

# LENOVO GROUP LIMITED

## NOMINATION AND GOVERNANCE COMMITTEE

### TERMS OF REFERENCE

(As adopted by the Board on February 8, 2012)

#### 1. Definitions

Unless the context otherwise requires, capitalized terms have the following meaning:

“**Board**” means the board of directors of the Company.

“**Committee**” means the Nomination and Governance Committee (formerly the “Governance Committee”).

“**Company**” means Lenovo Group Limited.

“**Company Secretary**” means the company secretary of the Company.

“**Director(s)**” mean the director(s) of the Company.

“**Exchange’s website**” means the official website of Hong Kong Exchanges and Clearing Limited.

“**Group**” means the Company and its subsidiaries from time to time.

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### 2. Constitution

The Board has resolved to establish a Committee of the Board known as the Nomination and Governance Committee (formerly the “Governance Committee”).

#### 3. Membership

The members of the Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors.

Subject to the preceding paragraph, if a regular member is unable to act due to absence, illness or any other cause, the chair of the Committee may appoint an independent non-executive Director to serve as an alternate member.

Other Directors or management may be invited by the chair of the Committee to attend all or part of any meeting.

#### 4. Chair

The chairman of the Board or one of the independent non-executive Directors shall act as the chair of the Committee. In his absence, the members shall elect amongst themselves as the chair of that Committee meeting.

The chairman of the Board shall not chair any meeting of the Committee at which the Committee is dealing with the appointment and succession to the chairmanship of the Company.

**5. Secretary**

The Company Secretary or his/her delegate or such other person appointed by the chair of the Committee shall be the secretary of the Committee (the “Secretary”).

**6. Quorum**

The quorum necessary for the transaction of business shall be at least two members and the majority of the members present at the meeting shall be independent non-executive Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in, or exercisable, by the Committee.

**7. Frequency of Meetings**

The Committee shall meet at least once a year and at such other times as any member of the Committee shall require.

**8. Notice of Meetings**

Meetings of the Committee shall be summoned by the Secretary at the request of the chair of the Committee.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than 14 days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at least 3 days in advance of the meeting (or other agreed period).

**9. Proceedings of Meetings**

Except as outlined above, meetings of the Committee shall be conducted in accordance with the provisions of the Company’s articles of association governing the proceedings of Directors of the Company.

**10. Minutes of Meetings**

Full minutes of the Committee’s meeting shall be kept by the Secretary and shall be open for inspection at any reasonable time on reasonable notice by any Director.

Minutes of meetings of the Committee shall record in sufficient details the matters considered by the Committee and decisions reached, including any concerns raised by Directors, members or dissenting views expressed. Draft and final versions of

minutes of the meetings shall be sent to all Committee members for their comment and records, within a reasonable time after the meeting.

#### **11. Annual General Meeting(s)**

The chair of the Committee shall attend the annual general meeting(s) and be prepared to respond to any shareholders' questions on the Committee's activities or in his absence, another member of the Committee, or failing this, his duly appointed delegate.

#### **12. Authority**

The Committee is authorized by the Board to seek independent professional advice, at the Company's expense, to perform its responsibilities if it considers this necessary. The Committee shall be provided with sufficient resources to perform its duties.

#### **13. Duties**

The Committee is responsible for the following (as may from time to time be varied or supplemented by the Board):

- (a) To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) To keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace, and in this connection, to keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (d) To assess the independence of independent non-executive directors, having regard to the requirements under the Listing Rules;
- (e) To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive;
- (f) To ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out clearly the key terms and conditions of their appointment;

- (g) To develop and review the Company's policies and practices on corporate governance and make relevant recommendations to the Board;
- (h) To review and monitor the training and continuous professional development of Directors and senior management;
- (i) To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (j) To develop, review and monitor the code of conduct and compliance manual (if any) in relation to corporate governance applicable to the Company's employees and Directors;
- (k) To review the Company's compliance with the corporate governance code of the Listing Rules and other related rules;
- (l) To review the annual corporate governance report and recommend to the Board for consideration and approval for disclosure;
- (m) To assess the performance of the chairman of the Board and/or the chief executive officer of the Company and propose to the compensation committee; and
- (n) To review the Committee's terms of reference annually and recommend to the Board any changes that it considers appropriate.

#### **14. Reporting Procedures**

The Committee shall report to the Board on a regular basis. At the next Board meeting following a Committee's meeting, the Committee shall report the Committee's decisions or recommendations to the Board, unless there are legal or regulatory restrictions on their ability to do so.

#### **15. Availability of Terms of Reference**

The Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Exchange's website and the Company's website.

#### **16. Amendment**

Any amendment to these terms of reference must be approved by the Board.