

Corporate governance report

① Corporate governance principles and structure

- Compliance with corporate governance code
- Governance structure
- Corporate culture

② Leadership

How the Board leads from the front

- Board roles
- Board composition, diversity and tenure
- Nomination, appointment and election
- Directors' securities transactions
- Induction and continuous professional development
- Remuneration of directors and senior management
- Company secretary

③ Effectiveness

How the Board operates

- Board's responsibilities and delegation to management
- Board process
- Board activities
- Board committees
- Board and Board committees' effectiveness review

④ Accountability and audit

How the Board fulfils its oversight responsibilities

- Financial reporting
- Risk management and internal control
- External auditor

⑤ Investor relations

How we maintain relations with our investors

- Communications with investors
- Market recognition
- Index recognition

⑥ Shareholders

How we communicate with our shareholders and their rights

- Communications with shareholders
- Shareholders' rights
- Dividend policy
- Shareholding structure

⑦ Key shareholders information

- Listing information
- Market capitalization and public float
- Share price from April 1, 2023 to March 31, 2024



Corporate governance principles and structure

The board of directors (the “Board”) and the management of Lenovo Group Limited (the “Company”, together with its subsidiaries, “Lenovo”, “Lenovo Group” or the “Group”) strive to attain and uphold a high standard of corporate governance and to maintain sound and well-established corporate governance practices for the interest of shareholders and other stakeholders including, but not limited to, employees, customers, suppliers and the general public. The Group abides strictly by the governing laws and regulations of the jurisdictions where it operates and observes the applicable guidelines and rules issued by regulatory authorities. It regularly undertakes review of its corporate governance system to ensure it is in line with international and local best practices.

Compliance with corporate governance code

Throughout the financial year ended March 31, 2024 (“FY2023/24”), the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules, and where appropriate, met the recommended best practices in the CG Code, with the exception that the roles of the chairman of the Board (the “Chairman”) and the chief executive officer of the Company (the “CEO”) have not been segregated as required by code provision C.2.1 of the CG Code.

The Board has reviewed the organization human resources planning of the Group and is of the opinion that for the vesting of the roles of Chairman and the CEO in Mr. Yang Yuanqing (“Mr. Yang”) is appropriate and beneficial to the Group as it provides consistency of the strategy execution and stability of the operations of the Group. The Board comprising a vast majority of independent non-executive directors meets regularly on a quarterly basis to review the operations of the Group led by Mr. Yang.

The Board also appointed Mr. William O. Grabe as the lead independent director (the “Lead Independent Director”) with broad authorities and responsibilities. Such authorities and responsibilities include serving as chairman of the Nomination and Governance Committee meeting and/or the Board meeting considering the combined roles of Chairman and CEO; calls and chair meeting(s) with all non-executive directors at least once a year on matters deemed appropriate and provide feedback to the Chairman and/or CEO; and serves a key role in the Board evaluation process. Accordingly, the Board believes that the current Board structure with combined roles of Chairman and CEO, the appointment of Lead Independent Director and a vast majority of independent non-executive directors provide an effective check and balance of powers and authorizations between the Board and the management of the Company.

In relation to the recommended best practices in the CG Code, the Company published quarterly financial results and business reviews in addition to interim and annual results. Quarterly financial results enhanced the shareholders’ ability to assess the performance, financial position and prospects of the Company. The quarterly financial results were prepared using the accounting standards consistent with the policies applied to the interim and annual financial statements.

Corporate governance report

The Board has established a clear governance structure as set out in the below diagram and the overall approach has been designed to support and work within the Group organizational structure to ensure the accountability, fairness and transparency in how the Group runs and communicate with its stakeholders as well as to meet the future challenges.

Governance structure



Key matters reserved to the Board decision

- The Board has adopted a schedule of key matters relating to strategy, finance and corporate governance which are for decision by the Board.
- Such key matters reserved by the Board for decision is set out in the table on page 83.

Board committees structure

- The Board has delegated authority for its key governance functions to three main committees, namely Audit Committee, Compensation Committee and Nomination and Governance Committee (the "Board Committees"), with the responsibilities outlined on page 89.
- Details of the activities and decisions taken by these committees during the year are shown in the relevant committees' reports.

CEO, Lenovo Executive Committee and delegated authorities

- The CEO**
 - manages the business in line with the strategy agreed by the Board and is accountable to it. Details of the responsibilities of CEO are set out on page 64;
 - is supported by the Lenovo Executive Committee, which is a management committee comprising the CEO and certain members of senior management and helps to implement strategy and manage operational performance; and
 - through authority framework adopted by the Group through which he delegates certain management decisions to specific individuals and management.
- The CEO Advisory Council**
 - comprises external experts in areas (the "Specialized Areas"), including geopolitics, economics, cybersecurity and Environmental, Social and Governance ("ESG"); and
 - advises the CEO and senior management on strategic and operational issues in key areas, among others, the Specialized Areas.
- ESG Executive Oversight Committee**
 - is a committee chaired by the Chief Legal and Corporate Responsibility Officer and comprising senior management from across the business and functional units;
 - is chartered to promote Lenovo culture that encourages strong ESG performance; and
 - provides strategic direction and facilitates the coordination of ESG efforts across the Group.

Corporate culture

“We Are Lenovo” is Lenovo’s culture and the way Lenovo work together as one team. “We do what we say. We own what we do. We wow our customers.” is the essence of Lenovo’s culture. The cultural values are the guiding principles for all Lenovo employees to collaborate and excel together by implementing strategies in achieving Lenovo’s vision and mission.



Throughout FY2023/24, Lenovo continued to enhance the culture engagement initiatives globally through employees’ culture stories sharing, Big Bang Forums and Innovation Series, which helped employees to embrace Lenovo’s culture values in their day-to-day work and make business impact to support service-led transformation. Employees could learn skills related to the culture values on Grow@Lenovo learning platform.

To ensure the alignment of Lenovo’s culture, vision, mission, values and strategy, regular Board meeting is held every quarter. In FY2023/24, the Board reviewed the annual achievements and discussed the next year Corporate Strategy in February 2024. Further, reports from the CEO and the Chief Financial Officer (the “CFO”) (“CEO and CFO Report”) are submitted and presented to the Board in quarterly Board meetings to monitor and evaluate the progress of critical strategic initiatives and quarterly performance of Lenovo.

For more information about Lenovo’s culture and the 3S Strategy with strategic achievements during FY2023/24, please refer to Lenovo’s “[Explore Career Opportunities](#)” website, the “Chairman & CEO statement” and “Management’s discussion & analysis” sections of this annual report respectively.

Corporate governance report

② Leadership



Board roles

As of the date of this annual report, there are 12 Board members consisting of one executive director, two non-executive directors and nine independent non-executive directors. The Board has a coherent framework with clearly defined responsibilities and accountabilities designed to safeguard and enhance long-term shareholder values and provide a robust platform to realise the strategy of the Group. A summary of responsibilities of leadership of the Company and those of the Lead Independent Director is set out in the diagram below.

Chairman

Mr. Yang Yuanqing ^N

- Leads the Board in the strategy determination and the objectives achievement
- Leads the Board to align Lenovo culture with its vision, mission, values and strategy and ensures that all directors acting with integrity, lead by example, and promoting the desired culture
- Provides leadership and manages the Board to ensure that all directors are properly briefed on issues arising at Board meetings and receive adequate, complete and reliable information in a timely manner
- Approves the agendas for Board meetings, taking full account of the issues and concerns of Board members
- Facilitates and encourages active engagement of Board members by drawing on directors' skills, experience and knowledge
- Ensures good corporate governance practices and procedures are established and effective communications with shareholders and other stakeholders

Lead independent director

Mr. William O. Grabe ^{C N}

- Serves as chairman of the Nomination and Governance Committee meeting and/or the Board meeting whenever considering the combined roles of the Chairman and CEO
- In consultation with all other board members, prepares an assessment of the performance of the Chairman and/or CEO
- Calls and chairs meeting(s) with all non-executive directors at least once a year on matters deemed appropriate and provides feedbacks to the Chairman and/or CEO
- Serves a key role in the Board evaluation process
- Responds directly to questions and comments from shareholders and other stakeholders of the Company that are directed to the Lead Independent Director or to the independent non-executive directors as a group, when appropriate
- Ensures his availability for consultation and direct communication, when appropriate, if requested by major shareholders of the Company
- Performs other duties as the Board may designate

Non-executive directors

Independent non-executive directors:

- Mr. William O. Grabe ^{C N}
- Mr. William Tudor Brown ^{C A}
- Mr. Gordon Robert Halyburton Orr ^{A C}
- Mr. John Lawson Thornton ^N
- Mr. Kasper Bo Roersted (alias Kasper Bo Rorsted) ^{A C}
- Mr. Woo Chin Wan Raymond ^A
- Ms. Yang Lan ^N
- Ms. Cher Wang Hsiueh Hong
- Professor Xue Lan ^N

Non-executive directors:

- Mr. Zhu Linan
- Mr. Zhao John Huan ^C

- Participate in Board meetings to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct
- Take the lead where potential conflicts of interests arise
- Scrutinise the Group's performance in achieving agreed corporate goals and objectives, and monitor performance reporting
- Make a positive contribution to the development of the Group's strategy and policies through independent, constructive and informed comments
- Ensure to align Lenovo culture with its vision, mission, values and strategy, and ensures that all directors acting with integrity, lead by example, and promoting the desired culture. Such culture should instil and continually reinforce across Lenovo values of acting lawfully, ethically and responsibly
- Engage with senior management and other relevant parties to ensure that various concerns and issues relevant to the management and oversight of business and operations of the Group are properly addressed

Chief executive officer

Mr. Yang Yuanqing ^N

- Formulates and recommends the strategy of the Group to the Board
- Executes the strategy agreed by the Board
- Makes and implements operational decisions and manages the business day-to-day
- Leads the business and the management team

Key

^A Audit Committee

^C Compensation Committee

^N Nomination and Governance Committee

[●] Committee Chairman

Board composition, diversity and tenure

The structure, size and composition (including but not limited to gender, age, skills, experiences and length of service) of the Board will be reviewed from time to time regularly by the Nomination and Governance Committee to ensure that the Board has a balance of skills and expertise for providing effective leadership to the Company and meeting the needs of the Group.

The Board adopted a board diversity policy (the “Board Diversity Policy”) aiming to set out the Company’s commitment to fostering a corporate culture that embraces diversity on the Board. A summary of the Board Diversity Policy including the views and measurable objectives is set out on page 68 of this annual report.

The following diagram illustrates the composition and diversity profile of the Board as at the date of this annual report while the detailed biographies of the directors are set out on pages 143 to 147 of this annual report.

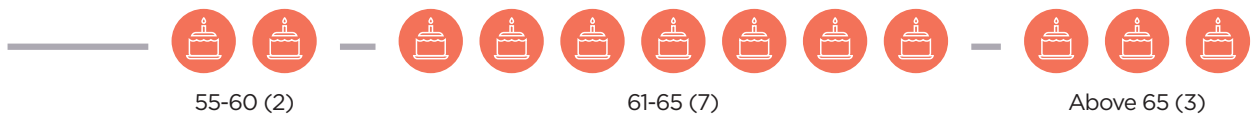
Designation



Gender

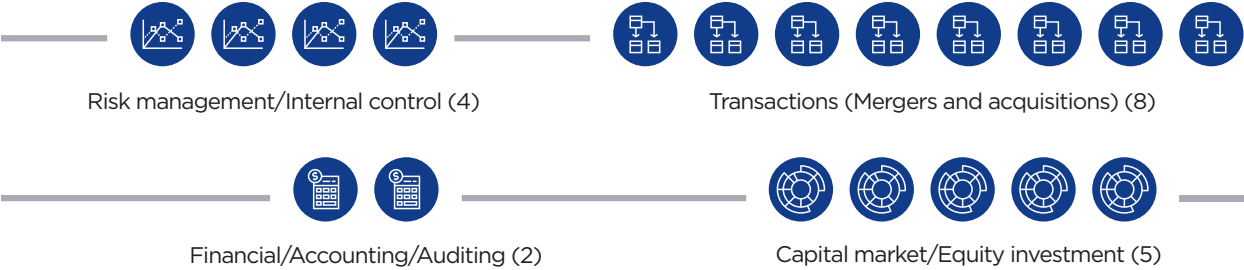


Age



Corporate governance report

Finance



Global operation



Strategic planning



Legal/Regulatory & compliance



ESG



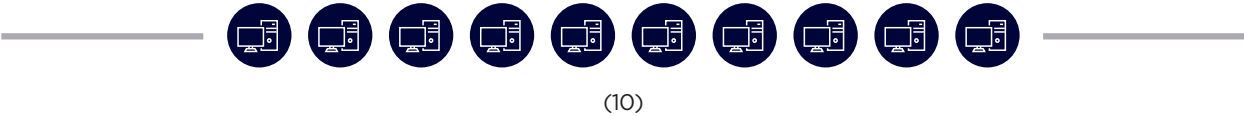
Marketing/Advertising/Research and development (R&D)



Investor relations



Information technology industry



Key features of the Board composition



Diversity

The Board has a balance of gender, ethnicity, cultural background and skills with a mix of regional and industry experience.



Independence

The current composition of the Board exceeds the requirements under rules 3.10 and 3.10A of the Listing Rules, as three-quarters of its members are independent non-executive directors, thus exhibiting a strong independent element which enhances independent judgement.

Mr. William O. Grabe, an independent non-executive director of the Company, was appointed as the Lead Independent Director for enhancing corporate governance of the Company. The roles and responsibilities of the Lead Independent Director are set out on page 64 of this annual report.



Relationship among directors

Mr. Zhu Linan and Mr. Zhao John Huan, non-executive directors of the Company, also serve on the board of directors of Legend Holdings Corporation, which held approximately 31.41% of the total number of shares in issue of the Company as of March 31, 2024 according to the interest as recorded in the Company's register maintained under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). The details are set out on page 112 of this annual report and pages 155 to 156 under Directors' report of this annual report.

To the best knowledge of the Board members, there is no other relationship among the members of the Board as of the date of this annual report except for the relationships (including financial, business, family, and other material and relevant relationships) as mentioned in the biographies of directors set out on pages 143 to 147 of this annual report.




Corporate governance report

Board diversity policy

The Board values diversity as a factor in selecting candidates to serve on the Board and believes that the diversity which exists in its composition provides significant benefits to the Board and the Company and forms an important part of the nomination policy (the “Nomination Policy”) as adopted by the Board.

The Board believes that a key success factor of an effective Board is that it comprises a range and balance of skills, experience, knowledge and independence, with individuals that work as a team. The adoption of Board Diversity Policy is to ensure that diversity in its broadest sense continues to remain a feature of the Board. All Board appointments are made on merit, in the context of the skills, experience and gender diversity, the Board as a whole requires being effective. The details of the appointment process are disclosed on page 71 of this annual report.

