2021
Annual Report

2022
Proxy Statement

Our Vision

HP Inc. is a technology company that believes one thoughtful idea has the power to change the world. Our product and service portfolio of personal systems, printers, and 3D printing solutions helps bring these ideas to life.

Message from Our President and CEO

Dear Shareholders,

From our earliest days as a company, HP has been a place where innovation drives extraordinary contributions to humanity. Time and again, our people have displayed the vision to see entirely new possibilities for the role we can play in the world—and the ingenuity to create technology that inspires ambitious progress.

Today, these qualities are more important than ever.

Great leaps forward in innovation are driving a profound shift in the role technology plays in our lives and our companies, setting the stage for new opportunities that will shape the future.

We are also confronting generational challenges—from the ongoing pandemic to our climate crisis to persistent inequality—that call on companies like ours to take bold action.

To succeed—and lead—in this environment, we must have the courage to challenge the status quo. We must reimagine the role we can play in the lives of our customers and in the world. And we must remain agile in the face of change while driving relentless execution against our priorities.

This is exactly what we are doing at HP, and it's why we delivered an exceptional year of financial performance.

Building a Stronger HP

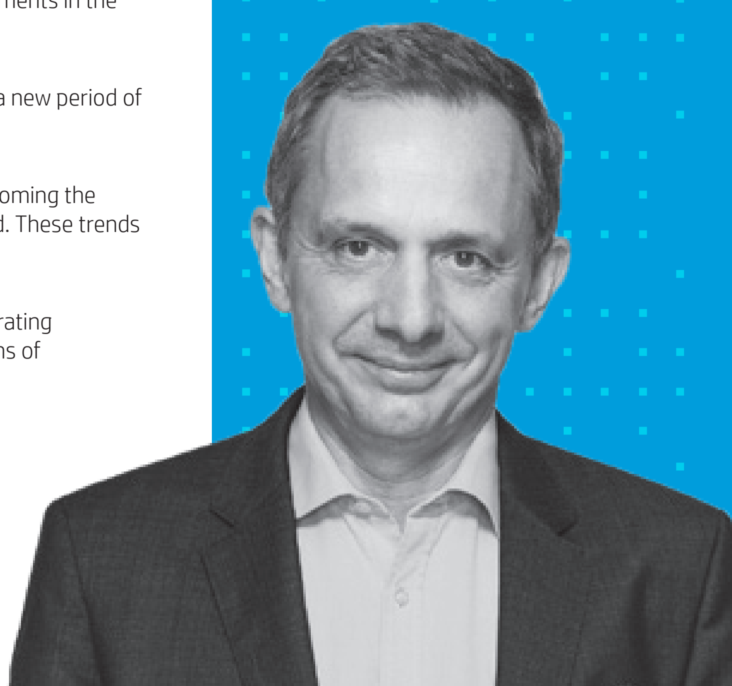
In fiscal 2021, we grew revenue 12 percent to $63.5 billion. Our non-GAAP diluted net EPS grew 66 percent to $3.79, exceeding our Value Creation Plan target a full year early. And we returned a record $7.2 billion to our shareholders while making strategic investments in the long-term growth of our business.

Our results show that we are building a stronger HP, and they set the stage for a new period of growth for the company.

This starts with continually strengthening our core business. Hybrid work is becoming the norm and the traditional boundaries between home and office are being erased. These trends play to our strengths, and we are capitalizing across our categories.

In fiscal 2021, Personal Systems delivered 11 percent revenue growth and operating margins of 7.2 percent. In Print, revenue grew 14 percent with operating margins of 18.1 percent. These results reflect continued progress against our strategy to innovate at the heart of hybrid and drive profitable growth.

"Our results show that we are building a stronger HP, and they set the stage for a new period of growth for the company."



A More Growth-Oriented Portfolio

A big reason why we delivered these strong results is the work we are doing to build a more growth-oriented portfolio across HP.

Our growth strategy is built on three pillars: modernizing our core, expanding into valuable adjacencies, and creating new businesses. We have made significant progress in each of these areas.

For example, our gaming business generated more than $2 billion in revenue in fiscal 2021. Our acquisition of HyperX bolstered our position in peripherals—a large and growing market with attractive opportunities spanning gaming, video conferencing, and retail solutions.

Our acquisition of Teradici strengthened our capabilities in remote computing services and subscriptions. And our Instant Ink subscription business surpassed 10 million subscribers and $500 million in revenue.

We are also integrating and expanding our Managed Print Services and Device as a Service offerings to accelerate digital services growth. Our strength in these two areas has allowed us to build a workforce solutions business that generated approximately $4 billion in revenue in fiscal 2021—and we see a much larger market opportunity ahead as customers invest in solutions to deploy, manage and secure hybrid IT ecosystems.

We also continue to disrupt new industries. We have built an Industrial Graphics business that generated approximately $2 billion in revenue in fiscal 2021. In 3D Printing, we have strong positions in the two fastest-growing segments of the market—production plastics and metals—and we continue to develop, launch and scale end-to-end solutions for key vertical markets where we believe we can capture much more value.

Collectively, we expect our Gaming, Peripherals, Workforce Solutions, Consumer Subscriptions, and Industrial Graphics & 3D businesses to deliver more than $10 billion in revenue in fiscal 2022 while growing double digits. These are large businesses in growing markets with margins significantly above our historical norms, creating attractive opportunities for value creation.

A More Digital Company

To enable our accelerated growth, we are becoming a more digital company.

Our investments in software and data science are providing better end-to-end visibility across our supply chain, while also enabling us to innovate faster and transform our go-to-market system.

Data sharing with our channel partners is helping to improve demand-shaping and advance new business models in support of our strategy for growth. And as we continue to transform our digital capabilities, it will help pave the way for entirely new customer value propositions and experiences.

