

## **LENOVO CONFLICTS OF INTEREST POLICY**

Effective Date: May 16, 2016

**Contact Lenovo's Ethics and Compliance Office (ECO), [ethics@lenovo.com](mailto:ethics@lenovo.com), if you have any questions, comments or suggestions regarding this policy.**

### **Who does this policy apply to?**

This policy applies to all Lenovo employees (including full-time, part-time, temporary, and supplemental), consultants, and contractors. "Lenovo" includes the Lenovo Group Limited and all of its subsidiaries, present and future. Throughout this policy, the term "Lenovo representative" means anyone who must follow this policy.

### **Statement of Policy:**

While working at Lenovo, we are obligated to do what is best for the company. Anytime you are in a situation where you could pursue a benefit for you, your family, or someone you have a close personal relationship with at the expense of Lenovo's legitimate business interests, you are faced with a potential conflict of interest. We have an obligation to avoid conflicts and to disclose situations that may involve a conflict, or even the appearance of a conflict, between our personal interests and Lenovo's legitimate business interests.

Examples of situations that can present a conflict of interest:

- Lenovo is looking for a company that can provide certain goods or services and your spouse's company happens to provide those services and would like to be hired.
- A Lenovo supplier has asked you to work for them as a consultant.
- A competitor of Lenovo has asked you to serve on their Technical Advisory Board.
- One of Lenovo's vendors gives you an expensive gift (see the Global Gifts, Entertainment, Corporate Hospitality and Travel Policy).
- Your family member has applied for a summer internship or a job in your department at Lenovo.
- You are interested in dating an employee of a Lenovo Supplier and you are the Lenovo Representative who manages the account.

Failure to comply with this policy is a basis for disciplinary action and including termination of employment or retention.

### **General Requirement: Conflicts of Interest Must Be Avoided and Disclosed**

All Lenovo representatives are required to avoid any activity, position or investments that may be regarded as a potential conflict of interest with the legitimate business interests of Lenovo. You must disclose any potential conflict as soon as you become aware of it and you must also remove yourself from any decision making process related to the conflict.

The reporting and disclosure process for several different types of conflicts of interests is described in this policy. If you are faced with a potential conflict of interest that does not fall into

one of these categories, or if you are not certain if you are facing a conflict of interest, contact your manager, the ECO, or Human Resources for guidance.

You may be required to report potential conflicts of interest on a disclosure statement on a periodic basis.

### **Outside Employment or Business Activities**

In some countries and locations, including in China, local Lenovo policies, laws, or the terms of your individual employment contract prohibit you from taking any outside employment. In those cases, Lenovo policies, the local laws or individual employment contracts supersede the guidance provided in this policy. In other countries and locations, however, Lenovo recognizes that you may be permitted to take jobs or pursue business interests that are outside our work at Lenovo. When engaging in outside employment or business interests, we must avoid any situations where we could harm Lenovo or our customers.

Before engaging in employment or business activities outside your work at Lenovo, ask yourself the following questions to determine if the job could create a conflict of interest.

Does the outside employment or business opportunity:

- 1) Involve a company that competes with Lenovo?
- 2) Use technology developed by Lenovo?
- 3) Deal with Lenovo in any capacity?
- 4) Use confidential or restricted information belonging to Lenovo or Lenovo's customers, channel partners, suppliers, or other business partners?

If the answer to any of these is yes, you may have a conflict. Contact the ECO or Human Resources. If you are a Vice-President, the Senior Vice-President or Executive Vice-President in your reporting line who is a level above your direct manager must review and approve your participation in any outside employment or business activity that could create a conflict with your work for Lenovo. If you take on an approved outside role, but the role changes in a way that could create a conflict, you should disclose the changes to ensure no conflicts arise.