The Nomination and Governance Committee has been delegated with the responsibilities for the review of the Board Diversity Policy, among others, the implementation and effectiveness thereof, on an annual basis. During FY2023/24, the Nomination and Governance Committee reviewed the below measurable objectives and the progress in achieving these objectives:

Measurable objectives	Progress for achieving objectives
 <p>Objective 1 Consider candidates for appointment as independent non-executive directors from a wide pool of candidates with different backgrounds, skills, experience and perspectives that would complement the existing Board's diversity</p>	<ul style="list-style-type: none"> • In FY2023/24, the Board has appointed two independent non-executive directors pursuant to the Nomination Policy and the Board Diversity Policy • For FY2023/24, the female representation at Board level was about 16.67% (i.e. two female directors out of 12 directors). It is targeted to reach 20% female Board by FY2025/26 to promote diversity of the Board • On-going search for appropriate candidates to be appointed as independent non-executive directors and to add diversity to the existing Board • In the ordinary course of the Board succession process
 <p>Objective 2 Report annually against the objectives and other initiatives taking place within the Group which promote diversity</p>	<ul style="list-style-type: none"> • The Board evaluation process includes an assessment of the Board's diversity helping to objectively consider the Board composition and effectiveness • Ongoing annually
 <p>Objective 3 Report annually on the outcome of the composition and structure of the Board as well as any issues and challenges the Board is facing when considering its diverse combination</p>	<ul style="list-style-type: none"> • Make use of the Board evaluation process as an important means of monitoring the progress • Remain committed to getting the right balance of the composition of the Board and work towards understanding and managing some of the challenges the Group faces in the global information technology sector, particularly in internet, mobile, data center, software, cloud, services and solutions, telecommunications, artificial intelligence areas and ESG • Ongoing annually

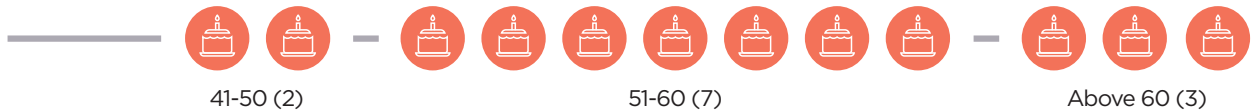
Senior management diversity

With support of a diversified management team is also essential to the effectiveness of the Board. As at the date of this annual report, the Company's senior management has a balance of diversity, among others, genders and age as illustrated in the following diagram. For further details of the senior management of the Company, please refer to their biographies are set out on pages 147 to 150 of this annual report.

Gender



Age



Workforce diversity

As a global technology leader, assembling a diverse workforce that achieves its full potential through an inclusive culture is fundamental to Lenovo's competitive success. Working toward a gender balanced workforce is core to Lenovo's diversity. While FY2023/24 data shows a 37% female global workforce and industry-leading 29% female representation in technical roles, Lenovo has chosen to focus its global target on increasing representation of female executives. After meeting and exceeding 2020 executive representation targets (20% representation target, 21% percent achieved), Lenovo has established new goals to further advance our global female executive representation. Currently with 22% executive representation of women, Lenovo is persistently working towards this goal by coordinating with business leaders to ensure ownership and accountability. Lenovo has increased talent sourcing activities, established goals for hiring slates, and focused on diverse talent development and retention. The target aims to reach 27% female executive representation by 2025 and is led by Lenovo's Diversity and Inclusion Board, chaired by the Chief Diversity Officer.

To achieve its global female executive representation goal, Lenovo recognizes that it must foster a strong pipeline of diverse talent. It provides several career development programs to create that pipeline through learning, sponsorship, and mentorship programs in partnership with its employee resource groups, business leaders, and Human Resource teams. The Women's Leadership Development Program to develop female executive talent is the longest-running program of its kind at Lenovo, with its eighth cohort of high potential women leaders graduating in 2024.

Corporate governance report

Tenure

In accordance with the articles of association of the Company (the “Articles of Association”), all directors are subject to retirement by rotation. At each annual general meeting, one-third of the directors for the time being shall retire from office. The retiring directors shall be eligible for re-election. New appointments either to fill a casual vacancy or as an addition to the Board are subject to re-election by shareholders of the Company at the next following annual general meeting of the Company. The chart below shows the tenure of the Board members as of the date of this annual report.

Tenure of Board members



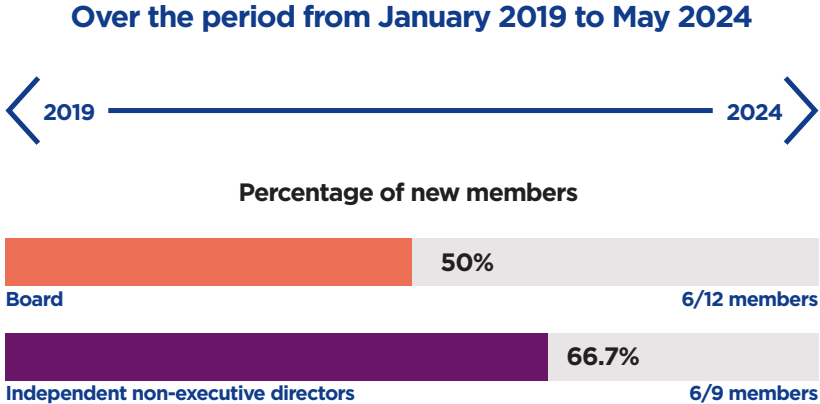
All non-executive directors (including independent non-executive directors) have entered into letters of appointment with the Company for a term of three years. Their terms of appointment shall be subject to retirement from office by rotation and re-election at the annual general meeting in accordance with the Articles of Association.

The Company agreed that the independence of directors is an important principle of the Company. In line with the best practices on corporate governance, the Board adopted the principle (the “Principle”) that each term of an independent non-executive director of the Company shall not be more than three years and shall, subject to re-election by shareholders at any subsequent annual general meeting of the Company, be renewable for additional three-year terms up to a maximum of nine years. At the recommendation of the Nomination and Governance Committee, the Board may invite an independent non-executive director to serve for an additional three-year term extending up to a total of 12 years subject to re-election at any subsequent annual general meeting of the Company.

In accordance with the Articles of Association, Mr. Zhao John Huan, Mr. Gordon Robert Halyburton Orr, Ms. Cher Wang Hsiueh Hong, Professor Xue Lan, Mr. John Lawson Thornton and Mr. Kasper Bo Roersted will retire (if applicable) and being eligible, will offer themselves to be re-elected at the forthcoming annual general meeting to be held on July 18, 2024 (“2024 Annual General Meeting”).

Refreshment of the Board

The Board’s diversity and independence are enhanced by refreshing the composition of the Board. As part of the Company’s continuing efforts to refresh the Board, the Board has appointed two independent non-executive directors with solid experience, fresh ideas and different skills in FY2023/24. The appointment further enhances the strong independent element of the Board and adds value to the Board from the balance of skills, knowledge, experience and diversity perspectives. The diagram below shows how the Board has been refreshed since January 2019.



Nomination, appointment and election

Nomination policy

The Nomination Policy guides the Nomination and Governance Committee and the Board on nomination of candidates for the Board. This policy sets out the selection criteria, tenure, election/re-election requirements and nomination procedure, details of which are set out below.

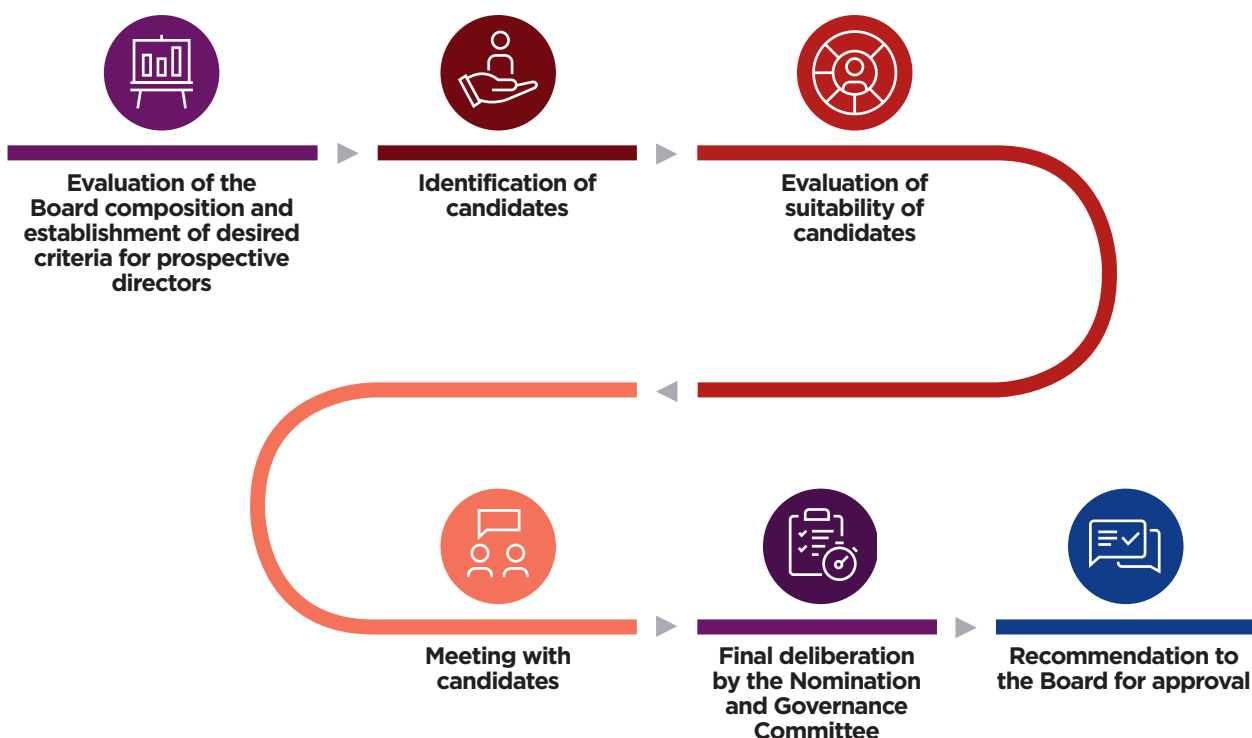
Nomination and appointment process

The Board recognises the need to ensure the Board and senior management are always well resourced, with the suitable people in terms of skills and experience to deliver the Group's strategy.

There is a formal and transparent procedure for the appointment of new directors to the Board, the primary responsibility of which has been delegated to the Nomination and Governance Committee. The Nomination and Governance Committee is composed of the Chairman and four independent non-executive directors. This composition ensures that any decisions made are impartial and are in the best interest of the Company.

The Nomination and Governance Committee's assessment of the candidates includes, but not limited to, the independence under the Listing Rules, consideration of the relevant knowledge and diversity of backgrounds, gender, skills, experience and perspectives that would complement the existing Board.

The Nomination and Governance Committee also ensures that candidates satisfy the requisite skills, experience and core competencies, commensurate with the position as directors of a listed company. The nomination process involves the following six stages:



Corporate governance report

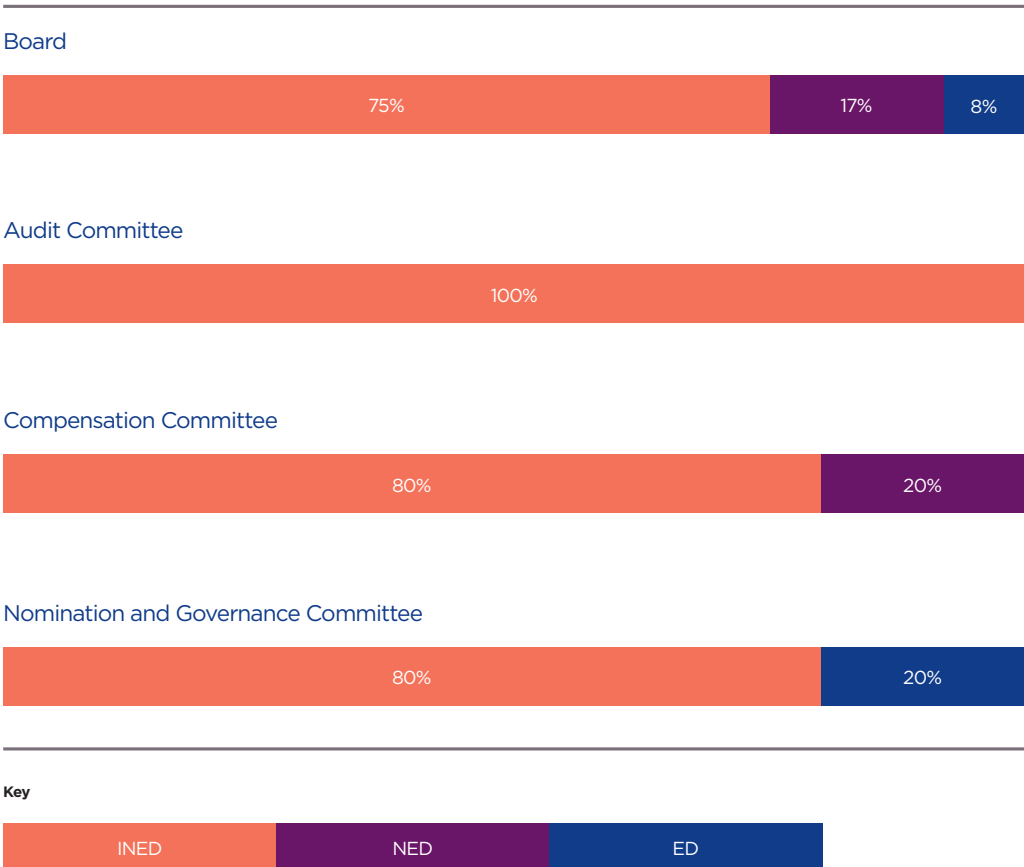
Independence

The independent non-executive directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationships with the Group (other than in situations permitted by the applicable regulations) in order to ensure that they remain truly capable of exercising independent judgement and act in the best interests of the Company and its shareholders.

Each of the independent non-executive directors has made a confirmation of independence to the Company. On May 22, 2024, the Nomination and Governance Committee conducted an annual review of the independence of all independent non-executive directors of the Company for FY2023/24. Having taken into account the factors as set out in rule 3.13 of the Listing Rules in assessing the independence of independent non-executive directors, the Nomination and Governance Committee (with the relevant committee member abstaining from voting on the resolutions concerning his/her own independence) concluded that all of the independent non-executive directors satisfied the criteria of independence as set out in the Listing Rules. With support of the Nomination and Governance Committee's review on the independence of all the independent non-executive directors through the independence assessment process as set out in page 73, the Company confirmed that all the independent non-executive directors are independent.

The Nomination and Governance Committee affirmed that all independent non-executive directors of the Company provided a strong independent element on the Board, were free from any business or other relationship which could materially interfere with the exercise of their judgement, and remained independent for FY2023/24. The diagram below shows the independence weighting of the Board and the Board Committees as of March 31, 2024 and the date of this annual report.

Independence weighting



Independence assessment



Before and on appointment

- Nomination and Governance Committee will evaluate the suitability of the candidates, including an assessment of their independence, and nominate for the appointment for the Board's consideration and approval.
- The proposed new independent director is required to confirm with the Company pursuant to the requirements under the rule 3.13 of the Listing Rules.



Ongoing process

- Each of the independent non-executive directors is required to inform the Company and the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect his/her independence.
- The independent non-executive directors are required to confirm with the Company whether he/she has any financial, business, family or other material/relevant relationship with each other on a semi-annual basis.
- All directors have continuing obligation to update the Company on any changes to their other appointments which will be reviewed by the Company.



Annual assessment

- Each of the independent non-executive directors is requested to confirm with the Company his/her independence having regard to the criteria under rule 3.13 of the Listing Rules.
- Nomination and Governance Committee assesses and reviews the independence of independent non-executive directors annually.

Mechanisms for ensuring independent views and input

Pursuant to the Listing Rules, mechanism(s) should be established to ensure independent views and input are available to the Board. Having reviewed the implementation and effectiveness and taking into account the following channels, it was considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

- The Board comprises a vast majority of nine independent non-executive directors, representing 75% of the Board as at the date of this report.
- The appointment of Lead Independent Director with broad authorities and responsibilities, among others, calls and chairs meetings with all non-executive directors without management and executive director present at least once a year. During FY2023/24, the Lead Independent Director met all other non-executive directors without management at executive sessions held after the board meetings and committee meetings, where applicable.
- All independent non-executive directors share their views and opinions through regular quarterly meetings at which heads of core divisions and particular business units would be invited to join such meetings and business segments performance from core business divisions are presented.
- Independent non-executive directors are authorised to seek independent professional advice at the Company's expense, to perform their responsibilities, if necessary.
- The Chairman has one-to-one meeting with each independent non-executive director who shares their views with the Chairman directly.