Our Strategy

Advance

- Driving innovation
- Expanding into adjacencies
- Strengthened value proposition

Disrupt

- Investing in disruptive categories
- Unlocking opportunity
- Capturing new sources of value

Transform

- Reducing structural costs
- Building new operational capabilities
- Digitizing systems to enable data

A Purpose-Driven Brand and ESG Leader

We're doing all of this while deepening our commitment to Sustainable Impact. We aspire to become the world's most sustainable and just technology company, and we set aggressive new goals last year to drive continued progress.

We are working to double our number of Black and African American executives by 2025[1] and reach 50/50 gender equality in management by 2030.

We have also committed to achieving net zero greenhouse gas emissions across our entire value chain by 2040, with a 50% reduction by 2030[2].

And we have pledged to accelerate digital equity for 150 million people by the end of the decade.

Our leadership in these areas has been consistently recognized. For three straight years, we have been named "America's Most Responsible Company" by *Newsweek*. HP was listed as one of the top 10 "Best Managed Companies of 2021" by the *Wall Street Journal*. And we were the only company in our sector to be included on *Fortune's* annual "Change the World" list.

Beyond being the right thing to do, our efforts in these areas are also driving new business. Last year, our Sustainable Impact programs contributed to more than $3 billion in new sales wins.

A School for Talent

Our results reflect the strength of our talent across the company, as well as the high-performance, purpose-driven culture that united our teams.

Our people are—as they always have been—at the heart of our success. It has not been easy to get to where we are today, but our 50,000 employees continue to show remarkable resilience and agility while always keeping the needs of our customers front and center.

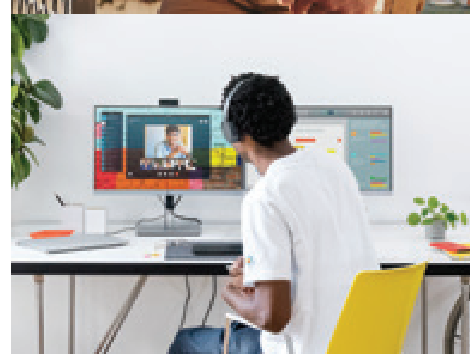
Because of their hard work and determination, HP is a stronger company today than a year ago—and we continue growing stronger.

We are confident in our ability to deliver sustained revenue, operating profit, EPS, and free cash flow growth in fiscal 2022 while advancing our mission to create technology that inspires ambitious and meaningful progress.

Thank you for your investment in HP. I look forward to sharing the progress we will continue to make together.

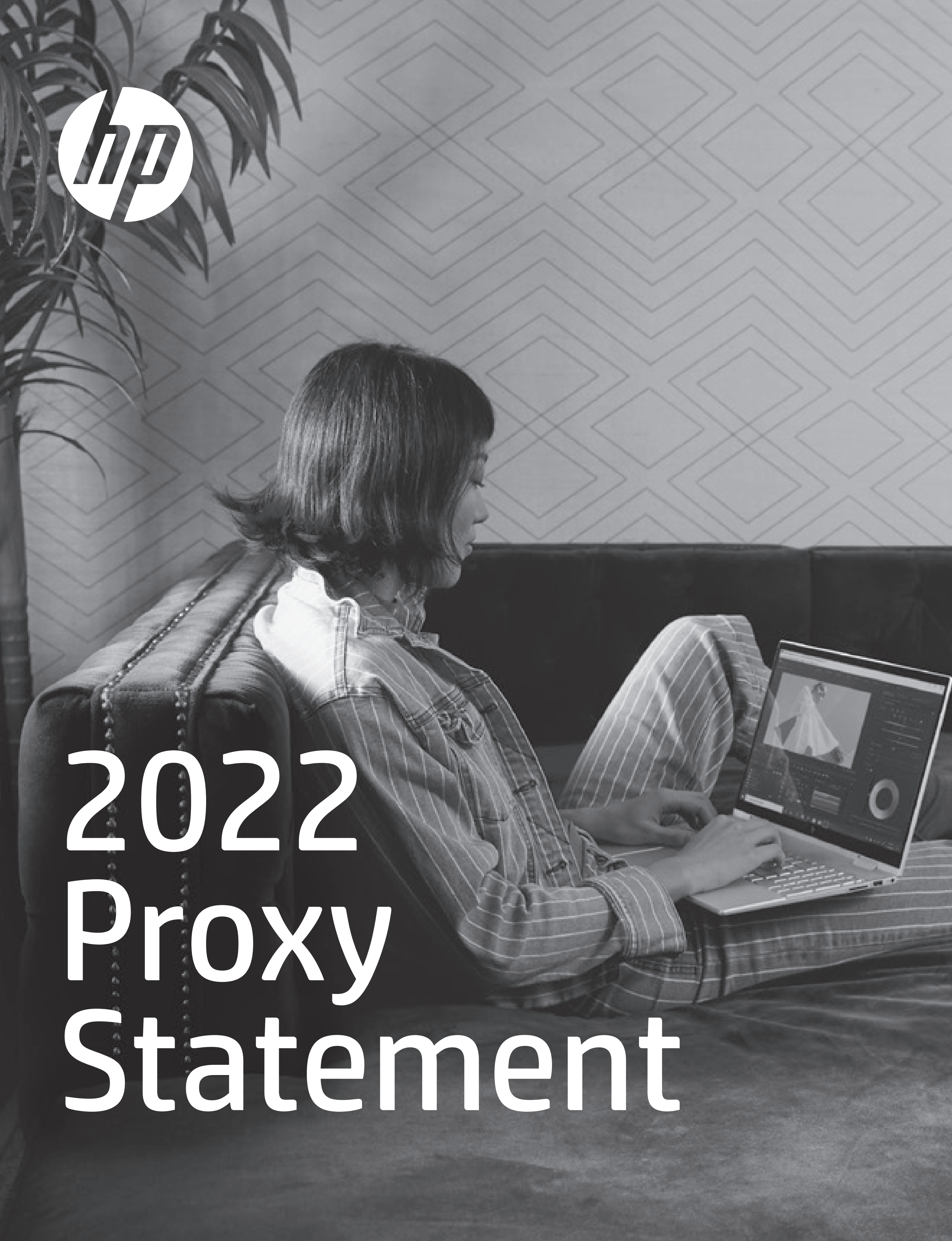
Saludos,

ENRIQUE LORES
President and CEO



1 Versus 2020 baseline

2 Compared with 2015 baseline



2022 Proxy Statement

Message from the Chairman

To our Stockholders:

We are pleased to invite you to attend HP Inc's annual meeting of stockholders to be held on Tuesday, April 19, 2022 at 2:00 p.m., Pacific Time. This year's annual meeting will again be a virtual meeting of stockholders, conducted via live audio webcast.