Whenever you engage in outside employment or business activities, you must follow these rules:

- You may not provide services to, or receive payment from any of Lenovo's competitors, customers, channel partners, suppliers, or other business partners for activities that relate to the business of your department within Lenovo.
- You may not use any Lenovo assets or resources for outside employment or business ventures. This includes the use of Lenovo's computers, information systems, confidential or proprietary information, and work time.
- Business opportunities found through your position at Lenovo belong to Lenovo.

- Any intellectual property you develop that relates to Lenovo's business is subject to your employment agreements with Lenovo.

### **Family Members and Close Personal Relationships**

We must pay close attention to any Lenovo legitimate business activity in which a family member or someone else with whom we have a close personal relationship is involved. Family members and close personal relationships include spouses, domestic or civil partners, significant others or romantic partners, children (including stepchildren), parents (including mothers and fathers-in-law), grandparents, siblings (including step siblings) and brothers and sisters-in law, or any other person who is part of your household.

Here are just a few examples of situations where you may face this conflict of interest:

- Someone with whom you have a close personal relationship is applying for a job or internship in your department at Lenovo.
- Someone you have a close personal relationship with works for a company that a supplies products, components, or services to Lenovo.
- You are dating someone in your reporting line at Lenovo.

If one of our family members or someone else with whom we have a close personal relationship has a financial interest, including as an employee, shareholder, or owner, in a Lenovo customer, supplier, vendor or competitor, we must disclose this relationship and, if necessary, remove ourselves from any decisions that Lenovo will make related to that entity. Financial interest does not include owning less than 10% of total shares of stock in a publicly traded company.

You should not manage someone with whom you have a close personal relationship. If this issue arises, you should contact a Human Resources Vice-President or the ECO to make sure you avoid even the appearance of a conflict of interest.

It is inappropriate and against Lenovo policy for a manager at Lenovo to be involved in an intimate relationship with an individual (including contractors, consultants or temporary employees) in his or her direct reporting line or if the manager is in a position to have the ability to exercise influence over any aspect of that individual's performance, compensation, or promotion potential. For more information, see Lenovo's Inappropriate Relationships Policy.

### **Board Memberships**

Serving on an outside board of directors can help you develop as a professional and hone leadership skills, but it can also create a conflict of interest with your work at Lenovo. We all must comply with the rules below when considering service on an outside board of directors.

- **Representing Lenovo on the Board of Directors of an Outside Organization**

From time to time, Lenovo may select a Lenovo employee to serve as Lenovo's representative on the Board of Directors or an Advisory Board of a company in which Lenovo has an

ownership interest, or otherwise has an interest in monitoring. Any Lenovo representative chosen to serve on a Board of Directors on Lenovo's behalf should be approved by the senior leader of the business or function, at the level of Vice-President or higher, primarily responsible for the business relationship.

1. When serving on a Board of Directors at Lenovo's request, you must comply with Lenovo's Code of Conduct and relevant policies, and any applicable laws.
2. Serving on the Board of Directors of an outside organization at Lenovo's request is considered part of your performance of your job responsibilities at Lenovo. As such, you must turn over any compensation you receive for performing such duties to Lenovo, although you may accept travel and accommodation to attend meetings.
3. When serving on a Board of Directors at Lenovo's request, you will be covered by Lenovo's indemnity by-laws. Any employees serving on a Board of Directors at Lenovo's request must inform the Lenovo Legal Department so Lenovo can maintain its Director and Officer liability insurance coverage.
4. If you are representing Lenovo on a Board of Directors and you leave Lenovo for any reason, you must immediately resign as a director of that board.

- **Serving on the Board of Directors for For-Profit or Commercial Enterprises, Trade Associations, Industry Associations or Standard Setting Organization**

Lenovo allows employees to serve as a member of a Board of Directors or on Advisory Boards of for-profit commercial enterprises, trade associations, industry associations, and standard setting organizations outside of Lenovo if the following conditions are met.