Corporate governance report

Conflicts of interest

Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Company. The Board has a set procedure and guidance to deal with the actual or potential conflicts of interests of directors as follows:

- The Board deals with each appointment on its individual merit and takes into consideration all the circumstances.
- Prior to taking additional responsibilities or external appointments, directors are obliged to ensure that they will be able to meet the time commitment expected of them in their role at the Company and do not have any potential conflicts that may arise when taking up a position with another company.
- Decisions regarding transactions with directors and their related parties are always dealt with by other directors, such as matter regarding the remuneration of executive director is handled by the Compensation Committee.
- Under the Articles of Association, directors are also required to declare their direct or indirect interests, if any, in any proposal, transaction, arrangement or contract that is significant in relation to the Company's business and the director's interest or his/her associate's interest or the interest of the entity connected with the director is material.

All potential conflicts of interest will be recorded, which are reviewed on an annual basis by the Nomination and Governance Committee to ensure that the procedures are working effectively.

Commitments

All directors are committed to devote sufficient time and attention to the affairs of the Company. Directors are given guidelines on their time commitments to the affairs of the Company and corresponding confirmations were received from the directors in their letters of appointment. Directors have also disclosed to the Company the number and nature of offices held in Hong Kong and/or overseas listed public companies or organisations and other significant commitments, with their positions at the public companies or organisations. Directors notify the Company in a timely manner and bi-annually confirm to the Company of any changes of such information. The chart below shows the number of directorship of the directors with other listed public companies as of the date of this annual report.

With respect to those directors who stand for election or re-election at 2024 Annual General Meeting, all of their directorships held in listed public companies in the past three years are also set out in the circular accompanying the notice of the 2024 Annual General Meeting.

Directorship with other listed public companies



Share ownership

The Board has adopted stock ownership guidelines for non-employee directors. The Board believes that share ownership aligns the interests of its directors with the long-term interests of the shareholders and further promotes the Company's commitment to sound corporate governance. In general, these guidelines require non-employee directors to maintain a certain level of equity awards granted to them for so long as they are directors of the Company.

Directors' securities transactions

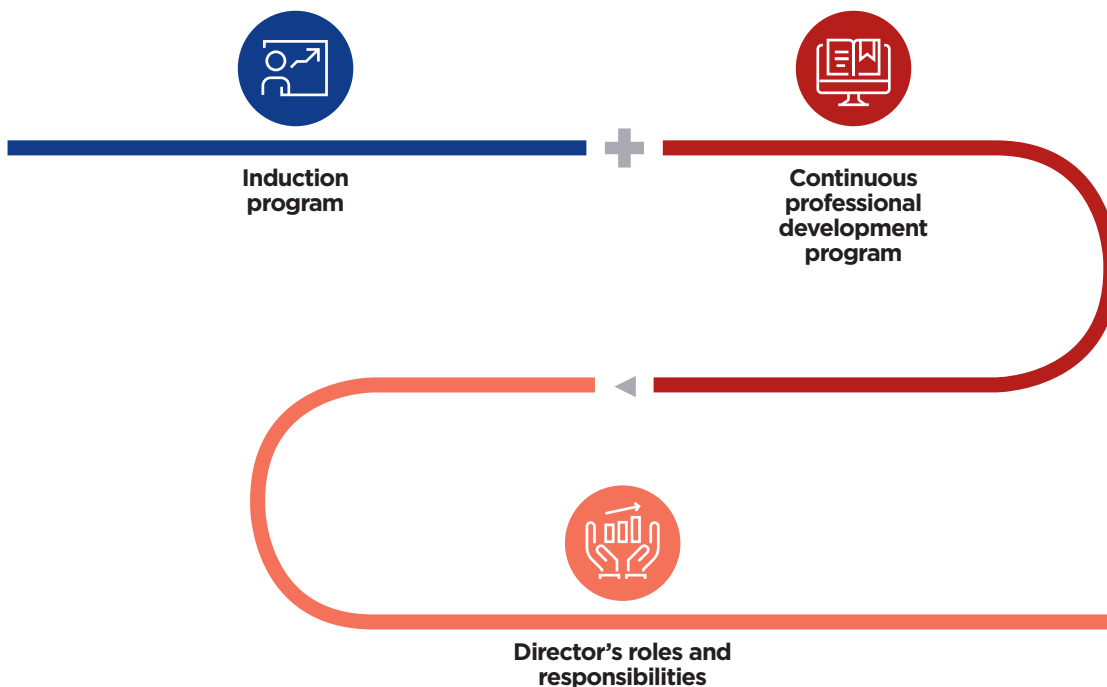
The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules from time to time and devised based on the principles of the Model Code a comprehensive and operative company policy to govern securities transactions by directors of the Company. All directors of the Company have confirmed, after specific enquiry, their compliance with the required standard during FY2023/24.

The Company has also adopted its own trading in securities policy applicable to designated senior management of the Company which is on terms no less exacting than the required standard as set out in the Model Code.

Induction and continuous professional development

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure understanding of his/her responsibilities and obligations as a director under the Listing Rules and the relevant regulatory requirements.

As illustrated in the below diagram, not only the Company provides the induction program to the new directors, but also regularly review and agree with each director on his/her training needs for keeping him/her updated with key business developments and to enhance his/her effectiveness in performing the director's responsibilities.



Corporate governance report

Induction program for new directors

Upon joining the Company, directors are provided with a bespoke induction program to further their understanding of the nature of the Group, its business and the markets in which the Group operates, and also enhance their knowledge of the Group, its operation and staff. Induction program is tailored to each new director, depending on the experience and background of the director. Normally, a comprehensive, formal and tailored induction program covers, amongst other things, the following:

Directors are also provided with an induction handbook which is designed to provide the Board members with information regarding the roles of directors and committee members, where applicable, annual agendas of the Board and Board Committees, and general information about the respective Board Committee of the Company, to make the most of their time on the Board and Board committee(s).

Before appointment



Provision of training from external lawyer

To ensure the director is fully aware of his/her responsibilities, obligations and duties of a director of a company listed on the Hong Kong Stock Exchange under the Listing Rules and other applicable regulatory requirements



On appointment



Provision of director's induction handbook

To ensure that the director has a proper understanding of the operations, business and governance policies of the Company



Following appointment



Meetings with Chairman, directors and senior management from across the business

To ensure that the director has a proper understanding of the culture and the operations of the Group



Provision of briefing and presentation from senior executives and visit to business operations

To ensure that the director has a proper understanding of the operations of the Group and its development



Continuous professional development program

To ensure that the director keeps abreast of new laws, regulations and/or developments in business that are relevant to the roles as a director of the Company

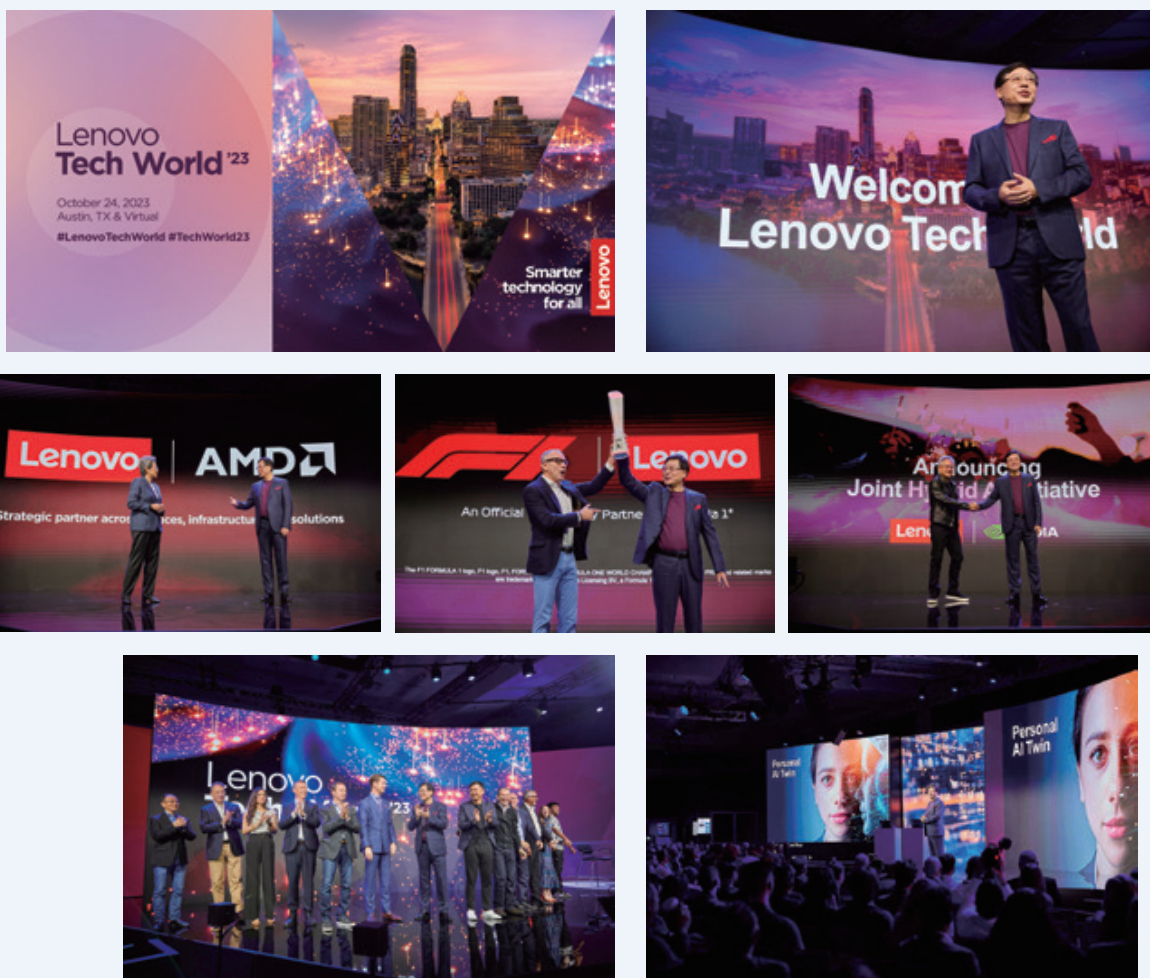
Continuous professional development program

As part of the continuous professional development program, the Company would arrange senior executives to present on significant business matters, among others, financial plans and updates on corporate strategy, to the directors. Furthermore, the Company would organize site visits and seminars covering the Group's operations, the industry and governance matters for directors to facilitate their understanding of the Group's businesses and have a better awareness of the risks associated with the Group's operations. In addition to the aforesaid presentation and site visits, certain trainings and activities were held in hybrid way, i.e. face-to-face and virtually, for the directors who could attend them in person or online. During the year, the Company had arranged the following activities and provided regulatory updates to the directors of the Company to refresh their knowledge and skills as directors of the Company:

Events

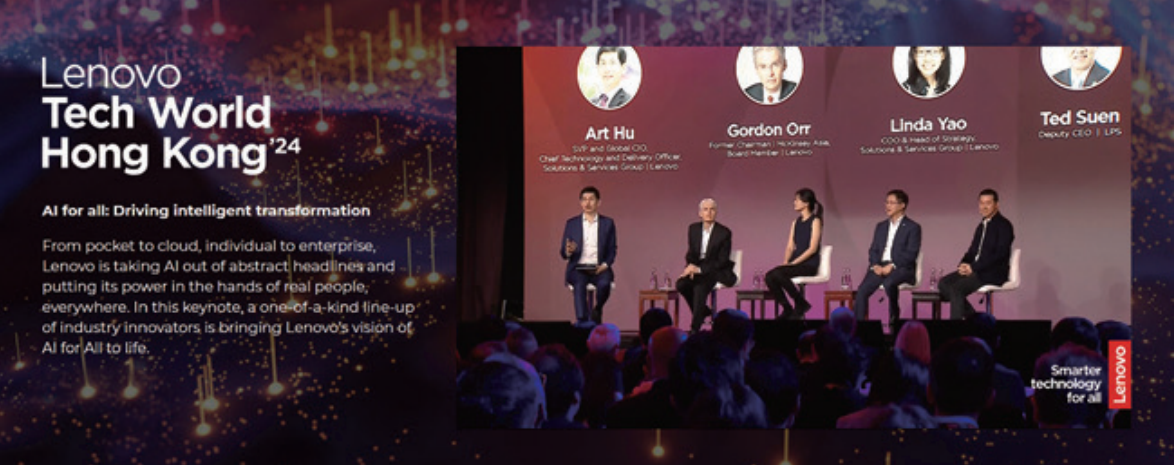
In order to enhance interaction between Board members and senior management, the Company arranged directors to attend the Global Leadership Team ("GLT") annual meeting. During FY2023/24, the 2023 GLT meeting was conducted in calls, focusing on Artificial Intelligence (AI), Service-led Transformation and One Lenovo.

Directors were invited to join 2023 Lenovo Tech World launched by the Company on October 24, 2023 in Texas Austin with option for joining virtually. The story theme of which was "AI for all: Driving intelligent transformation", which showcased Lenovo's innovative vision and commitment to pushing the boundaries of AI and brought together Lenovo Executive Committee, the global partners, customers, tech enthusiasts, creators and more to unveil groundbreaking new partnerships, demos, products and concepts that promise to shape the future of AI. Through participation in such event, directors became more familiar with the business development of the Group.



Corporate governance report

Following the aforesaid Lenovo Tech World in Texas Austin, Lenovo Tech World has been extended as local events in key markets, including Brazil, France, Germany, Hong Kong S.A.R of China, India, Japan, Mexico, the United Kingdom. Local Lenovo Tech World events in alignment with the same story theme would be held in more key markets over the world, which would leverage the flow and content of Lenovo Tech World with lining up with local customers and partners. One of our directors was invited to act as a panel speaker to share his thoughts on AI-powered innovation, governance, ethics and risks of AI, as well as data security and data privacy during AI adoption in Lenovo Tech World Hong Kong 2024.



Directors were also invited to join Formula 1 (F1) – the world’s most prestigious motor racing competition. Lenovo is an official technology partner of F1, whose premium hardware, next generation technology, and innovative solutions (hardware, software, and services) power the F1 experience. Lenovo’s integrated technology partnership with F1 provides directors of the Company with access to these world-class races, furthering their understanding of the culture and business relationship with the stakeholders of Lenovo.



Site visits

During FY2023/24, the Company had organized certain site visits for the directors, including visiting Lenovo Beijing Future Center and manufacturing sites in Wuhan and Tianjin illustrated below.

Taking the opportunity of meeting in Lenovo Beijing campus on November 16, 2023, directors visited Lenovo Beijing Future Center, in which directors were provided with smart technology demonstrations and experiences. Lenovo Beijing Future Center showcases the various concepts of and the use of the latest technologies of the enterprise business, including new IT, Smart Internet of Things (IoT), Smart Infrastructure and Smart Vertical solutions.

These visits provided the directors updates on the businesses and the technological development of the Group.



Corporate governance report

Industry congress

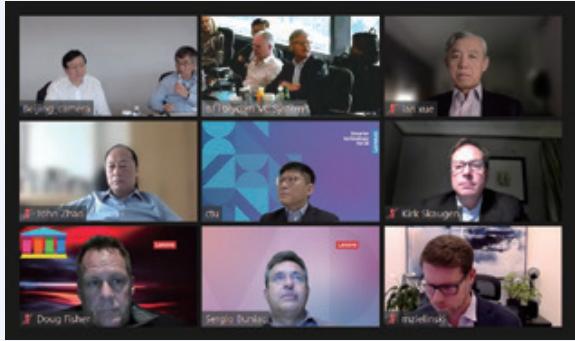
Lenovo operates in an industry which is rapidly changing in terms of market trends, consumer preferences and technologies. In order to keep directors updated with the latest technologies and products development in the industry, directors were invited to attend 2024 Consumer Electronic Show in Las Vegas from January 9 to January 12, 2024 and 2024 Mobile World Congress in Barcelona from February 26 to February 29, 2024. These two events provided the best product reviews, product demonstrations and displays that showcase the technologies of the Group and also those of other players in the market.



Experts briefings and seminars

The Company has arranged in-house experts briefings and seminars for directors to keep them abreast of the affairs relating to the Group. The directors are also encouraged to attend relevant external professional programs at the Company's expense to keep abreast of issues facing the changing business environment within which the Group operates.