During fiscal 2021, we achieved significant progress in furthering of our strategy to advance our leadership in Personal Systems and Printing, disrupt industries with our technology and IP, and transform HP for the future. We did so despite business challenges, delivering very strong results in fiscal 2021 and we have continued to deliver on our commitments and build a stronger HP. Our performance reflects the strength of HP's executive team to execute on HP's strategy to advance, disrupt and transform. The Board remains confident that our CEO, Enrique Lores, and his team will build on HP's progress and capitalize on new opportunities, particularly new opportunities in gaming, peripherals, Instant Ink, industrial graphics and 3D, and workforce solutions.

Importantly, we have stayed true to HP's values and while the Board and I are proud of what HP has achieved during fiscal 2021, we are even prouder of how HP is doing it.

We have prioritized key issues like climate action, human rights and digital equity through ambitious, comprehensive goals, including plans to:

- achieve net zero greenhouse gas emissions across our entire value chain by 2040;
- double our number of black and African-American executives by 2025;
- reach 50/50 gender equality in management by 2030; and
- accelerate digital equity for 150 million people by 2030.

Sustainability is fundamental to our strategy and the Board is highly engaged in overseeing HP's progress. For additional information about HP's sustainability and social initiatives, please refer to "Sustainable Impact" and "Our Approach to Accelerating our ESG Impact" in the accompanying Proxy Statement.

HP has one of the most diverse boards in technology. During 2021, the Board added three new directors: Bruce Broussard; Judith "Jami" Miscik; and Kim K.W. Rucker. We believe that their perspectives, skills, and proven experience will further strengthen the Board's ability to provide effective oversight and strategic advice to HP's management. Further details about our directors and HP's corporate governance policies and practices are included in the accompanying Proxy Statement under "Corporate Governance and Board of Directors."

Your vote is important. Regardless of whether you participate in the annual meeting, we hope you vote as soon as possible. You may vote by proxy online or by phone, or, if you received paper copies of the proxy materials by mail, you may also vote by mail by following the instructions on the proxy card or voting instruction card. Voting online or by phone, written proxy or voting instruction card ensures your representation at the annual meeting regardless of whether you attend the virtual meeting.

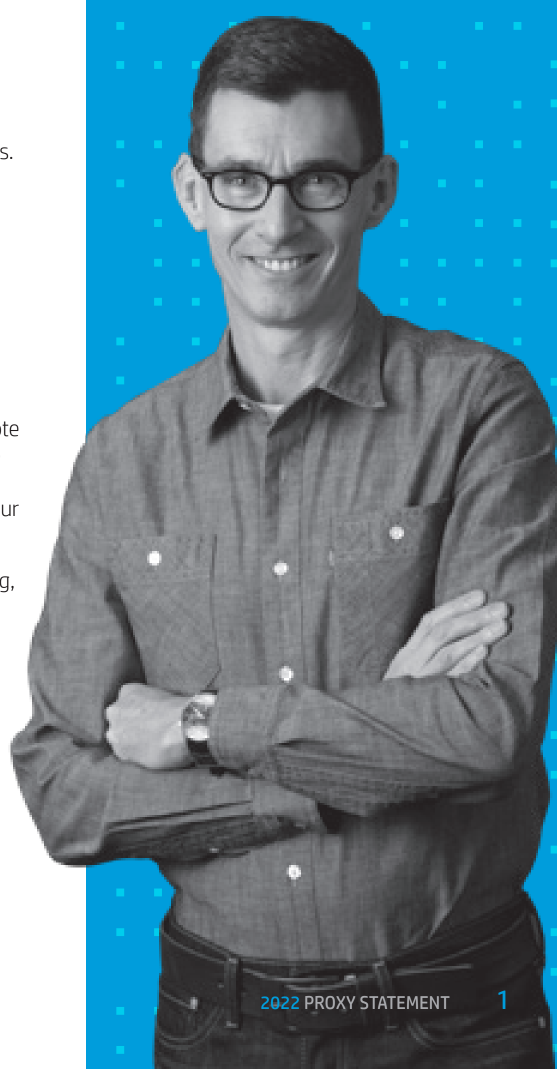
For details about how to attend the meeting online, submit questions before or during the meeting, and information on the business to be conducted at the annual meeting, please refer to the accompanying Notice of Annual Meeting and Proxy Statement.

Thank you for your ongoing support of, and continued interest in, HP Inc.

Sincerely,

CHARLES "CHIP" V. BERGH
Chairman of the Board

"Importantly, we have stayed true to HP's values and while the Board and I are proud of what HP has achieved during fiscal 2021, we are even prouder of how HP is doing it."



Notice of Annual Meeting of Stockholders

This notice of annual meeting, proxy statement and form of proxy for HP Inc. (“HP” or the “Company”) are being distributed and made available on or about February 23, 2022.

