

Vote Bulletin – Lenovo Group Limited

Meeting Type – Special

Meeting Date – 12 September 2024

Item number	Proponent	Item description	Management recommendation	SSGA vote
1	Management	Approve Warrants Subscription Agreement, Grant of Specific Mandate to Issue Warrants and Warrant Shares and Related Transactions	FOR	FOR
2	Management	Approve CB Subscription Agreement, Grant of Specific Mandate to Issue Convertible Bonds and Conversion Shares and Related Transactions	FOR	FOR

Text of Proposal

1. To approve the Warrants Subscription Agreement and the transactions contemplated thereunder, including granting a specific mandate to the directors of the Company for the issue of the Warrants, and the allotment and issue of the Warrant Shares.

2. To approve the CB Subscription Agreement and the transactions contemplated thereunder, including granting a specific mandate to the directors of the Company for the issue of the Convertible Bonds, and the allotment and issue of the Conversion Shares.

SSGA Policy

Share Capital Structure The ability to raise capital is critical for companies to carry out strategy, to grow, and to achieve returns above their cost of capital. The approval of capital raising activities is fundamental to a shareholder's ability to monitor the amounts of proceeds and to ensure capital is deployed efficiently. Altering the capital structure of a company is a critical decision for boards. When making such a decision, we believe the company should disclose a comprehensive business rationale that is consistent with corporate strategy and not overly dilutive to its shareholders.

Analysis

In May 2024, Lenovo Group Limited announced that it has signed a strategic collaboration and an investment agreement with Alat, a wholly owned subsidiary of the Public Investment Fund*. The collaboration included the planned establishment of a regional Middle East and Africa (MEA) headquarter in Riyadh, Kingdom of Saudi Arabia (KSA), as well as a new PC and server manufacturing facility in the Kingdom to serve customers in the region. That expansion would contribute to the enhancement of its global supply chain resilience, flexibility and customer responsiveness. In relation to these strategic initiatives, the board sought shareholder approval for a Convertible Bonds (CB) and a Warrants subscription agreements, grant of specific mandate and related transactions.

We engaged with the company's management and an independent board director ahead of the EGM to discuss the proposals on the agenda and their strategic rationale. We evaluated the long-term prospects of this expansion, the terms and conditions of the two transactions as well as their potential dilutive effect. We decided to support the two proposals for the following reasons:

- The strategic expansion is deemed to be value accretive to existing shareholders. It is built on a well-founded strategic rationale and will bring new sources of revenue growth, while diversifying supply chain risks.
- The financing instruments will be issued at terms deemed reasonable to existing shareholders. The CB issuance is contracted with a reputable long-term strategic and financing partner on favorable terms which contribute to financing cost savings.
- The impact of potentially dilutive effect to existing shareholders has been evaluated by management and mitigated by the financing terms stipulated in the CB and Warrants issuances.

SSGA Vote

For the reasons outlined above, SSGA voted FOR the management proposals.

* *Public Investment Fund is the KSA sovereign wealth fund*

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*Yahoo Finance, as of 10/15/2024.

†This figure is presented as of 30 September 2024 and includes ETF AUM of \$1515.7 billion USD of which approximately \$82.6 billion USD is in gold assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited.

Marketing Communication

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