During FY2023/24, the Company arranged external and in-house experts briefings and seminars for directors on topics such as global economy, geopolitical dynamics, AI, corporate strategy update and regulatory updates.



Regulatory updates



























Directors are updated on a continuing basis by the Company Secretary on any new regulations and guidelines, as well as any amendments thereto issued by the Stock Exchange and other regulatory authorities, particularly the effects of such new or amended regulations and guidelines on directors, the Company and the Group.

In addition, director's induction handbook which contains organization structure, Board policies, corporate rules and policies, and other legal reference information will be updated regularly and made available on internal electronic platform of the Company for directors' review.

All directors are required to provide the Company with their training records on an annual basis and such records are maintained by the Company Secretary for regular review by the Nomination and Governance Committee. The Nomination and Governance Committee will, on a continuing basis, evaluate and determine the training and development needs of the directors, particularly on relevant new laws and regulations and essential practices for effective corporate governance, to enable the directors to sustain their active participation in Board deliberations and effectively discharge their duties.

Corporate governance report

All directors have provided the Company with a record of the training they received during FY2023/24. In addition to attending meetings and review of relevant materials provided by senior management, the directors have also attended professional trainings provided by the Company and external professional parties, where applicable, the relevant details are set out as follows:

Name of directors	Type of training Reading regulatory updates/Company policies	Attending experts briefing/seminar/conference relevant to the Company's business or director's duties
Executive director		
Mr. Yang Yuanqing		
Non-executive directors		
Mr. Zhu Linan		
Mr. Zhao John Huan		
Independent non-executive directors		
Mr. William O. Grabe		
Mr. William Tudor Brown		
Mr. Gordon Robert Halyburton Orr		
Mr. John Lawson Thornton ^{Note 1}		
Mr. Kasper Bo Roersted ^{Note 2}		
Mr. Woo Chin Wan Raymond		
Ms. Yang Lan		
Ms. Cher Wang Hsiueh Hong		
Professor Xue Lan		
Mr. Yang Chih-Yuan Jerry ^{Note 3}		

Notes:

1. Appointed on August 18, 2023
2. Appointed on February 23, 2024
3. Resigned on November 16, 2023

Remuneration of directors and senior management

A formal and transparent procedure for fixing the remuneration packages of directors and senior management is in place. Details of remuneration policies, remuneration payable to senior management and other relevant information are set out in the Compensation Committee report of this annual report on pages 122 to 136.

Company secretary

The Company Secretary, Ms. Lam Ngan Ling (“Ms. Lam”) is responsible for facilitating the Board process, as well as communications among Board members and the Board with shareholders and management. During FY2023/24, Ms. Lam undertook appropriate professional training to update her skills and knowledge.



Effectiveness

Board's responsibilities and delegation to management

The Company is controlled through the Board who is responsible for steering the success of the Group by overseeing the overall strategy and directing and supervising its affairs in a responsible and effective manner. The Board also sets the Group's core values and adopts proper standards to ensure that the Group operates with integrity and complies with the relevant rules and regulations.

The Company has a formal schedule of matters specifically reserved to the Board and those delegated to management. The Board reserves for its responsibility to oversee the management of the Company and its business. Key matters reserved for the Board are summarized in the table below:

The Board has given clear directions to management as to the matters that must be approved by the Board before decisions are made on behalf of the Company or entering into any commitments on behalf of the Group.

The Board delegates the daily operations and administration function of the Group, including the following, to the management under the leadership of the CEO:

- implementation of the strategy and direction determined by the Board;
- operation of the Group's businesses;
- preparation of financial statements and operating budgets; and
- compliance with applicable laws and regulations.

The aforesaid arrangements will be reviewed periodically to ensure that they remain appropriate to the Group's needs.

Key matters reserved for the Board



Financial

- Approval of the Group's financial statements and results announcements
- Recommendation on appointment or re-appointment of external auditor
- Recommendation or declaration of dividend
- Monitoring the Group's businesses against plan and budget



Group strategy and management

- Formulation of the Group's strategy and long-term objectives
- Approval of changes to capital structure
- Approval of major capital and equity transactions
- Approval of major disposals and acquisitions



Board membership and committees

- Appointment to the Board and Board Committees
- Setting, review and amendments (where necessary) to the terms of reference of Board Committees



Corporate governance and sustainability

- Review of the performance of Board and Board Committees
- Approval of shareholder communications, circular and notices of meetings
- Review of ESG practices of the Group and approval of ESG report of the Company
- Review of and/or approval of certain policies of the Group, including:
 - Nomination Policy
 - Code of Conduct
 - Board Diversity Policy
 - Dividend policy (the "Dividend Policy")
 - Continuous disclosures policy (the "Continuous Disclosures Policy")
 - Shareholders communication policy (the "Shareholders Communication Policy")
 - Lenovo Whistleblowing and Investigations Policy
 - Lenovo Anti-Bribery and Corruption Policy
 - Mechanisms to ensure independent views and input are available to the Board

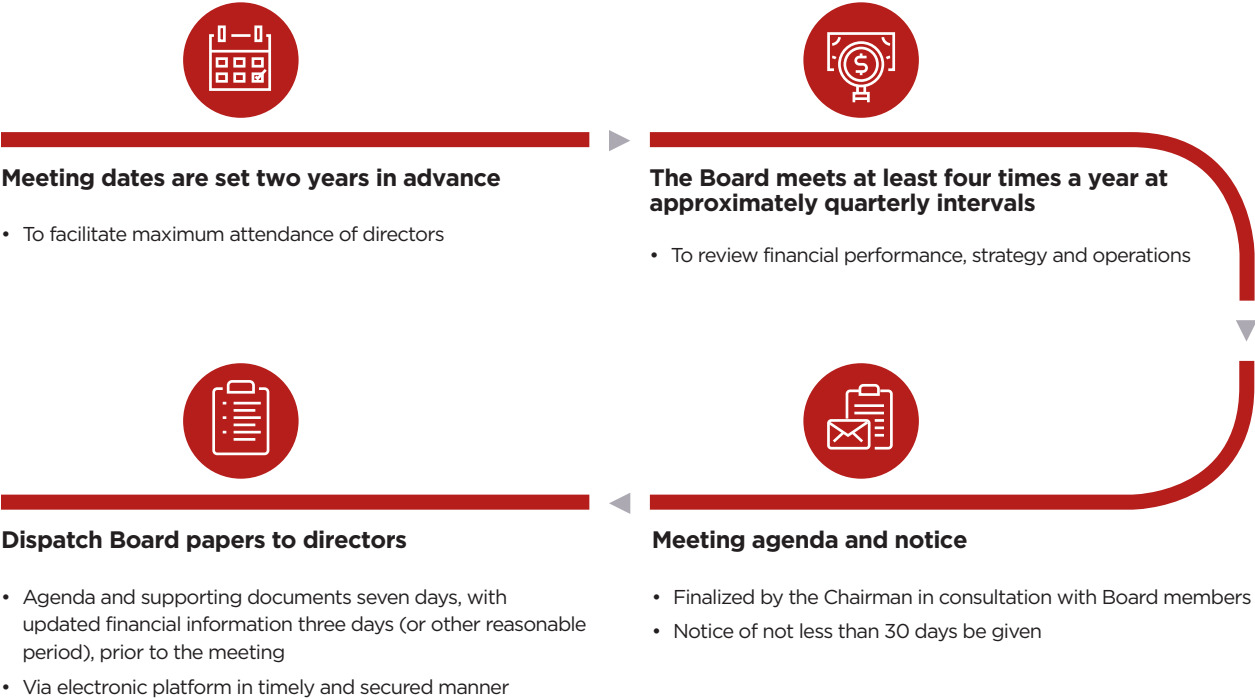
Corporate governance report

Board process

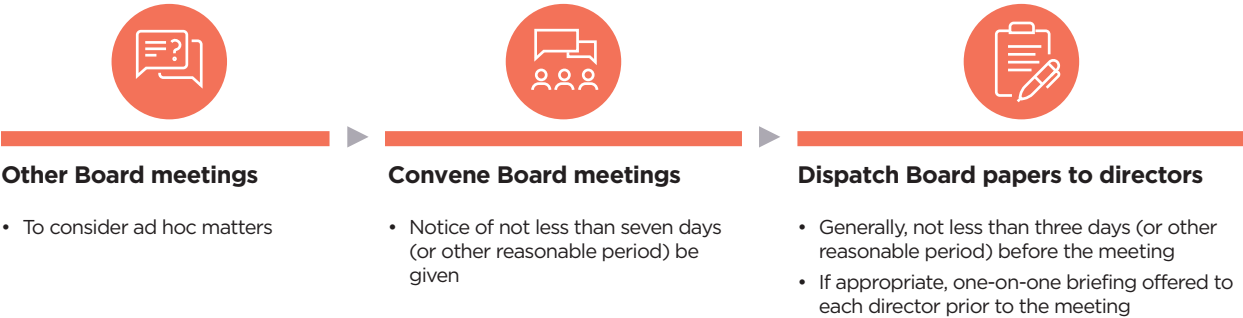
The Board recognises the importance of providing timely and appropriate information to directors so as to enable them to make informed decisions and to perform their duties and responsibilities effectively.


Board meetings


Regular Board meetings



Other Board meetings



 Minutes of Board meeting recorded in sufficient detail with the matters considered by the Board and decisions reached, including any concerns raised by directors or dissenting views expressed.

 Minutes of Board meeting were circulated to the respective Board members for comment where appropriate and duly kept in minutes book for inspection by any director.

Other key features of Board process

Timely updates and discussion



The directors are supplied in a timely manner with all relevant documentation and financial information to assist them in discharge of their duties. Monthly updates of the financial performance of the Company are furnished to the Board between regular Board Meetings.

In addition to standing agenda items, there may be discussions on “deep-dive” topics. During FY2023/24, “deep-dive” presentations included the Group’s specific strategy, business units and functions. On top of the quarterly regular Board (earnings) meetings, board meetings focusing on the Group’s strategy may be held on one to two day(s) before or after regular Board (earnings) meetings if strategy session is not included in the Board (earnings) meetings.

Senior Management are invited to attend Board meetings, where appropriate, to report on matters relating to their areas of responsibility, and also to brief and present details to the directors on recommendations submitted for the Board’s consideration. Additional information or clarification may be required to be furnished, particularly with respect to complex and technical issues tabled to the Board.

Executive sessions



As a good corporate governance practice, separate executive sessions were arranged for (i) the Chairman to meet with independent non-executive directors in the absence of management; and (ii) the Lead Independent Director to meet with other independent non-executive directors in the absence of executive director and management to discuss matters relating to any issue or matters such persons would like to raise.

Professional advice



All directors have direct access to the Chief Legal and Corporate Responsibility Officer and the Company Secretary of the Company who are responsible for advising the Board on corporate governance, ESG, legal and compliance issues.

Written procedures are in place for directors to seek, at the Company’s expense, independent professional advice in performing directors’ duties.

Access to information



All directors were provided with a tablet and/or a notebook to gain access to meeting materials of the Board and Board Committee meetings through an electronic platform.

Communication with senior management



To enhance the communication between directors and senior management and understand management planning and strategy, directors are invited to attend Lenovo’s GLT annual meeting and participate in small group discussions with relevant senior management. Also, senior management are invited to attend Board meetings so that they can report relevant corporate and strategic matters and reply any questions from directors.

Indemnification and insurance



As permitted by the Articles of Association, a director or a former director of the Company may be indemnified out of the Company’s assets against any liability incurred by the director to a person other than the Company or an associated company of the Company that attaches to such director in his/her capacity as a director of the Company, to the extent permitted by law.

The Company has also taken out and maintained directors’ and officers’ liability insurance throughout the year, which provides appropriate cover for certain legal actions brought against its directors and officers.

Corporate governance report

Board activities

Board activities are structured to assist the Board in achieving its goal and to support and advise senior management on the delivery of the Group's strategy within a transparent governance framework.

The diagram below shows the key focus areas for the Board, which appear as items on the Board's agenda at relevant times throughout FY2023/24. Concentrated discussion of these items assists the Board in making the most appropriate decision based on the long-term opportunities for the business.



Financial and operational performance

- CEO and CFO Reports
- Financial and operational updates
- Annual budget
- Treasury items



Strategy and risks

- Discussion of main strategic issues relating to business groups, geographic and structural areas
- Review of processes and controls for strategic and operational risks
- Government relations and trade updates
- R&D planning



Governance and sustainability

- Review and discussion of the corporate policies, practices of governance and sustainability matters
- Updates on ESG matter and review ESG report
- Board and Board Committees' effectiveness review
- Board diversity and succession planning
- Board and Board Committee composition
- Board and Board Committee evaluation
- Board Committees' reports



Others

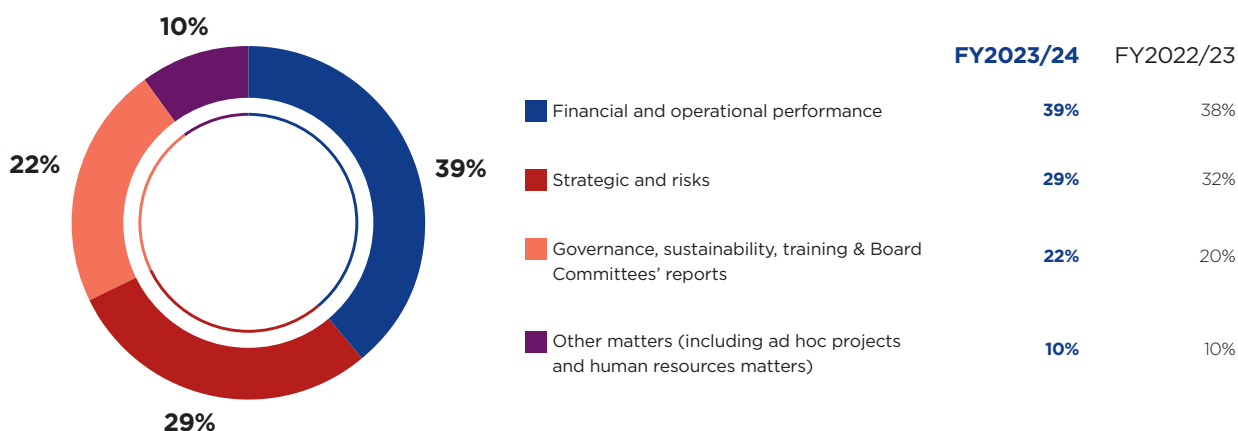
- Update on corporate matters such as changes in organization structure
- Organization human resources planning
- Renewal of continuing and connected transactions
- Ad hoc projects

Main activities during FY2023/24

During FY2023/24, a total of seven Board meetings were held, of which four Board meetings were primarily to review quarterly business performance and strategy execution (including one combined with strategy session), two Board meetings focused on reviewing strategy in the business or other relevant areas, one for seeking

the directors' approval on an ad hoc project. Given the geographical expansion of the Group's businesses, the Company held face-to-face meetings in Hong Kong S.A.R. of China, Beijing, China, Barcelona, Spain with video conferencing option during FY2023/24. The below chart provides an overview of how the Board allocated its agenda time during the year.

Allocation of agenda time



Directors are expected to attend all meetings of the Board and the Committees on which they serve and to devote sufficient time to the Company to perform their duties. Where directors are unable to attend a meeting, they receive papers for that meeting and also are given the opportunity to raise any issues with the Chairman in advance of the meeting.

At each scheduled meeting, the Board receives updates from the CEO and the CFO on the financial and operational performance of the Group and any specific developments in their areas of the businesses for which they are directly responsible and of which the Board should be aware. Chairmen of the respective Board Committees would also report on matters discussed and/or approved at the relevant Board Committees' meetings held prior to the Board meetings. Meetings are structured so as to allow for consideration and debate of all matters.