Time and Date
2:00 p.m., Pacific Time,
on Tuesday, April 19, 2022

Place
Online at www.hpannualmeeting.com or
www.virtualshareholdermeeting.com/HPQ2022

Record Date
February 18, 2022

Items of Business

Board Proposals		Board Recommendation	Page
1.	To elect 13 Directors	**FOR**	11
2.	To ratify the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending October 31, 2022	**FOR**	40
3.	To approve, on an advisory basis, the Company’s executive compensation (“say on pay” vote)	**FOR**	42
4.	To approve the Third Amended and Restated HP Inc. 2004 Stock Incentive Plan	**FOR**	72
Stockholder Proposal			
5.	To consider and vote on a stockholder proposal described in this proxy statement, if properly presented at the meeting	**AGAINST**	82

Such other business as may properly come before the meeting

Virtual Meeting Admission

Stockholders of record as of February 18, 2022, will be able to participate in the annual meeting by visiting our annual meeting website www.hpannualmeeting.com or www.virtualshareholdermeeting.com/HPQ2022. To participate in the annual meeting, you will need the 16-digit control number included on your notice of Internet availability of the proxy materials, proxy card or on the instructions that accompanied your proxy materials. If you have any questions about your control number, please contact the bank, broker, or other nominee that holds your shares.

The annual meeting will begin promptly at 2:00 p.m., Pacific Time. Online check-in will begin at 1:30 p.m., Pacific Time, and you should allow ample time for the online check-in procedures.

Annual Meeting Website and Pre-Meeting Forum

The online format used by HP Inc. for the annual meeting also allows us to communicate more effectively with you. Stockholders can access our pre-meeting forum, where you can submit questions in advance of the annual meeting, by visiting our annual meeting website at www.hpannualmeeting.com or www.proxyvote.com/HP. Stockholders can also access copies of our proxy statement and annual report at the annual meeting website.

Adjournments and Postponements

Any action on the items of business described above may be considered at the annual meeting at the time and on the date specified above or at any time and date to which the annual meeting may be properly adjourned or postponed.

By order of the Board of Directors,

HARVEY ANDERSON
Chief Legal Officer and Secretary

Voting

Internet
www.hpannualmeeting.com
or www.proxyvote.com/HP
prior to the meeting

Telephone
1-800-690-6903

During the meeting please visit
www.hpannualmeeting.com or
www.virtualshareholdermeeting.com/HPQ2022

Mail
You can vote by mail by requesting a paper copy of the materials, which will include a proxy card. Return the card to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

1501 Page Mill Road
Palo Alto, California 94304
(650) 857-1501

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on April 19, 2022. The definitive proxy statement and HP Inc.’s 2021 Annual Report are available electronically at www.proxyvote.com/HP.

Your vote is very important. Regardless of whether you plan to virtually attend the annual meeting, we hope you will vote as soon as possible. You may vote your shares over the Internet or via a toll-free telephone number. If you received a paper copy of a proxy or voting instruction card by mail, you may submit your proxy or voting instruction card for the annual meeting by completing, signing, dating and returning your proxy or voting instruction card in the pre-addressed envelope provided. Stockholders of record and beneficial owners will be able to vote their shares electronically at the annual meeting (other than shares held through the HP Inc. 401(k) Plan, which must be voted prior to the meeting). For specific instructions on how to vote your shares, please refer to the section entitled “Questions and Answers—Voting Information” beginning on page 86 of the proxy statement.

Proxy Statement Summary

The following is a summary of certain key disclosures in our proxy statement. This is only a summary, and it may not contain all the information that is important to you. For more complete information, please review the proxy statement as well as our 2021 Annual Report, which includes our Annual Report on Form 10-K. References to "HP," "the Company," "we," "us" or "our" refer to HP Inc. (formerly known as Hewlett-Packard Company ("HP Co.")).

BOARD PROPOSAL NO. 1

Election of Directors

- 12 of our 13 Director nominees are independent, including six women and six director nominees who identify as racially/ethnically diverse.
- Our Board is led by an independent Chairman.
- Key information regarding all 13 of our Board nominees is summarized in the table below.

The Board recommends a vote FOR each Director nominee

Further information beginning on page 11.

BOARD PROPOSAL NO. 2

Ratification of Independent Registered Public Accounting Firm

- The Audit Committee of the Board has selected Ernst & Young LLP to act as HP's independent registered public accounting firm for the fiscal year ending October 31, 2022 and seeks ratification of the selection.

The Board recommends a vote FOR this Proposal

Further information beginning on page 40.

BOARD PROPOSAL NO. 3

Advisory Vote to Approve Executive Compensation ("Say on Pay" Vote)

- Our Board and the HRC Committee are committed to an executive compensation program that aligns the interests of our executives with those of our stockholders. To fulfill this mission, we have a pay-for-performance philosophy that drives decisions regarding executive compensation.
- Our compensation programs have been structured to balance near-term results with long-term success, mitigate risks, and enable us to attract, retain, focus, and reward our executive team for delivering stockholder value.

The Board recommends a vote FOR this Proposal

Further information, including an overview of the compensation of our Named Executive Officers ("NEOs"), beginning on page 42.

BOARD PROPOSAL NO. 4

Approval of the Third Amended and Restated HP Inc. 2004 Stock Incentive Plan

- The approval of the Amended 2004 Plan would make an additional 30,000,000 shares of common stock available for issuance pursuant to share-based compensation awards granted under the plan.
- The Board is asking stockholders to approve the Amended 2004 Plan so that we may continue to use stock options, restricted stock, restricted stock units and other share-based compensation awards to attract and retain employees.

The Board recommends a vote FOR this Proposal

Further information beginning on page 72.

STOCKHOLDER PROPOSAL

Stockholder Proposal to Reduce the Ownership Threshold for Calling a Special Meeting of Stockholders

- This stockholder proposal requests that the Board take the steps necessary to amend the Company's governing documents to reduce the share ownership threshold for stockholders to call a special meeting of stockholders from 15% to 10%.

The Board recommends a vote AGAINST this Proposal

Further information beginning on page 82.