1. When serving on an outside Board of Directors, you must comply with Lenovo's Code of Conduct and relevant policies, and any applicable laws.
2. The Board service must be submitted to the ECO for a conflict of interest review, and approved by a Lenovo executive in the same business unit at the level of Vice President or higher. If the service is as a director of a publicly traded company or any company that is a customer, supplier, vendor, or business partner of Lenovo, such service also requires approval of the Lenovo General Counsel and the Lenovo CEO.
3. No employee or contractor may serve on the Board of Directors of a Lenovo competitor.
4. Service may not exceed two Boards per employee.
5. The Board service will not create a conflict between duties to Lenovo and duties as a director of the other company.
6. When serving on other Boards of Directors, you may not, without written authorization from the Legal Department, disclose Lenovo confidential information, and may not be exposed to Lenovo's competitors' confidential information.
7. Unless an employee is serving as a director at Lenovo's request, he or she will not be eligible to be indemnified under Lenovo's or its subsidiaries' indemnity by-laws or covered by Lenovo' Directors and Officers insurance policies.
8. If you serve on the board of an organization that becomes a customer, supplier, vendor, or business partner of Lenovo, you must disclose this immediately to the ECO, and your continuing service on that Board of Directors must be approved by the Lenovo General Counsel and CEO.

- **Non-Profit or Volunteer Organizations**

You may serve on board of a community, not-for-profit, or volunteer organization without obtaining any approval from Lenovo as long as your service does not negatively impact your work at Lenovo. If the not-for-profit organization becomes a Lenovo customer or otherwise has a business relationship with Lenovo, Lenovo employees must ensure their outside activities do not negatively impact their work at Lenovo, create a conflict between their duties to Lenovo and their duties to the other organization, cause misuse of Lenovo information or assets or result in adverse consequences to Lenovo.

Except for service at the request of Lenovo, or as approved by a Lenovo executive at the Vice President level or higher, any service as a director of a not-for-profit or volunteer organization must be performed on your own time at your own risk, away from Lenovo premises and without using Lenovo resources.

### **Personal Investments**

Avoid making personal investments in companies that are Lenovo competitors or business partners when these investments might cause or appear to cause you to act in a way that could harm Lenovo or otherwise create a conflict of interest.

When determining whether a personal investment creates a conflict of interest, consider the relationship between the business of the outside company, Lenovo's business and what you do at Lenovo, including whether the company has a business relationship with Lenovo that you can influence and the extent to which the company competes with Lenovo.

You should also consider 1) any overlap between your specific role at Lenovo and the company's business, 2) the significance of the investment, including the size of the investment in relation to your net worth, 3) whether the investment is in a public or private company, 4) your ownership percentage of the company, and 5) the extent to which the investment gives you the ability to manage and control the outside company.

Small investments in the stock of publicly traded companies, mutual funds, venture capital or other similar funds that invest in a broad cross-section of companies that may include Lenovo competitors or business partners generally do not create conflicts of interest. However, a conflict of interest may exist if you control the fund's investment activity. Personal investments or ownership stakes in startup or entrepreneurial companies that are competitors with Lenovo or intend to do business with Lenovo must be approved by the ECO.

If you are concerned that one of your investments could create a conflict of interest, contact the ECO before engaging in the transaction. If you hold an investment that could create a conflict, disclose the investment to the ECO.

### **Connected Transactions Process**

We must comply with Lenovo's Worldwide Connected Transactions Process. Before contracting or transacting with any external entity or individual (including vendors, suppliers, or customers) we must check to determine if the individual or entity is included on Lenovo's [List of Connected Persons](#). If an entity or individual is on the list, you must immediately report the transaction to the General Counsel in your Geo or Business Unit or Lenovo's Company Secretary Office ([companysecretary@lenovo.com](mailto:companysecretary@lenovo.com)) before committing or entering into the contract or agreement.

**Accepting Gifts, Entertainment, and Travel**

Accepting certain gifts, entertainment, or travel from Lenovo business partners (including vendors, suppliers, and customers) may create a conflict. Please see Lenovo's Gift, Entertainment, Corporate Hospitality, and Travel Policy [[insert link](#)].