Corporate governance report

The main matters and areas that the Board reviewed and considered at its seven meetings during FY2023/24 were as follows:

	May	2023 August	November	2024 January	February
Financial and operational performance					
• CEO and CFO Report	●	●	●		●
• Results announcement	●	●	●		●
• Annual/interim report	●		●		
• Final/interim dividend	●		●		
• Annual general meeting items, among others, general mandate to buy back shares and to issue shares, re-election of directors and notice of annual general meeting	●				
• Re-appointment of external auditor	●				
• FY2024/25 budget plan					●
Strategic and risks					
• Sharing from expert speakers					●
• Corporate strategy		●	●		●
• Research and development planning	●				
Governance and sustainability					
• Report from Audit Committee	●	●	●		●
• Report from Nomination and Governance Committee	●			●	
• Report from Compensation Committee	●		●		●
• Report from CEO Advisory Council	●		●		
• ESG Update	●	●			
• ESG Report	●				
• Board composition, diversity and Board evaluation report (if any)	●	●	●		●
• GLT and Tech World Debrief			●		
Others					
• Organization human resources planning	●				
• Renewal of continuing connected transactions					●
Ad hoc project					
				●	●
Executive session					
	●	●	●		●

Board committees

As at the date of this annual report, the Company has preserved the Board Committees with key responsibilities set out below with defined terms of reference, which are

Board of Directors

Key responsibilities

- Set strategy, vision, mission and values, leveraging with the corporate culture
- Provide leadership of the Company and direction for management
- Collective responsibility and accountability to shareholders for the long term success of the Group
- Review the performance of management, the operating and financial performance as well as ESG performance of the Group

The Board may also establish committees on an ad hoc basis to approve specific projects as deemed necessary. Should the need arise, the Board will authorize an independent board committee comprising the independent non-executive directors to review and approve transactions that should be approved by the Board.

posted on the Group's website and Hong Kong Exchanges and Clearing Limited's website (the "HKEx's website"). The terms of reference of the Board Committees refer to those set out in the CG Code prevailing from time to time.

Audit Committee

Key responsibilities

- Assist the Board in carrying out its oversight responsibilities in relation to financial and ESG reporting, risk management and internal control, and in maintaining an appropriate relationship with external auditors

Compensation Committee

Key responsibilities

- Assist the Board in assessing and making recommendation on the compensation policy; responsible for the assessment of the performance of the Chairman of the Board and/or CEO; and to determine the compensation level and package for the Chairman of the Board and/or CEO, other directors and senior management

Nomination and Governance Committee

Key responsibilities

- Assist the Board in overseeing Board organization and composition, succession planning, developing and reviewing the corporate governance principles and policies and responsible for the review and assessment of the combined roles of the Chairman and CEO and the independence of independent non-executive directors

All Board Committees follow the same principles and procedures as those of the Board and are provided with sufficient resources to perform their duties. The Board Committees will report to the Board on a regular basis, including their decisions or recommendations to the Board. The member list of the Board Committees is also posted on the Group's website and HKEx's website.

Corporate governance report

Audit Committee

The Audit Committee is delegated by the Board to perform its duties within its terms of reference. Details of the Audit committee, including its membership, responsibilities and work done during FY2023/24, are summarized in the Audit Committee report as stated on pages 115 to 121 of this annual report.

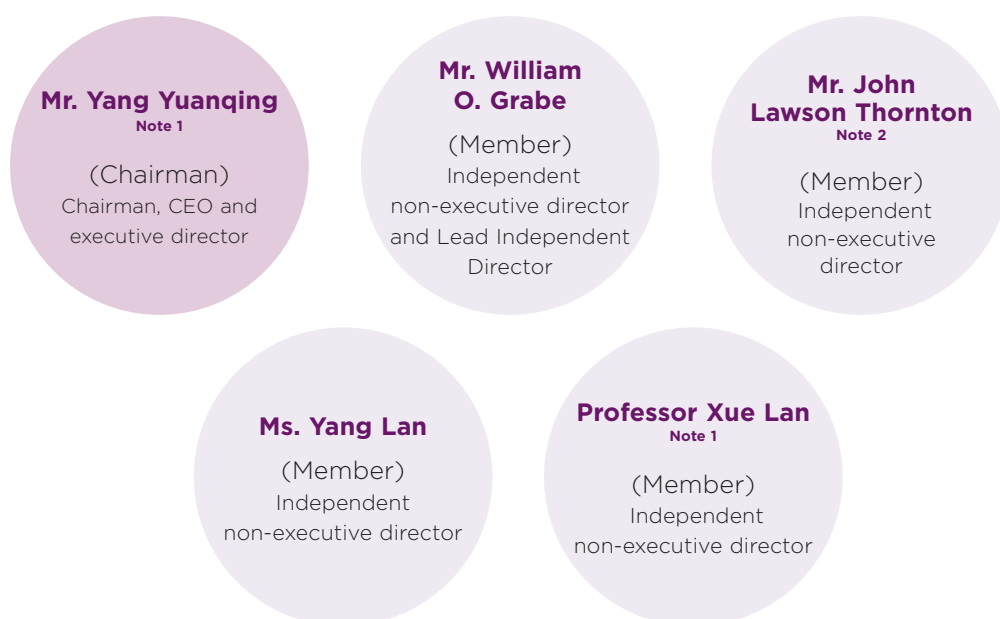
Compensation Committee

The Compensation Committee is delegated by the Board to perform its duties within its terms of reference. Details of the Compensation Committee, including its membership, responsibilities and work done during FY2023/24, are summarized in the Compensation Committee report as stated on pages 122 to 136 of this annual report.

Nomination and Governance Committee

Membership

The Nomination and Governance Committee (defined as “Committee” in this section) comprises the following members during FY2023/24 and as at the date of this annual report:



Notes:

- The following were approved by the Board at the Board meeting held on May 23, 2024, both with effect from May 24, 2024:
 - Mr. Yang Yuanqing no longer acts as the chairman of the Committee, but remains as a member of the Committee; and
 - Professor Xue Lan is appointed as the chairman of the Committee.
- Mr. John Lawson Thornton was appointed as a member of the Committee on August 18, 2023.

More information on the skills and experience of the members of the Committee is available in the directors' biographies set out on pages 143 to 147 of this annual report.

In addition to the members, the regular attendees at the Committee's meetings include:



Responsibilities

The Committee is delegated by the Board with responsibilities to perform its duties within its terms of reference, among others, the following:

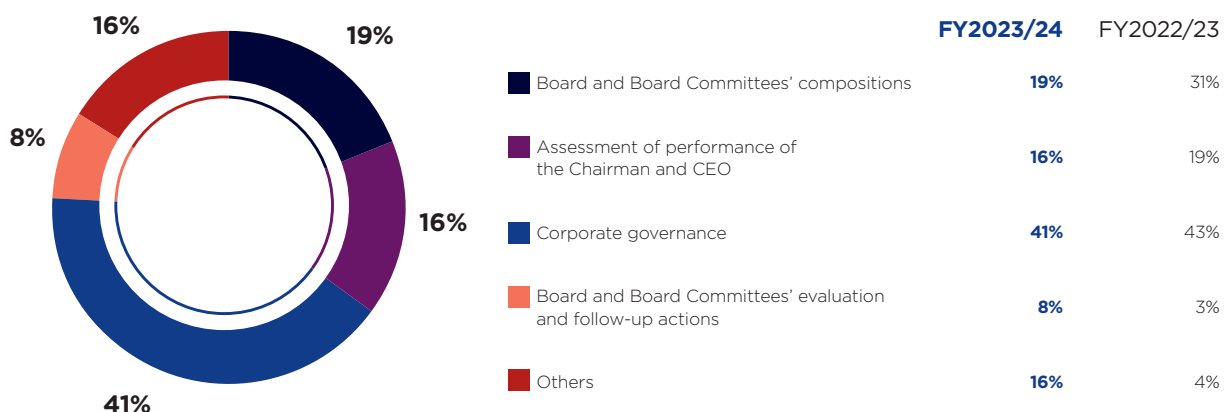
- Reviewing the composition of the Board and Board Committees to ensure they are properly constituted and balanced in terms of skills, experience and diversity;
- Making recommendation to the Board on succession planning for directors and CEO;
- Reviewing and assessing the independence of Independent non-executive directors pursuant to the requirements under the Listing Rules;
- Monitoring corporate governance issues and developments to ensure that the Company is in line with the international best practices;
- Reviewing the policies and practices on corporate governance, and the compliance with legal and regulatory requirements of the Company;
- Reviewing and determining the director induction and continuous professional development programs; and
- Reviewing and monitoring the Board and Board Committees' evaluation and the progress of the implementation actions.

Key features

- The Committee's terms of reference which clearly deal with its membership, authority, duties and frequency of meetings are published on the Group's website and HKEx's website.
- The Committee is provided with sufficient resources to perform its duties.
- The Committee is authorised to obtain outside legal or other independent professional advice in performing its duties at the Company's expense.
- Chief Legal and Corporate Responsibility Officer and Company Secretary are invited to attend the Committee meetings in order to provide insight and enhance the Committee's awareness of corporate governance issues and developments.
- The chairman of the Committee being also the Chairman and CEO is required to excuse himself from the agenda items relating to succession planning of the Chairman and/or CEO.

Main activities during FY2023/24

In FY2023/24, the Committee held two meetings. The attendance records of the Committee's members are disclosed in page 93 in this annual report and the chart below provides an overview of how the Committee allocated its agenda.



Board meetings, Board Committee meetings and general meeting

The following diagram illustrates the number of the Board, Board Committee meetings and general meeting held during FY2023/24.

Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	B(S) B(E) AC CC NGC			B(E&S) AC			B(E) AC CC NGC		B	B(S) B(E) AC CC	
			AGM								

Key

B(S)	Board meeting (Strategy session)	CC	Compensation Committee meeting
B(E)	Board meeting (Earnings session)	NGC	Nomination and Governance Committee meeting
B	Board meeting (Special)	AGM	Annual General Meeting
AC	Audit Committee meeting		

Directors' attendance

During FY2023/24, the overall attendance rate of directors at Board and Board Committee meetings was about 93.8% (2022/23: 97%). Details of the attendance of each director at the Board meeting, Board Committee meetings and general meeting (attended/held) during FY2023/24 are set out in below table:

Name of directors	Meetings attended/held				
	Board (Notes 1 & 2)	Audit Committee (Notes 1 & 4)	Compensation Committee (Note 1)	Nomination and Governance Committee (Notes 1 & 5)	General Meeting (Notes 3 & 4)
Executive director					
Mr. Yang Yuanqing (Chairman and CEO)	7/7	-	-	2/2	1/1
Non-executive directors					
Mr. Zhu Linan	7/7	-	-	-	0/1
Mr. Zhao John Huan	7/7	-	3/3	-	0/1
Independent non-executive directors					
Mr. William O. Grabe (Lead Independent Director)	7/7	-	2/3	2/2	1/1
Mr. William Tudor Brown	7/7	4/4	3/3	-	1/1
Mr. Gordon Robert Halyburton Orr	7/7	4/4	3/3	-	1/1
Mr. John Lawson Thornton (Note 6)	3/4	-	-	1/1	-
Mr. Kasper Bo Roersted (Note 7)	1/1	-	-	-	-
Mr. Woo Chin Wan Raymond	7/7	4/4	-	-	1/1
Ms. Yang Lan	6/7	-	-	1/2	0/1
Ms. Cher Wang Hsiueh Hong	5/7	-	-	-	1/1
Professor Xue Lan	7/7	-	-	2/2	1/1
Mr. Yang Chih-Yuan Jerry (Note 8)	3/4	-	-	-	0/1

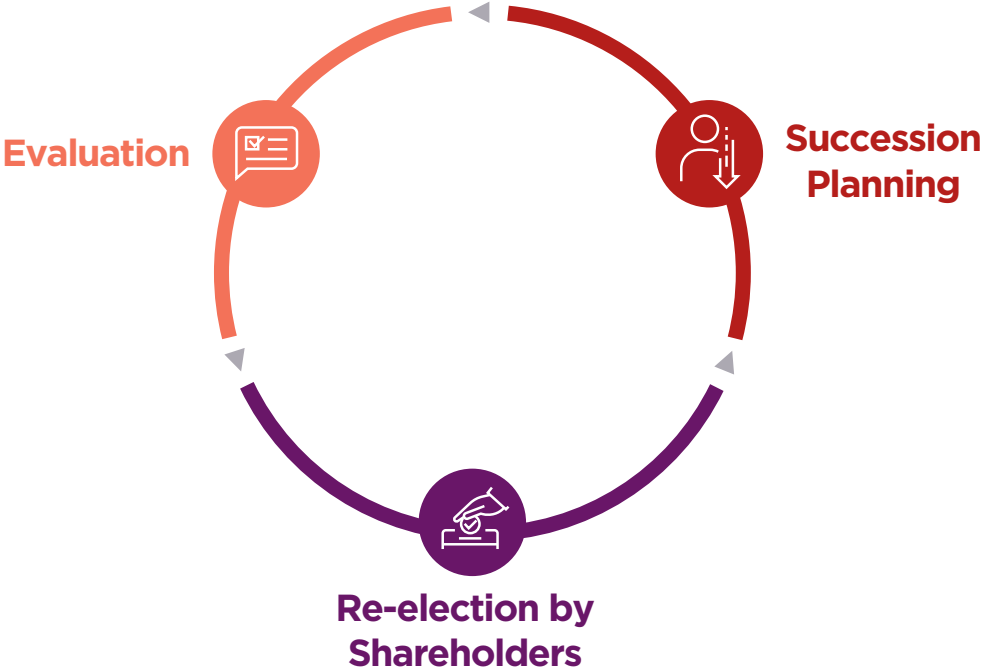
Notes:

- (1) The attendance represents actual attendance/the number of meetings a director is entitled to attend.
- (2) The Board held four regular earnings meetings, two strategy meetings and one special meeting during the year.
- (3) The Company held the annual general meeting on July 20, 2023 ("2023 Annual General Meeting").
- (4) Representatives of the external auditor participated in every Audit Committee meeting and the annual general meeting held during the year.
- (5) For corporate governance reasons, Mr. Yang Yuanqing excused himself from the agenda item relating to assessment of the performance of the Chairman and CEO of the Nomination and Governance Committee meeting to avoid conflict of interest.
- (6) Mr. John Lawson Thornton was appointed as an independent non-executive director and a member of Nomination and Governance Committee of the Company on August 18, 2023 and four Board meetings and one Committee's meeting were held after his appointment.
- (7) Mr. Kasper Bo Roersted was appointed as an independent non-executive director and a member of the Audit Committee and the Compensation Committee of the Company on February 23, 2024 and one Board meeting and no Committees' meetings were held after his appointment.
- (8) Mr. Yang Chih-Yuan Jerry resigned as an independent non-executive director of the Company on November 16, 2023 and four Board meetings were held before his resignation.

Corporate governance report

Board and Board Committees' effectiveness review

The Board is aware of the importance of continually assessing its own performance in support of the leadership of the Group. The Board has a formal process, supported by the Nomination and Governance Committee and led by the Lead Independent Director, for the evaluation of the performance of the Board and Board Committees, to ensure that they continue to act effectively and efficiently and to fulfill their respective duties. The process involves the following ways:



Succession planning

The Board is ultimately responsible for succession planning for directorships and key management roles. With the support of the Nomination and Governance Committee, the structure, size, composition and succession planning are regularly reviewed to ensure that the successors for key roles are identified and their performance is also assessed. Further, the Board would consider and approve the appointment of Board and Board Committee members based on the recommendations from the Nomination and Governance Committee. The Board has satisfied itself that the appropriate plan has been in place for orderly succession to the Board as well as procedures to ensure an appropriate balance of skills on the Board and its committees.