Business Highlights

HP Inc. is a leading global provider of personal computing and other access devices, imaging and printing products, and related technologies, solutions, and services. We sell to individual consumers, small- and medium-sized businesses and large enterprises, including customers in the government, health, and education sectors. We have three reportable segments: Personal Systems, Printing and Corporate Investments. The Personal Systems segment offers commercial and consumer desktop and notebook PCs, workstations, thin clients, commercial mobility devices, retail point of sale systems, display and peripherals, software, support, and services. The Printing segment provides consumer and commercial printer hardware, supplies, solutions and services. Corporate Investments include HP Labs and certain business incubation and investment projects.

As a company, we are delivering on our commitments to our stockholders and optimizing the business to consistently deliver long-term, sustainable value. We continue to focus on profitable value capture as we seek to advance our leadership position in Personal Systems and Printing and invest in adjacencies where we can disrupt with innovation and new business models like Graphics and 3D & Digital Manufacturing. At the same time, we are focused on transforming the way we work by increasing productivity and taking cost out of the business. We have an incredible channel network, passionate employees and a culture committed to keep reinventing. And just as importantly, we are winning the right way with a sustainable impact framework focused on the most urgent issues of our time where we believe can have the greatest impact: climate action, human rights, and digital equity.

Our Strategy to Drive Long-Term Profitable Growth

Advance

- Driving innovation
- Expanding into adjacencies
- Strengthened value proposition

Disrupt

- Investing in disruptive categories
- Unlocking opportunity
- Capturing new sources of value

Transform

- Reducing structural costs
- Building new operational capabilities
- Digitizing systems to enable data

What to Expect

Building a stronger core and more predictable cash flow

Creating a more growth-oriented portfolio

Optimizing the business to drive long-term value

Key Growth Businesses

Gaming

Peripherals

Instant Ink

Industrial Graphics & 3D

Workforce solutions

FY21 Performance Highlights

Net Revenue

By key segment and business unit

$63.5 Billion

68% Personal Systems — **$43.4 Billion** Net Revenue

32% Printing — **$20.1 Billion** Net Revenue

Non-GAAP Operating Profit[1]
$5.8 Billion

Non-GAAP Free Cash Flow[1]
$4.2 Billion

Scale & Reach

Market leader
#1 or #2
In either Print or PC in 57 countries[2]

Innovation & IP
28k+
Patents

Robust ecosystem
250k+
Channel partners

Scale
186/51k
Countries/Employees

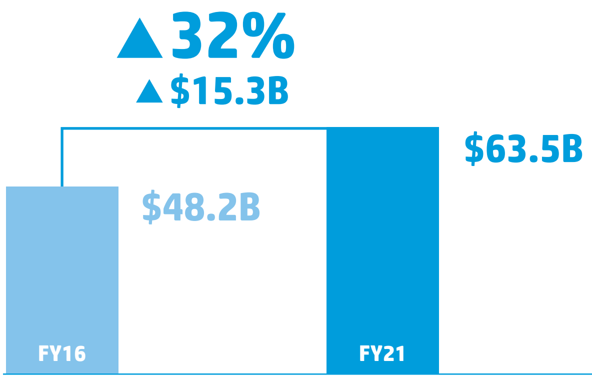
(1) Non-GAAP operating profit and non-GAAP free cash flow are non-GAAP financial measures. Please refer to "Reconciliation of GAAP Measures to Non-GAAP Measures" on page 93 for a description and reconciliation of these non-GAAP financial measures relative to reported GAAP financial measures.

(2) Source: IDC Worldwide Quarterly Hardcopy Peripherals Tracker, Q3 2021 and IDC Worldwide Quarterly Personal Computing Device Tracker, Q3 2021.

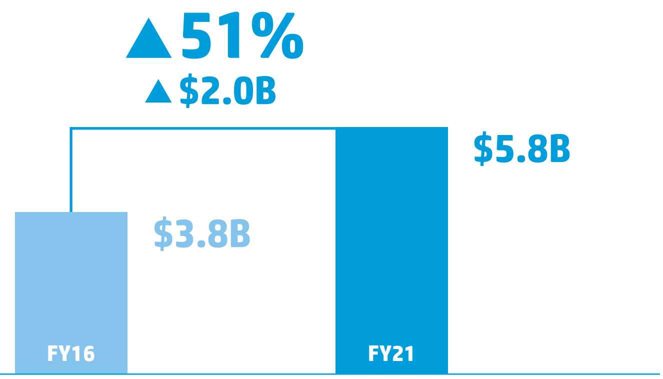
Building a stronger HP

Sustained growth across key financial metrics[1]

