

DATED: 14 November 2006

Lenovo Q&As
concerning
the European Union Directive
on
Waste Electrical and Electronic Equipment (WEEE)

Note: The below Answers generally are oriented to circumstances where Lenovo, rather than a Business Partner, is the party legally responsible for compliance with WEEE obligations. The Answers are not intended and shall not be interpreted or construed to be legal advice or to be legally binding on Lenovo or any other party.

General points on WEEE

Q1. What is WEEE?

A1. WEEE refers to Waste Electrical and Electronic Equipment as defined by a recent European Union directive. The WEEE directive is intended to improve the re-use and recycling of electrical and electronic equipment in the EU, and to reduce waste from such products. It applies to a broad variety of products, including household appliances, tools, toys, medical devices, and vending machines, as well as IT and telecommunications equipment, including the PCs Lenovo markets in the EU. The directive requires the collection, recycling, and appropriate disposal of WEEE.

Q2. When did WEEE obligations become effective?

A2. Some of the WEEE obligations (e.g., marking) became effective on 13 August 2005 and several EU member states implemented WEEE regulations which includes collection, recycling, and disposal of WEEE, reporting, information for users, and information for treatment centre requirements either before or after this date. However, there are some countries that have not yet implemented their WEEE regulation. Lenovo will respond to all WEEE requests regardless of country and country legislation status. Where WEEE legislation has been implemented, specific requirements vary by country.

Q3. In which countries does the WEEE directive apply?

A3. All EU countries. The 10 new member states¹ were offered the possibility of deferring implementation of the directives but most have chosen to implement the original timescale.

Q4. Which countries have adopted implementing laws?

A4. At the present date, all EU countries have adopted implementing laws except: the Baltic States (Estonia, Latvia, and Lithuania), Malta, & Poland. Some of the countries that have adopted implementing laws are still developing their schemes for the collection, treatment, and disposal of WEEE. The countries that have not yet adopted implementing legislation plan to do so over the next year. These countries will then need to develop and launch their respective schemes.

¹ Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

Where Is Lenovo liable for the cost of WEEE?

Q5. Is Lenovo liable for the cost of WEEE in all countries?

A5. No. Lenovo will take responsibility where Lenovo is the legally responsible party. Where Lenovo is not the legally responsible party, Lenovo expects the relevant BP to take responsibility for meeting the WEEE obligations.

Lenovo will take responsibility for WEEE in: Austria, Belgium, Czech Republic, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the UK.

In countries where does not sell systems to the public or businesses, Lenovo is not the legally responsible party and expects the relevant BP to take responsibility for meeting the WEEE obligations. Countries where Lenovo has these type of business arrangements are Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia..

Q6. Does the law apply only to products sold 13 August 2005 or later?

A6. No. It also applies to equipment sold before 13 August 2005 but reaching end of life after this date. This equipment must be collected, recycled and disposed of consistent with WEEE legislation.

WEEE from private households/consumers

Q7. How is household/consumer waste collected and treated?

A7. Generally, consumers can take the waste to a point of sales (where the consumer is purchasing a replacement product) or municipal collection points. The exact scheme varies by country. From there, the waste will be taken for recycling and disposal according to the law.

-In countries where Lenovo has WEEE obligations, Lenovo has joined consortia's for the collection, recycling and disposal of WEEE. The consortia's will also report the services they provide to the relevant government authorities.

Q8. How is Lenovo charged for the consortia's activity?

A8. Generally, for "historic" waste (i.e. waste sold before 13 August 2005) producers pay a proportion of the consortia's total cost based on their share of the market for the relevant product category in that country. For "new" waste (i.e. waste sold from 13 August 2005 onwards) producers pay for the cost of recycling only their products as identified by the required wheelie bin labels (again the details can vary by country).

Q9. How will consumers find out where to take products for recycling?

A9. The schemes vary by country. Lenovo is maintaining a website with information for each EU country and this site and other information will be referenced in product literature <http://www.pc.ibm.com/ww/lenovo/about/environment/>. Information will also be available at the point of sale. In addition, "new" products will be labelled with the WEEE logo and information will be contained in product documentation.

WEEE from users "other than private households"/ business users

Q10. How is business WEEE handled?

A10. In most countries where Lenovo is the legally responsible party for compliance with WEEE obligations, we have set up a process whereby a leading logistics company will collect waste from eligible business users and take it to an appropriate recycler.

In a limited number of countries where consortia's have been established to handle non-household WEEE, Lenovo has joined a consortia. In these jurisdictions the consortia process for business WEEE is comparable to that for consumer WEEE.

Where Lenovo is not the legally responsible party, we expect the relevant BP to take responsibility for meeting WEEE obligations.

Q11. What is to be done with business WEEE?

A11. For "historic" waste (put on the market before 13 August 2005) Lenovo is required to take back an equivalent quantity of waste (in weight or units) to the amount of new equipment we are selling the customer.

For "new" waste we are obliged to take back any Lenovo equipment (carrying the WEEE identification mark), unless contractually agreed with the customer otherwise.

Q12. If a customer wants Lenovo to collect product for recycling and disposal under the WEEE requirements, how does the customer contact Lenovo and obtain access information?

A12. The customer could contact their Lenovo marketing representative, or go directly to the Lenovo Environmental Website at <http://www.pc.ibm.com/ww/lenovo/about/environment/>

Q13. Who actually does the recycling of our waste from business users?

A13. If the waste is recycled through arrangements with the consortia, the consortia will determine the recycler. Where we are meeting WEEE obligations independently rather than through consortia, our products will be recycled by Members of a pan-European group called EARN.

Q14. Do we audit the recyclers to ensure legal compliance?

A14. Yes, we perform initial on-site evaluations with follow up audits.

WEEE reporting

Q15. How does Lenovo meet its reporting obligations under the WEEE regulations?

A15. In general, government authorities need to be informed of the imports of products in terms of weight, or alternatively, units. Lenovo takes responsibility in complying with reporting requirements where legally obligated to do so and, where BPs are responsible, Lenovo will make the relevant data available to BPs.

Miscellaneous

Q16. Will prices increase?

A16. Lenovo will keep its prices competitive.

Q17. Where can I go for additional information about Lenovo and WEEE?

A17. Additional information is available on the following Lenovo Environmental Website

<http://www.pc.ibm.com/ww/lenovo/about/environment/>