During FY2023/24, the Board and the Nomination and Governance Committee have discussed and reviewed Board composition and succession planning. As part of the succession planning, the following changes in Board and Board committee composition were taken in place during the year:

- Mr. John Lawson Thornton was appointed as an independent non-executive director and a member of the Nomination and Governance Committee of the Company on August 18, 2023;
- Mr. Yang Chih-Yuan Jerry resigned as an independent non-executive director of the Company on November 16, 2023; and
- Mr. Kasper Bo Roersted was appointed as an independent non-executive director and a member of Audit Committee and Compensation Committee of the Company on February 23, 2024. Mr. Roersted confirmed prior to his appointment, on February 1, 2024, that he has obtained the legal advice as referred to under Rule 3.09D of the Listing Rules and also understood his obligations, duties and responsibilities of a director of a company listed on the Stock Exchange under the Listing Rules.

Evaluation

The Board believes that the evaluation is helpful and provides a valuable opportunity for continuous improvement. The objectives of the evaluation were to build on the improvements made since the last evaluation, thereby improving the collective contribution of the Board as a whole and also the competence and effectiveness of each individual director. As agreed by the Board members, the evaluation is conducted every two years.

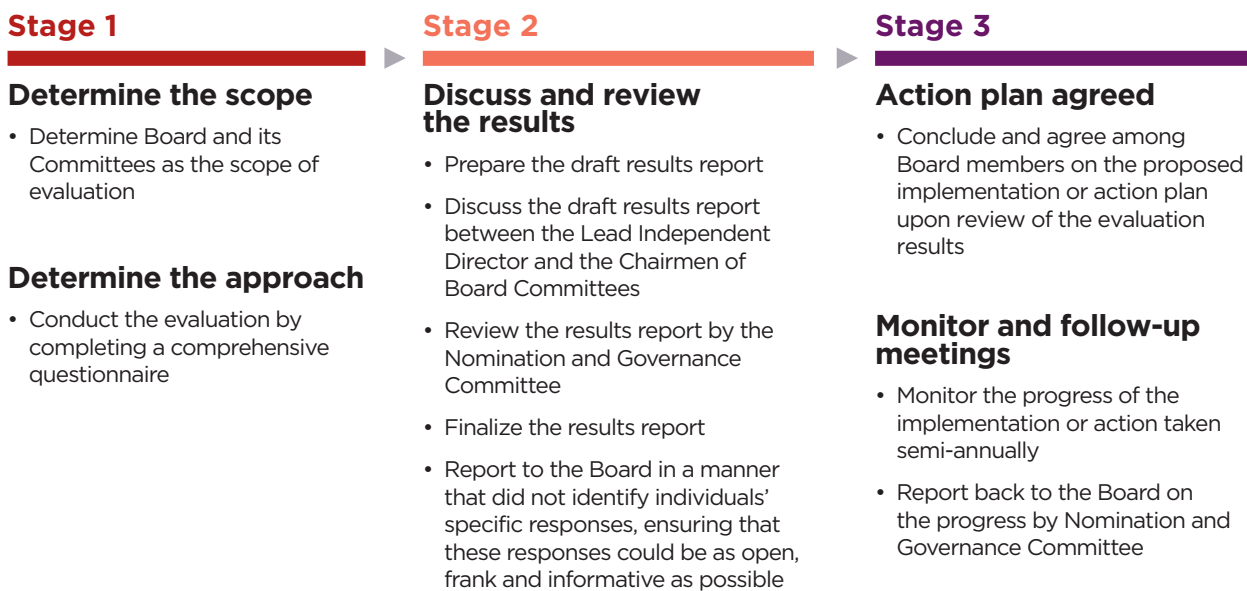
Mr. William O. Grabe, the Lead Independent Director, is delegated with authority to lead in the Board evaluation process. Mr. Grabe, in consultation with the Chairman and other Committee members and supported by the Chief Legal and Corporate Responsibility Officer and the Company Secretary, will procure the circulation of a comprehensive electronic questionnaire for completion by all directors, the aim of which is to evaluate the performance and effectiveness of the Board and its committees.

During FY2023/24, the Board has conducted an evaluation on the Board and Board Committee's effectiveness and the scope of evaluation are as follows:

- Board role and responsibilities
- Board and Board Committee composition and structure
- Board conduct, Board processes and their effectiveness
- Board contributions
- Strategic and operational oversight
- Professional development
- Succession planning
- Communications with management
- Communications with shareholders and stakeholders

Evaluation process

The evaluation process involves the following three stages:



Evaluation results

A consolidated report of the outputs from the evaluation will be prepared and submitted to the Board for review by the Nomination and Governance Committee. The results of the evaluation and the implementation or action plan will be thoroughly discussed, considered and approved at a Board meeting.

Re-election by shareholders

Pursuant to the Articles of Association, one-third of the number of directors for the time being shall retire from office at each annual general meeting. The retiring directors shall be eligible for re-election. New appointments either to fill a casual vacancy or as an addition to the Board are also subject to re-election by shareholders at the next following annual general meeting of the Company. The Nomination and Governance Committee has conducted a review of each director seeking re-election. The sufficient biographical and other information on those directors seeking re-election are provided in the annual report and the circular to enable shareholders to make an informed decision.

Corporate governance report

Accountability and audit

Financial reporting

The Board acknowledges its responsibility for presenting a balanced, clear and comprehensive assessment of the Group’s performance, position and prospects. The Board is also responsible for the preparation of financial statements for each financial year which gives a true and fair view of

the state of affairs of the Group on going concern basis while the external auditor’s responsibilities to shareholders are set out in the Independent Auditor’s Report on pages 166 to 170 of this annual report.

The practices of the Company for publication of financial results and the related reports are set out below:



Annual results

- Announce within two months
- Publish the annual report within about one month following the annual results announcement



Interim results

- Announce within about 1.5 months
- Publish the interim report within about 15 days following the interim results announcement



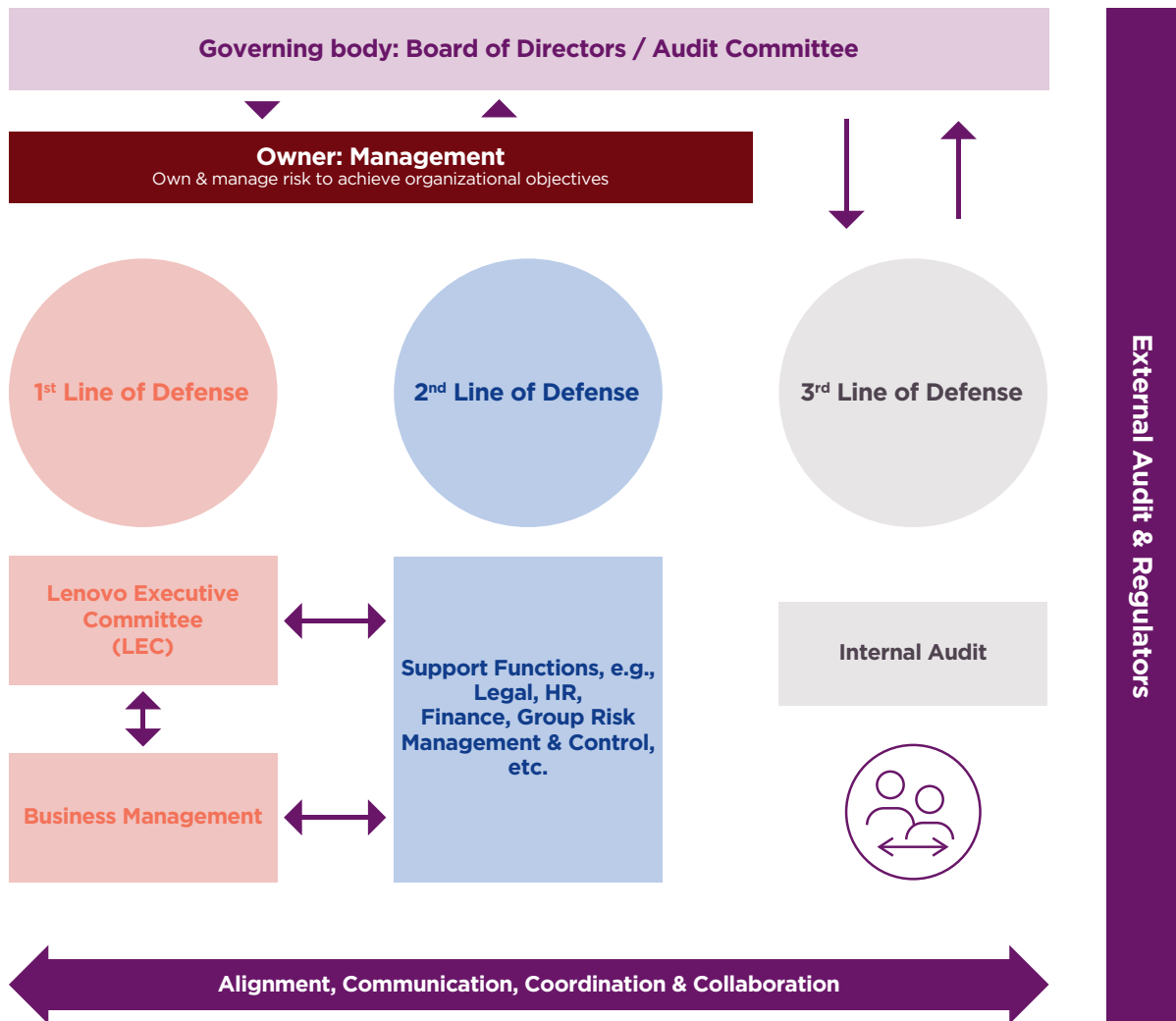
Quarterly results

- Announce within about eight weeks following quarter end, depending on timing of festive holidays

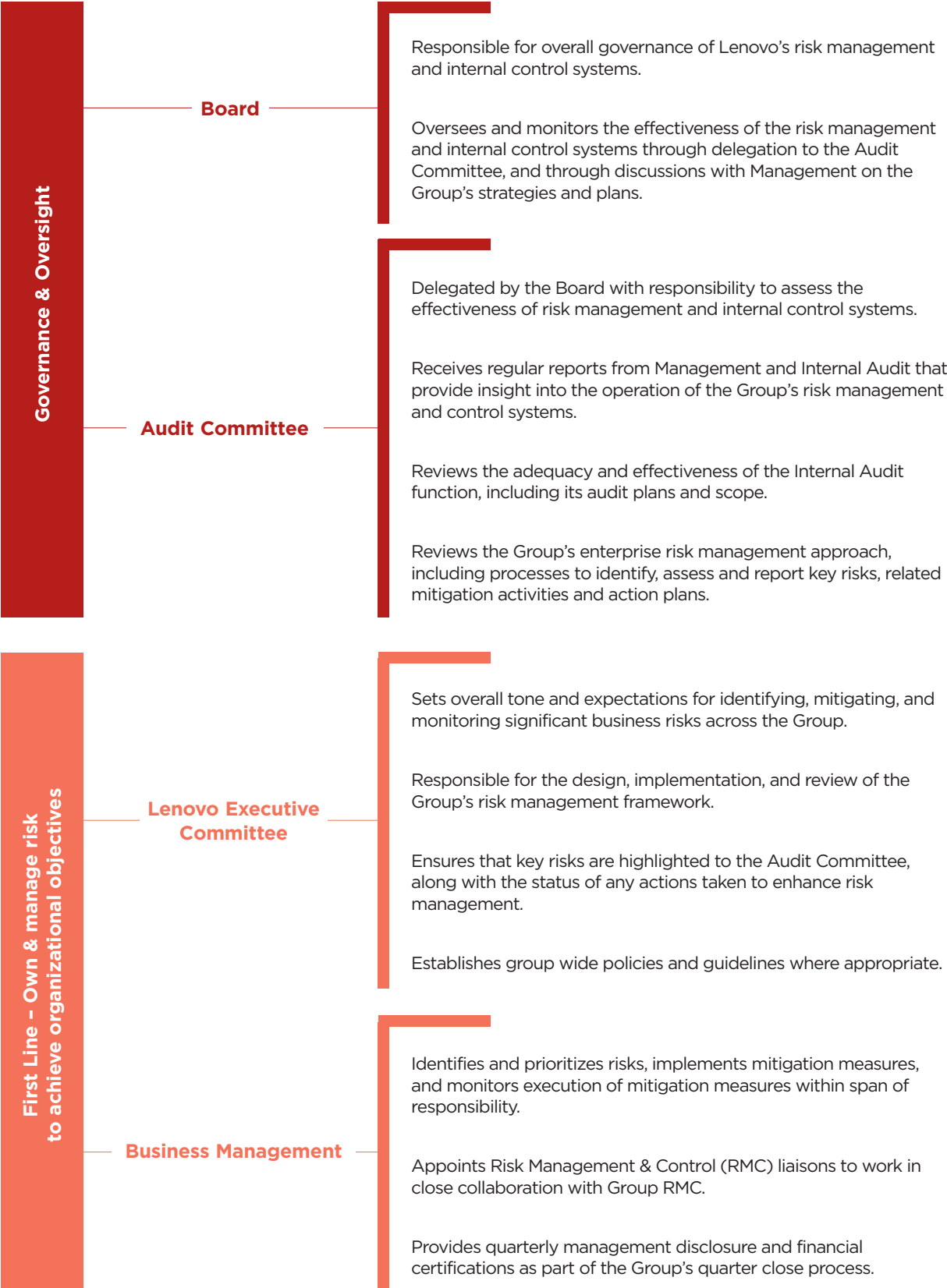
Risk management and internal control

At Lenovo, risk is defined as a potential action, event or circumstance that could impact the Group’s ability, favorably or unfavorably, to meet its business strategies and objectives. Risk is an inherent part of doing business and must be understood and managed properly for the Group’s sustained business success.

In line with the commitment to deliver sustainable business value, Lenovo adopts a comprehensive risk management and internal control framework to proactively manage risks, based on the “Three Lines of Defense” model. This framework is governed by the Board with support from the Audit Committee to monitor key business risks and the design and operating effectiveness of the Group’s risk management and internal controls systems to manage these risks.



Corporate governance report





This risk management and internal control framework is designed to manage rather than eliminate the risk of failure to achieve business objectives, and as such, provides reasonable (rather than absolute) assurance against material misstatement or loss. It serves to improve communication of identified risks with management, measure the impact of the identified risk and facilitate the implementation of coordinated mitigating measures.