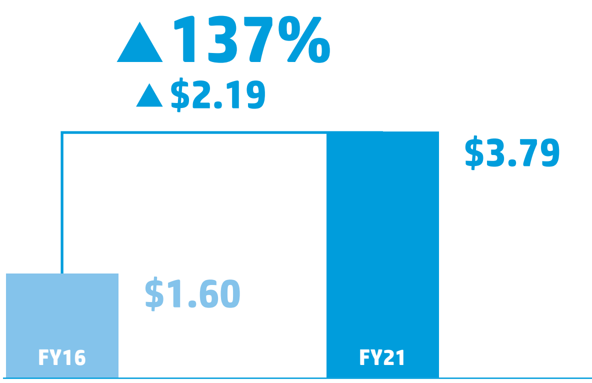
Net revenue



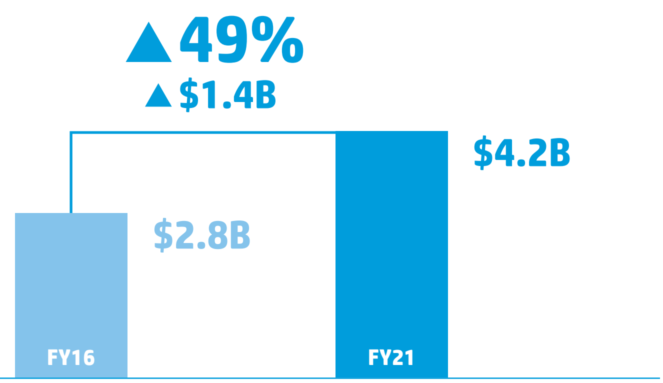
Non-GAAP Operating Profit



Non-GAAP diluted net EPS

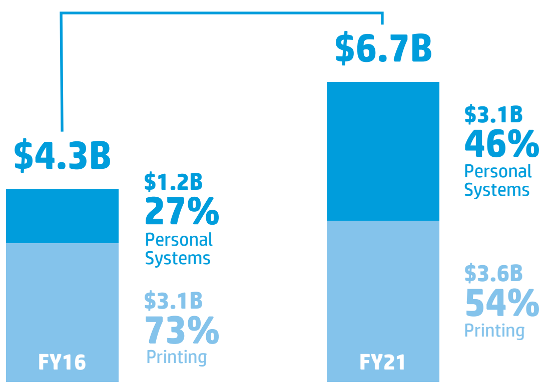


Non-GAAP free cash flow



Balanced Shift in Operating Profit Mix

Non-GAAP operating profit by key segment[1,2]



1 Non-GAAP operating profit, non-GAAP diluted net EPS and non-GAAP free cash flow are non-GAAP financial measures. Please refer to "Reconciliation of GAAP Measures to Non-GAAP Measures" on page 93 for a description and reconciliation of these non-GAAP financial measures relative to reported GAAP financial measures.

2 Non-GAAP operating profit by key segment reflects operating profit for the Printing and Personal Systems segments and does not include corporate investments and corporate other.

Recognition

Named #1 on *Newsweek's* list for the 3rd year in a row

For the 3rd year in a row, only tech company globally to earn a Triple A rating across CDP's Climate, Water and Forests Lists

Awarded Outstanding Leadership in Sustainable Finance

Named for the 6th year in a row to this list of the 100 Most Sustainable Corporations in the World

One of the 2021 World's Most Ethical Companies for the 2nd year in a row

Listed on the Dow Jones World Index for the 10th year

Rated among the top companies for corporate social responsibility for the 12th time in a row

Ranked 7th out of 150 ICT companies on the 2021 Digital Inclusion Benchmark

Placed 1st among technology companies and 3rd overall

Recognized for efforts to advance diversity and inclusion for the 6th year in a row

Recognized for ongoing commitment to product energy efficiency for the 4th year in a row (2nd for Sustained Excellence)

Named to Forbes list for the 4th year in a row

Ranked 2nd on the 2020/2021 benchmark of ICT companies committed to address human rights issues within their supply chains

100% score on the Disability Equality Index as a Best Place to Work for Disability Inclusion for the 6th year in a row

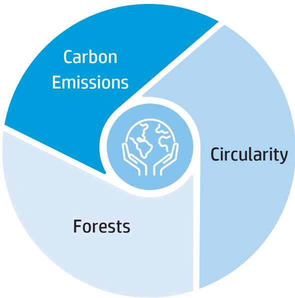
Received a score of 100% on the Human Rights Campaign 2021 Corporate Equality Index for LGBTQ Equality

* "World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.

Sustainable Impact

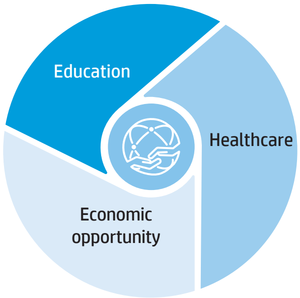
Targeting key issues through an evolved strategy and ambitious, comprehensive goals

Our Strategy



PLANET
Climate Action

PEOPLE
Human Rights



COMMUNITY
Digital Equity

Drive toward a net zero carbon, fully regenerative economy while engineering the industry's most sustainable portfolio of products and solutions.

Create a powerful culture of diversity, equity, and inclusion. Advance human rights, social justice, and racial and gender equality across our ecosystem, raising the bar for all.

Lead in activating and innovating holistic solutions that break down the digital divide that prevents many from accessing the education, jobs, and healthcare needed to thrive. Drive digital inclusion to transform lives and communities.

For more information about our Sustainable Impact agenda, including our annual Sustainable Impact Report, please see the Sustainability section of our website at https://www.hp.com/us-en/hp-information/sustainable-impact.html.

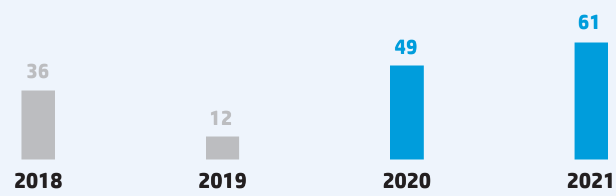
Participating in Our Virtual Annual Meeting

HP's Board considers the appropriate format of the meeting on an annual basis. HP's current virtual format allows stockholders to submit questions and comments in our stockholder forum both before and during the meeting. We respond to all stockholder submissions received through the forum in writing on our investor relations website. The virtual meeting format allows our stockholders to engage with us no matter where they live in the world and is accessible and available on any internet-connected device, be it a phone, a tablet, or a computer. We are able to reach a base of stockholders that is broader than just those who can travel to an in-person meeting, particularly in light of the COVID-19 pandemic. The virtual meeting gives us the opportunity to respond in thoughtful detail to every question our stockholders may have, rather than just the limited number of questions stockholders are able to ask at in-person meetings, which are answered on the fly. **All of these benefits of a virtual meeting allow all of our stockholders to engage with HP.**

Previous Virtual Meeting Highlights

HP commits to answering every question received, in writing, on its website shortly after the annual meeting.

TOTAL QUESTIONS ASKED AND ANSWERED BEFORE AND DURING THE ANNUAL MEETING



Please visit our HP investor events page at https://investor.hp.com to read previously answered questions.

