the Company and/or any of its subsidiaries. Such delegations are required to be formally documented.

4. Delegation of Signature Authority to Certain Employees of the Company

The Board recognizes that certain employees of the Company should be empowered to execute and deliver, in the name of and on behalf of the Company, any contract or other document or instrument necessary or appropriate in the ordinary course of the Company's business in the functional area in which they are employed, including but not limited to, bid documents for the sale of the Company's products and services to governments and agencies, purchase orders, procurement agreements, sale agreements and the like. Accordingly, subject to the limitations set forth in Sections 1 and 2 above, and any additional formal corporate policies adopted by the Company, the Board delegates the authority to execute and deliver, in the name of and on behalf of the Company, any such contract or other document or instrument to each of the persons, holding any of the following positions, titles or functions in the Company jointly and severally, but only within the functional area in which they are employed:

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| President & Chief Executive Officer | Executive Director |
| Chief Financial Officer | Account Representative |
| Treasurer | Sales Representative |
| Controller | Sales Specialist |
| Executive / Senior Vice President | Company Secretary |
| Vice President | Client Representative |
| Chief Procurement Officer | Buyer |
| Procurement Commodity Chair | |

Positions that include the titles or functions of: Counsel; Attorney, Director; Executive; Manager or Contracts & Negotiations.

5. Specific Power of Attorney Regarding Procurement of Goods & Services

The Board recognizes that certain employees of the Company's subsidiaries should be empowered to approve, execute (as a deed or otherwise) and deliver, in the name of and on behalf of the Company, any contract or other document, including purchase orders and procurement agreements and the like, for the procurement of goods and services for the Company's internal use (as opposed to for incorporation directly into the Company's products), including global logistics needs, in the ordinary course of the Company's business. Accordingly, subject to the limitations set forth in Sections 1 and 2 above, the Board will pass a resolution granting a specific power of attorney to approve, execute (as a deed or otherwise) and deliver, in the name of and on behalf of the Company, any such procurement contract or other similar document to each of the persons holding any of the following positions, titles or functions within the Global Supply Chain and/or Procurement function in any of the Company's subsidiaries jointly and severally:

- Chief Procurement Officer
- Buyer
- Procurement Commodity Chair
- Executive Director
- Manager