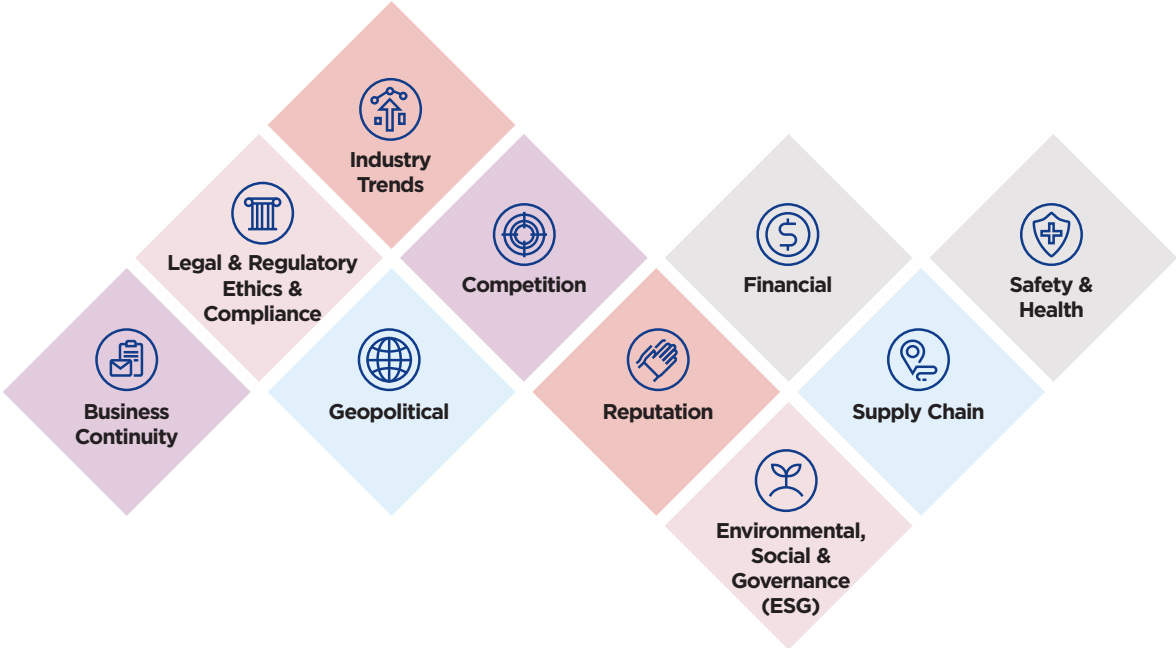
In addition to the Three Lines of Defense model, the Group also leverages the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework in managing risks. This framework is comprised of the following key components:

<p>Control Environment: The internal organizational environment is driven by the management operating philosophy, risk appetite, integrity, and ethical values.</p>	<p>Risk Assessment: Risks are identified and the likely impact on the organization is assessed.</p>	<p>Control Activities: Policies and procedures are implemented to ensure organizational objectives and risk-mitigation activities are effectively implemented.</p>	<p>Monitoring: The internal control process is continually monitored. Modifications are made to improve internal control activities as a result of the monitoring process.</p>	<p>Information and Communication: Relevant information is communicated in an acceptable format and timely to enable the organization to meet its objectives.</p>
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Corporate governance report

Risk assessment

The Board and Management recognizes that risk management is the responsibility of everyone within the Group, and that risk is best managed when business functions take responsibility and are accountable for risk management. Lenovo’s enterprise-wide risk management program is designed to enable effective and efficient identification of, and management’s visibility into, critical enterprise risks. It also facilitates the incorporation of risk considerations into decision making. Rather than a separate and standalone process, risk assessment is incorporated as part of Lenovo’s planning processes across all major functions of the Group. During planning, all business functions are required to identify and assess material risks that may impact the achievement of business objectives. These risks include:



One hundred percent (100%) of all operational sites are covered under the enterprise-wide risk assessment conducted annually. Through this program, management develops a holistic portfolio of the Group’s enterprise risks by facilitating business and function risk assessments, performing targeted risk assessments and incorporating information regarding specific categories of risk gathered from the various Lenovo organizations. Management then develops risk response plans for risks categorized as needing management focus and response and monitors other identified risk focus areas. Management provides regular reports on the risk portfolio and risk response efforts to Senior Management and to the Audit Committee.

Within this framework, management is responsible for setting the appropriate tone from the top, performing risk assessments as noted above, and owning the design, implementation and maintenance of internal control. Other teams such as Finance, Legal, and Human Resources provide assistance and expertise to management to assist it in undertaking its responsibilities. The Board and the Audit Committee oversee the actions of management and monitor the effectiveness of the established controls, assisted by assurance provided by the external and internal auditors.

Details of some of these risks may be found under “Material risks of the Group” on pages 21 to 32.

Internal control activities & monitoring

Essential to this internal control system is well defined policies and procedures that are properly documented and communicated to employees. The corporate policies form the basis of all the Group’s major guidelines and procedures and set forth the control standards required for the functioning of the Group’s business entities.

Additionally, Lenovo has a strong corporate culture based on ethical business conduct. The Group’s Code of Conduct (the “Code”) is the cornerstone of our commitment to conducting business legally, ethically, and with integrity. The Code establishes clear expectations for legal and ethical business conduct and compliance with the Group’s policies. As the Code is not intended to describe every law, policy, procedure or business process that applies to the Group, the Code also provides guidance on when and how to seek additional guidance or report potential concerns.

The Code is available in multiple languages on the Group's website. Training on the Code and related policies is provided to reinforce the Group's commitment to compliance and conducting business with integrity. The Group regards any violation of the Code as a serious matter. Failure to follow the Code, or violation of the policies described in the Code, can result in disciplinary action, including termination of employment or relationship.

The Group has also developed and implemented numerous policies to provide more detailed guidance to employees on compliance with rules and laws, including those related to the prevention and detection of bribery and corruption. The Group maintains a Global Anti-Bribery and Corruption Policy, a Conflicts of Interest Policy, and a Global Gift, Entertainment, Corporate Hospitality and Travel Policy.

Lenovo has zero tolerance for bribery and corruption. The Group complies with the anti-bribery and corruption laws of the countries where it conducts business. The Group's Global Anti-Bribery and Corruption Policy along with the Global Gift, Entertainment, Corporate Hospitality and Travel Policy reinforce provisions in the Code and provide additional guidance regarding compliance with global anti-bribery and corruption laws and regulations. The policies stress that Lenovo will not directly or indirectly solicit, offer, promise, authorize, provide, or accept anything of value to any person, including government officials, to influence action, inactions or to secure an improper advantage as defined by applicable laws.

To help employees understand these requirements, training on anti-bribery and corruption is provided. In FY 2023/24, 99% of the Group's computer-based employees completed the assigned anti-bribery and corruption mandatory eLearning course. In addition, 48 facilitator-led sessions focused on anti-bribery and corruption basics and case studies were provided to over 17,000 China-based employees of the Group. The Group also provides Code training to new employees, which includes anti-bribery and corruption topics. The Board of Directors and Senior Leadership Team are provided a facilitator-led training session on anti-bribery and corruption. Additionally, in FY 2023/24, Lenovo's Ethics and Compliance Office released an educational video in commemoration of International Anti-Corruption Day, urging all employees to participate in the global fight against corruption. The video garnered viewership from approximately 30,000 employees.

Bribery and corruption risks are also evaluated as part of the Group's Enterprise Risk Management Program risk assessment to ensure the Group's internal controls effectively address and mitigate bribery and corruption risk to the enterprise.

As Lenovo holds all employees to the highest ethical standards and requires compliance with applicable anti-bribery and corruption laws and regulations, it extends this obligation to its business partners. The Group's business partners are expected to adhere to the same standards of integrity that Lenovo demands of itself. All business partners are subject to the Group's Global Anti-Bribery and Corruption Policy, which includes the requirement to conduct anti-bribery and corruption due diligence on any business partner identified as presenting elevated bribery and corruption risks to the organization. The Group actively monitors these business partners to address any potential areas of concern or inquiries regarding bribery and corruption.

Reporting Ethical Concerns

Lenovo recognizes that a culture of compliance where employees feel empowered to report concerns is necessary to the success of the Group's internal control system. The Group provides employees with a confidential and anonymous mechanism (the [LenovoLine](#)) for raising concerns or reporting suspected misconduct, as permitted by applicable law. This is codified in the Lenovo Whistleblowing and Investigations Policy. The policy outlines the process by which concerns can be raised, are reviewed, and are investigated. The Group is committed to maintaining the confidentiality of reports, investigating all alleged misconduct, and non-retaliation. The Group does not tolerate retaliation against anyone for reporting an issue or raising a concern in good faith, cooperating with an investigation or audit, or refusing to participate in activities that violate the Code, laws or company policies. The Group also has an oversight body, the Investigation Oversight Committee (IOC), to ensure concerns raised are appropriately investigated and addressed.

Lenovo actively issues training and periodic communications to provide employees with information on the Group's internal investigations process and to encourage them to speak up without the fear of retaliation. The Group prohibits retaliation for reports made in good faith. In FY 2023/24, 99% of all computer-based employees¹ completed the Group's Whistleblowing and Investigations Policy training. Additional communications include detailed information about the [LenovoLine](#), quarterly notifications from the IOC with summaries of notable investigations with no identifying details, computer screen lock messaging, posters, and more.

Corporate governance report

Another feature of the Group's internal control system is the execution of key control self-assessments performed by management to reasonably assure that internal controls are working as intended and that necessary actions have been taken to address control weaknesses. Specific employees with controls knowledge and expertise have been identified within the business to further assist Management with designing, executing, and monitoring controls.

Additionally, as part of the Group's commitment to financial integrity, all relevant senior executives regularly verify the accuracy and completeness of the quarterly financial statements and confirm compliance with key internal controls.

Inside information

Regarding procedures and internal controls for the handling and dissemination of inside information, the Group:

- (i) is aware of the Company's disclosure obligations under the SFO and the Listing Rules and the overriding principle under the SFO that inside information must be announced immediately unless exemption avails under the safe harbour rule provided therein;
- (ii) conducts its affairs with close regard to the applicable laws and regulations prevailing in Hong Kong S.A.R. of China and all other applicable laws rules and regulations;
- (iii) has included in the Code a strict prohibition on the unauthorized use of non-public or inside information;
- (iv) has a Continuous Disclosure Policy along with its guidance notes for monitoring, reporting and disseminating inside information to our shareholders, investors, analysts and media. These policy and guidance notes also identify who are the Group's authorized spokespersons and their responsibilities for communications with stakeholders; and
- (v) has communicated to all relevant staff regarding the implementation of the Continuous Disclosure Policy and the relevant trainings are also provided.

Risk management oversight

To assist the Audit Committee in its oversight and monitoring activities, the Group maintains an independent, worldwide Internal Audit function. Internal Audit provides objective assurance to the Audit Committee that the system of internal controls is effective and operating as intended. The mission of Internal Audit is to provide the Board and Lenovo management with:

- Independent and objective assessment of Lenovo's system of internal controls;
- Guidance to Lenovo stakeholders for improving risks management;
- Proactive support to improve Lenovo's control posture; and
- Independent investigations regarding certain allegations of fraud and violations of the Code and other corporate policies.

To enable it to fulfill its mission, Internal Audit has unrestricted access to all corporate operations, records, data files, computer programs, property, and personnel. To preserve the independence of the Internal Audit function, the Chief Auditor reports directly to the Audit Committee on all audit matters and to the CFO on administrative matters. The Chief Auditor is authorized to communicate directly with the Chairman of the Board, the Chairman of the Audit Committee and other Board members as deemed necessary. To help ensure the quality of the Internal Audit function and provide assurance that the Internal Audit function is in conformity with the standards of the Institute of Internal Auditors, Internal Audit has implemented a comprehensive and continuous quality assurance and improvement program covering all Internal Audit activities. In addition, the Audit Committee periodically commissions an independent, external quality assurance review of the Internal Audit function.

In selecting the audits to perform each year, Internal Audit performs a risk assessment using information collected from process owners, the enterprise risk management team, senior executives, the external auditor, ethics & compliance, and the Board along with an analysis of prior audit issues and other data. Internal Audit develops an audit plan that prioritizes areas with significant risks or deemed to be strategic in nature to the business. The audit plan is reviewed by the Audit Committee, which is also provided quarterly updates on the performance of the plan and key findings. As necessary throughout the year, the audit plan will be modified to reflect emerging risks or changes to business plans. Ad hoc reviews of areas of concern identified by management or the Audit Committee may also be performed. During FY2023/24, Internal Audit issued multiple reports covering significant operational and financial units worldwide. Internal Audit regularly monitors the status of management action plans resulting from audit findings to ensure completion and reports progress each quarter to the Audit Committee.

Audit Committee reporting also includes identified key control issues to provide the Audit Committee full visibility to the status of the Group's control environment.

Furthermore, Internal Audit is responsible for investigating certain allegations of potential violations of the Code, or any other corporate policies as appropriate. Internal Audit partners with Legal, Ethics and Compliance, Human Resources, Security and other subject matter experts where necessary to ensure the appropriate expertise when performing these investigations. Management and the Audit Committee are informed of the results of these investigations, any resulting required actions, and status updates on actions.

The Board, supported by the Audit Committee, regularly assesses the effectiveness of the Company's risk management and internal control system and considers it to be adequate and effective. The review covers all material risks, including ESG risks, and controls, including financial, operational, information technology, and compliance controls, and risk management functions. The Board is not aware of any significant areas of concern which may affect the shareholders. The Board is satisfied that the Company has fully complied with the code provisions on internal controls as set forth in the CG Code.

External auditor

Independence of external auditor

The Group's external auditor is PricewaterhouseCoopers ("PwC"), who is remunerated mainly for its audit services provided to the Group. The Company has adopted a policy on engagement of the external auditor for non-assurance services, under which the external auditor is required to comply with the independence requirements under the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants. The external auditor may provide certain non-assurance services to the Group given that these do not involve any management or decision making functions for and on behalf of the Group; do not perform any self-

assessments; and do not act in an advocacy role for the Group. Certain types of non-assurance services have been pre-concurred in the policy and separate concurrence by the Audit Committee is required if the proposed services have not been pre-concurred or the value of such non-assurance services above US\$320,000.

During FY2023/24, PwC provided audit and non-audit services (including tax, non-tax and other assurance services) to the Group.

Remuneration of external auditor

The fees paid or payable to PwC for audit and non-audit services for FY2023/24 and the comparative figures for the financial year ended March 31, 2023 are as follows:

Nature of services	FY2023/24 US\$ million	FY2022/23 US\$ million
Audit services	9.9	9.7
Non-audit services		
– Tax	0.1	0.2
– Non-tax	0.2	0.2
– Other assurance	0.3	0.7
Total	10.5	10.8

Corporate governance report



Investor relations

Communications with investors

The Company is devoted to providing transparent and clear communications with investors and analysts to help them form a better understanding of the Group's business development and future prospects.

Shareholders communication policy

The Company has adopted a Shareholders Communication Policy to ensure that the investment community is provided with timely and equal access to fair, balanced and understandable information on the Group's financial performance, corporate strategies and ESG initiatives. The policy also sets forth various communication channels through which senior management and the Investor Relations ("IR") can conduct ongoing dialogs with investors and analysts on business strategy and also address market concerns about the Group. The policy can be accessed through Lenovo's Investor Relations website (https://investor.lenovo.com/en/ir/shareholder_communication_policy.pdf).

Investor Engagement and Communications

Investors and analysts can have direct communication with the Chairman and Chief Executive Officer, the Chief Financial Officer and other senior management on a quarterly basis through effective communication channels set out in the Shareholders' Communication Policy. These include investor conferences, non-deal roadshows, one-on-one/group meetings, and company visits. The IR is also poised to provide relevant public information to investors and analysts to support the appropriate valuation of the Company's equity.

During FY2023/24, the Company held nearly 700 meetings with institutional investors and analysts, mainly from the Asia Pacific region, UK, Europe and North America. Some key channels during the year are highlighted below:

Quarterly IR Communications

Results Announcements

The senior management presented the annual and quarterly earnings results through webcasts, conference calls, social media, and face-to-face meetings with international and domestic shareholders, investors, and analysts. The various communication channels enhanced the capital market's understanding with regard to the Group's business strategy, development tactics, and competitive edge.

Post-Results Non-Deal Roadshows and Key Investor Meetings

Every quarter, the IR and senior management attend a Non-Deal Roadshows (NDR) to meet with current and potential investors. In FY2023/24, Lenovo arranged physical NDRs in the US, UK continental Europe, Hong Kong S.A.R. of China and Taipei to meet with investors and analysts from those regions. Other virtual NDRs were also arranged with investors from other parts of Asia and etc.

The IR team also conducted one-on-one meetings with key investors and continued its efforts to build effective communication channels with the investment community.

Communications on ESG Initiatives

To foster understanding of Lenovo's ESG initiatives by the investment community, Lenovo conducts active communication with ESG rating agencies and funds, with ESG mandates regularly and upon request.

Investor Conferences

To maintain active communications with institutional investors around the world, the senior management participated in the following investor conferences held by major international investment banks.