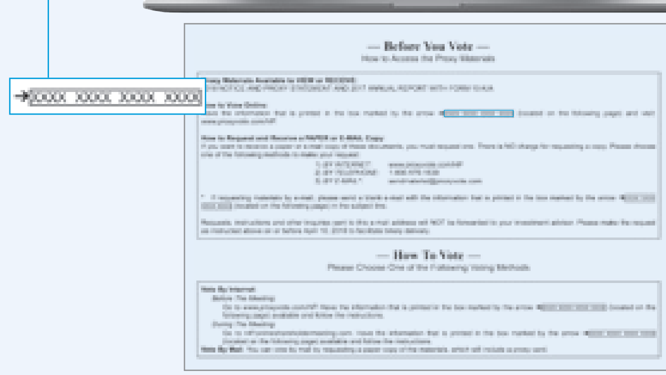
Please join us for our Virtual Annual Meeting at www.hpannualmeeting.com or www.virtualshareholdermeeting.com/HPQ2022.

Stockholders can access our pre-meeting forum, where you can **submit questions** in advance of the annual meeting, by visiting our annual meeting website. All questions received, both during and prior to the meeting, are presented as submitted, uncensored and unedited except for certain personal details for data protection purposes. If we receive substantially similar questions, we will group such questions together and provide a single response to avoid repetition.

We will have technicians ready to assist you with any **technical difficulties** you may have accessing the virtual meeting. If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call:

1-855-449-0991 (Toll-free)
1-720-378-5962 (Toll line)

To participate in the annual meeting, you will need the **16-digit control number** included on your notice of Internet availability of the proxy materials, on your proxy card or on the instructions that accompanied your proxy materials.



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Corporate Governance and Board of Directors

BOARD PROPOSAL NO. 1

Election of Directors

The Board recommends a vote **FOR** each Director Nominee.

The Board of Directors of HP Inc. (the "Board") currently consists of 13 Directors. On the recommendation of the Nominating, Governance and Social Responsibility ("NGSR") Committee, the Board has nominated the 13 persons named below for election as Directors this year, each to serve for a one-year term and until the Director's successor is elected and qualified or, if earlier, until his or her resignation or removal.

Vote Required

Each Director nominee who receives more "FOR" votes than "AGAINST" votes representing shares of HP common stock present in person or represented by proxy and entitled to be voted at the annual meeting will be elected.

If you sign your proxy card but do not give instructions with respect to voting for Directors, your shares will be voted by Enrique Lores and Harvey Anderson, as proxy holders, FOR the election of all 13 Board nominees. If you wish to give specific instructions with respect to voting for Directors, you may do so by indicating your instructions when you vote via Internet or by telephone, or on your proxy card or voting instruction card.

Director Election Voting Standard and Resignation Policy

We have adopted a policy whereby any incumbent Director nominee who receives a greater number of votes "AGAINST" his or her election than votes "FOR" such election will tender his or her offer of resignation for consideration by the NGSR Committee. The NGSR Committee will then make a recommendation to the Board regarding the appropriate response to such an offer of resignation.

Who We Are

Overview

As presented in the chart below, our Directors bring a diverse mix of highly relevant and complementary skills, experiences and backgrounds, which facilitates strong oversight of HP's management and HP's strategy to advance, disrupt and transform. During fiscal 2021, the Board has continued to evolve its membership to help ensure it has the right mix of skills, experiences and backgrounds to continue to be a strategic asset for HP.

During 2021, the Board has added three new directors: Bruce Broussard; Judith "Jami" Miscik; and Kim K.W. Rucker. Bruce Broussard, as President and CEO of Humana, has extensive expertise in healthcare and health technology, which is becoming increasingly valuable as HP explores the healthcare applications of its 3D printing business. Judith "Jami" Miscik brings significant leadership and experience in international affairs, intelligence and risk assessment from roles in the private and public sectors, including a distinguished career at the Central Intelligence Agency. Kim K.W. Rucker, who has served as general counsel at companies across multiple industries, contributes a broad knowledge of law, corporate governance and regulatory matters. We believe that their perspectives, skills and proven experience will further strengthen the Board's ability to provide effective oversight and strategic advice to HP's management.

Our Director Nominees

	Name and Principal Occupation	Age	HP Director Since	Committees A	F	H	N	Other Current Public Company/ Public Registrant Boards
	**Aida M. Alvarez** IND Former Administrator, U.S. Small Business Administration & Cabinet Member	72	2016			●	●	Stride, Inc. Fastly, Inc. Oportun Financial Corporation
	**Shumeet Banerji** IND Co-Founder and Partner, Condorcet, LP	62	2011			●	👤	Reliance Industries Ltd.
	**Robert R. Bennett** IND Managing Director, Hilltop Investments, LLC	63	2013	●	👤			Discovery Inc. Liberty Media Corporation
	**Charles "Chip" V. Bergh (CHAIRMAN)** IND President and Chief Executive Officer, Levi Strauss & Co.	64	2015			●	●	Levi Strauss & Co.
	**Bruce Broussard** IND President and Chief Executive Officer, Humana Inc.	59	2021			●	●	Humana, Inc.
	**Stacy Brown-Philpot** IND Member of Investment Committee, SB Opportunity Fund	46	2015	●			●	Nordstrom, Inc.
	**Stephanie A. Burns** IND Former Chief Executive Officer and Chairman, Dow Corning	67	2015		●	👤		Corning Incorporated Kellogg Company
	**Mary Anne Citrino** IND Senior Advisor and former Senior Managing Director, Blackstone	62	2015	👤	●			Ahold Delhaize Alcoa Corporation
	**Richard L. Clemmer** IND Chairman, Privafy, Inc.	70	2020	●	●			Aptiv PLC
	**Enrique Lores** President and Chief Executive Officer, HP Inc.	56	2019					PayPal Holdings, Inc.
	**Judith "Jami" Miscik** IND Chief Executive Officer and Vice Chairman, Kissinger Associates, Inc.	63	2021	●			●	General Motors Company Morgan Stanley
	**Kim K.W. Rucker** IND Former Executive Vice President, General Counsel and Secretary of Andeavor	55	2021	●			●	Celanese Corporation Lennox International Inc. Marathon Petroleum Corporation
	**Subra Suresh** IND President, Nanyang Technological University	65	2015	●	●			Singapore Exchange Limited