Investor conferences attended in FY2023/24

Date	Conference	Location
2024		
January 12	UBS Greater China Tech tour	Beijing
March 7	Hong Kong Tech World SSG Group Investor Lunch	Hong Kong S.A.R.
March 8	Lenovo Hong Kong NDR	Hong Kong S.A.R.
March 19-20	BofA Merrill Lynch 2024 APAC TMT conference	Taipei
2023		
August 21-22	Lenovo-CLSA Non-Deal Roadshow	Hong Kong S.A.R.
September 4-6	J.P. Morgan Europe NDR	London
September 18	UBS APAC Tech Tour	Taipei
September 11-12	30th CITIC CLSA Investors' Forum	Hong Kong S.A.R.
September 19	Goldman Sachs Corporate Day	Beijing
October 19	UBS APAC ESG Corporate Day	Virtual
November 21-22	Nomura AI Technology Corporate Day 2023	Hong Kong S.A.R.
November 23	Lenovo Hong Kong NDR	Hong Kong S.A.R.
November 30- December 2	JP Morgan US NDR	New York
December 4-6	Raymond James 2023 TMT and Consumer Conference	New York

Corporate governance report

Effectiveness of the Shareholders communication policy

The Company's Shareholders Communication Policy has set out clear guidelines and standards in relation to communicating with the investment community. During FY2023/24, the Company received a variety of awards from different organizers in recognition of its efforts to facilitate open and effective communication. The Company was included as a constituent stock on the Hang Seng Index — Hong Kong's benchmark stock gauge — in March 2022, demonstrating the market's confidence in Lenovo, which is built on the Company's continuous open communication strategies.

Market recognition

- Stevie® Awards Gold Winner 2023 for Lenovo CO2 Offset Services in the Service Management Solution category
- 2023 Excellence in Customer Service Awards , The Business Intelligence Group — Technology of the year for Premium Care Plus
 - This annual business awards program recognizes those who are helping companies better communicate with their customers to provide a differentiated level of customer service.
- Bronze Stevie Award® in Customer Service Solution, The American Business Awards for Premium Care Plus
 - The American Business Awards are the premier accolades for excellence in U.S. business, honoring organizations of all sizes and industries.
- HKIRA 9th Investor Relations Awards — Certificate of Excellence
- Lenovo CES 2024 Awards, Accolades & Honors

Index recognition

Lenovo has always been well recognized by the capital markets and the Company is currently a constituent stock of many indices. Below are some of the key ones (in alphabetical order):

- Hang Seng Index
- Hang Seng China Enterprises Index
- Hang Seng TECH Index
- Bloomberg World Large & Mid Cap Price Return Index
- Hang Seng Composite Index
- Bloomberg World Large, Mid & Small Cap Price Return Index
- Bloomberg Emerging Markets Large & Mid Cap Price Return Index
- Bloomberg ESG Score Universe
- Bloomberg China Large & Mid Cap Price Return Index USD
- FTSE Developed ex US All Cap Net Tax (US RIC) Index
- Hang Seng China High Dividend Yield Index
- Hang Seng Index — Commerce & Industry
- Hang Seng Composite Industry Index — Information Technology
- S&P Global BMI (US Dollar)
- Bloomberg China Large & Mid Cap Price Return Index
- Hang Seng Stock Connect Hong Kong Index
- Bloomberg Asia Emerging Markets Large & Mid Cap Price Return Index
- Hang Seng Composite LargeCap Index
- Solactive EM Asia Enhanced Banks Selection Index
- MSCI China 10/40 Net Total Return EUR Index
- FTSE Developed Large Cap Total Return Index
- Solactive ISS ESG Global Markets Net Zero Pathway Custom Index NTR
- FTSE MPF All-World Hedged Index TR
- BI Global Computer Hardware & Storage Competitive Peers
- S&P Emerging BMI (US Dollar)

IR webpage, newsletters and social media

A regularly updated IR website (<https://investor.lenovo.com/en/global/home.php>) provides easy access to the public with information about the Company, including the Company's financial reports, results announcements and other statutory publications, presentation materials, press releases, major corporate news, financial calendars and dividend announcements. IR' contact details can also be found on the page for those wish to contact the IR.

Investor relations contact details

Ms. Jenny Lai, Vice President in Investor Relations
Lenovo Group Limited
23rd Floor, Lincoln House, Taikoo Place,
979 King's Road, Quarry Bay,
Hong Kong SAR, China
Telephone: (852) 2590 0228
Facsimile: (852) 2516 5384
Email: ir@lenovo.com

Shareholders can also request to be added to the Company's investor database to receive newsletters and news of major corporate developments sent out by the IR team on a regular basis, or simply follow Lenovo Investor Relations.

Please search WeChat ID: [Lenovo_IR](#) or scan the below QR code

Follow us & stay tuned

Search  **Lenovo_IR**  OR

Scan the QR code below
in WeChat app



You can also follow other Lenovo channels at:



Lenovo values comments from shareholders and analysts. Some renowned analysts would be invited to the Company's Board meeting and communicate directly with Board members on their market views of Lenovo and market outlook. The IR also conveys messages to the Board on a quarterly basis on information including sell-side consensus, the target price of the Company's shares, report summaries and questions and feedback collected from meetings with the investment community.

Corporate governance report

Shareholders

Communications with shareholders

The Company is committed to safeguard shareholders' interests and believes that effective communication with shareholders and other stakeholders is essential for enhancing investor relations and investor understanding of the business performance and strategies of the Group. To achieve this, the Company has established the Shareholders Communication Policy setting out various

formal communication channels with shareholders and other stakeholders for ensuring fair disclosure and comprehensive and transparent reporting of the Group's performance and activities. The Nomination and Governance Committee of the Company reviews the Shareholders Communication Policy on an annual basis and considers that the Shareholders Communication Policy was properly implemented during FY2023/24 and was effective with these multiple channels in place to promote two-way communication and active engagement with shareholders.



Constructive use of the general meetings

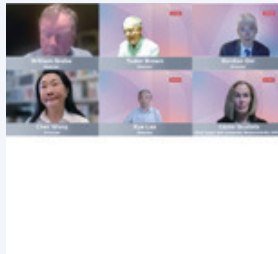
The annual general meeting and other general meetings of the Company are the primary forum for communication by the Company with its shareholders and for shareholders' participation. The Company encourages shareholders to participate in general meetings as it provides a valuable opportunity to discuss the Company, its corporate governance and other important matters. Notice of the annual general meeting and related papers are sent to shareholders at least 21 days prior to the date

of the annual general meeting and at least 14 days prior to the date of other general meetings respectively. The information sent to shareholders includes a summary of the business to be covered at the general meeting, where a separate resolution is prepared for each substantive matter.

The Company arranges a question and answer session in the annual general meeting for shareholders and media to communicate directly with Chairman and senior management.

2023 Annual General Meeting








Similar to the arrangement of annual general meetings of the Company held in recent years, the 2023 Annual General Meeting of the Company held on July 20, 2023 was a hybrid meeting, at which shareholders of the Company could attend in person or through an online platform with live video broadcast where they could cast vote and submit questions in real-time. It provided an opportunity for shareholders to express their views and exercise their voting rights amid the special circumstances. The 2023 Annual General Meeting was attended by, among others, the Chairman of the Board/the CEO, the Chairmen of Board Committees, the Lead Independent Director, independent non-executive Directors, the Chief Financial Officer, the Chief Legal and Corporate Responsibility Officer, the Company Secretary and representatives of the external auditor, PwC, to answer questions raised by shareholders at the meeting.



Corporate governance report

Separate resolutions were proposed on each issue, including the re-election of individual retiring directors. The voting results of the following matters resolved at the 2023 Annual General Meeting are available on the Group's website (<https://investor.lenovo.com/en/publications/news.php>) and HKEx's website (www.hkexnews.hk).

Matters resolved at the 2023 Annual General Meeting ^{Note}

-  Receipt of the audited consolidated financial statements and the reports of the directors and the independent auditor
-  Declaration of final dividend
-  Re-election of retiring directors and authorization of the Board to fix directors' fees
-  Re-appointment of PwC as the Company's auditor and authorization of the Board to fix auditor's remuneration
-  Granting of the general mandate to issue shares not exceeding 20% of the aggregate number of shares in issue
-  Granting the general mandate to buy back shares not exceeding 10% of the aggregate number of shares in issue
-  Extending the general mandate to the directors to issue new shares by adding the number of shares bought back

Note: The full text of the resolutions is set out in the notice of the 2023 Annual General Meeting

2024 annual general meeting

The 2024 Annual General Meeting will also be a hybrid meeting and is expected to be held on July 18, 2024. Details of the 2024 Annual General Meeting will be set out in the notice of the 2024 Annual General Meeting, which constitutes part of a circular to shareholders and will be dispatched, together with this annual report, to the shareholders of the Company pursuant to the Listing Rules requirements.

Shareholders' rights

Procedures for convening a general meeting

Shareholder(s) representing at least 5% of the total voting rights of the Company of all the shareholders having a right to vote at general meetings may, in accordance with the requirements and procedures set out in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"), request the Board to convene a general meeting by requisition, by stating the general nature of the business to be dealt at a general meeting and depositing the signed requisition at the registered office of the Company for the attention of the Company Secretary in hard copy form.

Procedures for putting forward proposals at an annual general meeting

(a) Shareholder(s) representing at least 2.5% of the total voting rights of all the shareholders of the Company having a right to vote on the resolution at the annual general meeting; or (b) at least 50 shareholders having a right to vote on the resolution at the annual general meeting may, in accordance with the requirements and procedures set out in the Companies Ordinance, requisition for the circulation of resolutions to be moved at annual general meetings and circulation of statements of not more than 1,000 words with respect to the matter referred to in the proposed resolution. Such written request must (i) state the resolution and be signed by all the requisitionists in one or more documents in like form; and (ii) be deposited in hard copy form at the registered office of the Company for the attention of the Company Secretary not less than six weeks before the annual general meeting; or if later, the time at which notice is given of that annual general meeting.

The detailed procedures for shareholders to convene and put forward proposals at an annual general meeting or general meeting, including proposing a person other than a retiring director for election as a director are set out in the “Corporate Governance” section of the Group’s website. Shareholders may send their enquiries requiring the Board’s attention to the Company at the registered address of the Company.

Dissemination of Corporate Communication

Shareholders may, at any time, free of charge ask for printed form of corporate communications (in English and/or Chinese), and change the choice of language and/or means of receipt of the Company’s corporate communication, details of which is on the Group’s investor website.

Shareholding structure

Shareholding structure as of March 31, 2024

According to the register of members of the Company as of March 31, 2024, there were 692 registered shareholders of whom 98% had their registered addresses in Hong Kong S.A.R. of China and the remaining in Mainland China, United Kingdom, Canada and Macau S.A.R. of China. Based on the best available data from an external research company, the shareholders comprised institutions, private investors, related parties including substantial shareholders, directors and employees of the Company and others.

(i) Details of shareholders by category as of March 31, 2024 are as follows:

Type	Number of shares held	Percentage of the total number of shares in issue
Institutions	4,756,415,493	38.34%
Private investors	1,121,119,689	9.04%
Related parties	1,673,879,004	13.49%
Others including brokers, custodians and nominees etc.	4,853,245,116	39.13%
Total	12,404,659,302	100.00%

Constitutional documents

Rights of the shareholders are also provided under the Articles of Association. During FY2023/24, there are no changes in the Articles of Association. An up to date consolidated version of the Articles of Association is available on the Group’s website and the HKEx’s website.

Dividend policy

The Company adopted the Dividend Policy of providing shareholders with sustainable dividends on a semi-annual basis. The level of dividends shall be determined in line with the growth in the Company’s consolidated profits attributable to shareholders of the relevant financial period (after adjustments for restructuring or other one-off non-cash items, if any) after considering the factors including the Company’s operations, business plans and strategies, cash flows, financial conditions, operating and capital requirements and other contractual or regulatory restrictions. Whilst the Company does not intend to set any pre-determined dividend distribution ratio in order to allow for financial flexibility, the Company endeavors to strike a proper balance between shareholders’ interests and prudent capital management.

Corporate governance report

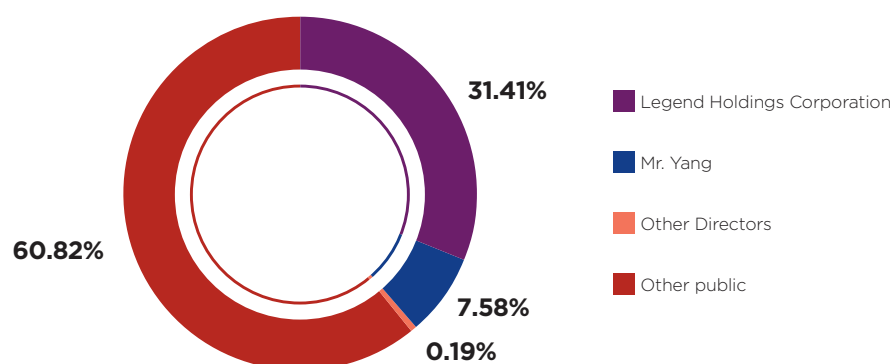
(ii) Details of institutional shareholders by domicile as of March 31, 2024 are as follows:

Domicile	Number of institutional Shareholders	Percentage of total number of institutional Shareholders	Number of shares held	Percentage of the total number of shares in issue
Hong Kong S.A.R. of China	78	14.10%	1,003,087,437	8.09%
United Kingdom and Ireland	68	12.30%	787,087,977	6.34%
Europe (excluding United Kingdom and Ireland)	138	24.95%	507,941,063	4.09%
America	151	27.31%	1,980,777,661	15.97%
Asia (excluding Hong Kong S.A.R. of China)	109	19.71%	469,246,048	3.78%
Rest of World	9	1.63%	8,275,307	0.07%
Subtotal of institutional shareholders	553	100.00%	4,756,415,493	38.34%

Remarks:

- (i) A board lot size comprises 2,000 shares.
- (ii) According to the addresses registered/shown on the register of members of the Company.
- (iii) 76.25% of all the issued Shares were held through HKSCC Nominees Limited.

Shareholding structure according to the interest disclosed under the SFO as of March 31, 2024



Remarks:

- (i) The approximate percentage of shareholding is calculated based on the aggregate long positions held in the total number of shares in issue of the Company (other than the positions held in or pursuant to equity derivatives) by the relevant holder or group of holders as recorded in the registers maintained under the SFO.
- (ii) The approximate percentage of shareholding is calculated on the basis of 12,404,659,302 shares of the Company in issue as of March 31, 2024.



Key shareholders information

Listing information

The Company's shares are listed on the Stock Exchange and traded in the United States through an American Depositary Receipt (ADR) Level 1 Programme.

Market capitalization and public float

As at March 31, 2024, the market capitalization of the shares of the Company was approximately HK\$112.51 billion, based on the total number of 12,404,659,302 shares of the Company and the closing price of HK\$9.07 per share.

The daily average number of traded shares of the Company was approximately 51.20 million shares over an approximate free float of 7,358.81 million shares in FY2023/24. The highest closing price for the share was HK\$11.04 per share on January 2, 2024 and the lowest was HK\$7.14 per share on May 25, 2023.

Ordinary Shares (as at March 31, 2024)

Listing	Stock Exchange
Stock code	HKD Counter Stock Code: 992 RMB Counter Stock Code: 80992
Board lot size	2,000 shares
Ordinary shares outstanding as of March 31, 2024	12,404,659,302 shares
Free float	Approximately 7,358.81 million shares
Market capitalization as of March 31, 2024	HK\$112.51 billion (approximately US\$14.42 billion)

Share price from April 1, 2023 to March 31, 2024

During FY2023/24, the Company's share price outperformed Hang Seng TECH Index (HSTECH) by 25.9%.



(Source: Nasdaq)

— Hang Seng TECH Index (HSTECH)

— Lenovo Group Limited (992-HKG)

Corporate governance report

American Depositary Receipts Level I Program	
Ordinary share to ADR	20:1
Stock code	LNVGY
Basic Earnings per Share	
Basic earnings per share for FY2023/24	US8.41 cents
Dividend per Share	
Dividend per ordinary share for FY2023/24	
– Interim	HK8.0 cents
– Final ^{Note}	HK30.0 cents
Financial Calendar 2023/24 (Hong Kong Time)	
First Quarter Results Announcement	August 17, 2023
Interim Results Announcement	November 16, 2023
Third Quarter Results Announcement	February 22, 2024
Annual Results Announcement	May 23, 2024
2024 Annual General Meeting	July 18, 2024

The investor relations values and is eager to hear suggestions and comments from shareholders and investors. For enquiries from institutional investors and equity analysts, please contact ir@lenovo.com.

Note: Subject to shareholders' approval at the 2024 Annual General Meeting.