Committees

A Audit Committee

F Finance, Investment and Technology Committee

H HR and Compensation Committee

N Nominating, Governance and Social Responsibility Committee

👤 Chair

● Member

IND Independent

Skills, Experience and Attributes of our Director Nominees

	Alvarez	Banerji	Bennett	Bergh	Broussard	Brown-Philpot	Burns	Citrino	Clemmer	Lores	Miscik	Rucker	Suresh
Current or Former CEO		✓	✓	✓	✓	✓	✓		✓	✓	✓		✓
Business and Management HP requires a Board well-versed in navigating complexity and capitalizing on business opportunities to further our innovation and growth.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer Experience HP's customers are the foundation of our mission – we continually seek to better serve our customer base with products and solutions that inspire and innovate.				✓	✓	✓	✓			✓		✓	
Disruptive Innovation We continually seek to reinvent the Print and PC industries to deliver amazing innovative experiences to our customers – having disruptive innovators on our Board helps inform our strategy.						✓			✓	✓			✓
Environmental and Social Responsibility Experience in environmental and social responsibility related issues and topics strengthens the Board's oversight of HP's policies and programs relating to these issues and reinforces HP's commitment to sustainability and social responsibility.	✓	✓		✓		✓	✓			✓		✓	✓
Finance and Capital Allocation It is essential that we have Directors with strong financial acumen and experience to provide sound oversight and guide our investment strategies and capital allocation.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Government and Government Affairs Government and government affairs experience offers us insight into the regulatory environment of the many jurisdictions in which we operate, their legislative and administrative priorities, and the potential implications for our business.	✓										✓	✓	✓
Human Capital Management Experience in talent development, managing compensation, overseeing inclusion and diversity efforts, and establishing culture strengthens the Board's oversight of HP's key human capital management strategies and programs.		✓	✓	✓	✓	✓	✓		✓	✓		✓	✓
International Business and Affairs HP operates in 180 countries worldwide, making international business experience a vital perspective on our Board and enabling us to succeed in the many markets in which we operate.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Operations HP operates one of the world's largest supply chains – we benefit from Directors who have successfully led complex operations and can help us to optimize our business model.			✓	✓	✓	✓	✓		✓	✓	✓		
Risk Management Experience identifying, assessing and managing a broad spectrum of risks enables directors to effectively oversee the most significant risks facing HP.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategic Transactions; M&A HP benefits from having Directors with experience leading organizations through significant strategic transactions, including mergers, acquisitions and divestitures.		✓	✓	✓	✓		✓	✓	✓	✓		✓	
Strategy The dynamic and fast-moving markets in which HP operates globally require a Board with strong strategic insights gained through multi-faceted and challenging prior experiences.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Technology and Science With our deep history of innovation and our reliance on cutting edge R&D, science and engineering, we know that scientific backgrounds and design, technology and user experience add valuable and vital components to our Board dialogue.					✓	✓	✓		✓	✓			✓
Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Women	✓					✓	✓	✓			✓	✓	
Racially/Ethnically Diverse	✓	✓				✓				✓		✓	✓
Tenure (including HP Co.)	6	11	9	7	<1	7	7	7	2	3	1	<1	7

Biographies of Director Nominees

The biographies describe each Director nominee's qualifications and relevant experience. The biographies include key qualifications, skills, and attributes most relevant to the decision to nominate candidates to serve on the Board.

Aida M. Alvarez IND

Age: 72
Director since: 2016
HP Board Committees: HRC, NGSR
Skills
- Business and Management
- Environmental and Social Responsibility
- Finance and Capital Allocation
- Government and Government Affairs
- Strategy

Most Recent Role
Former Administrator, U.S. Small Business Administration & Presidential Cabinet Member

Current Public Company Boards
- HP
- Stride, Inc.
- Fastly, Inc.
- Oportun Financial Corporation

Prior Public Company Boards
- Wal-Mart Stores, Inc.

Qualifications:
Prior Business and Other Experience

- Founding Chair, Latino Community Foundation (since 2003)
- Administrator, U.S. Small Business Administration (1997–2001)
- Director, Office of Federal Housing Enterprise Oversight (1993–1997)
- Vice President, First Boston Corporation and Bear Stearns & Co. (prior to 1993)

Other Key Qualifications
The Honorable Aida Alvarez brings to the Board a wealth of expertise in media, public affairs, finance, and government. She led important financial and government agencies and served in the Cabinet of U.S. President William J. Clinton, where she provided strategic feedback to the President. She has also been a public finance executive, has chaired a prominent philanthropic organization and was an award-winning journalist. The Board also benefits from Ms. Alvarez's knowledge of investment banking and finance.

Shumeet Banerji IND

Age: 62
Director since: 2011
HP Board Committees: HRC, NGSR *(Chair)*
Skills
- Business and Management
- Environmental and Social Responsibility
- Finance and Capital Allocation
- Human Capital Management
- International Business and Affairs
- Risk Management
- Strategic transactions; M&A
- Strategy

Current Role
Co-founder and Partner of Condorcet, LP, an advisory and investment firm (since 2013)

Current Public Company Boards
- HP
- Reliance Industries Limited

Prior Public Company Boards
- Innocoll AG

Qualifications:
Prior Business and Other Experience

- Senior Partner, Booz & Company, a consulting company (May 2012–March 2013)
- Chief Executive Officer, Booz & Company (July 2008–May 2012)
- President of the Worldwide Commercial Business, Booz Allen Hamilton (February 2008–July 2008)
- Managing Director, Europe, Booz Allen Hamilton (2007–2008)
- Managing Director, United Kingdom, Booz Allen Hamilton (2003–2007)
- Faculty, University of Chicago Graduate School of Business

Other Key Qualifications
Mr. Banerji brings to the Board a strong understanding of the issues facing companies and governments in both mature and emerging markets around the world through his two decades of work with Booz & Company. In particular, Mr. Banerji has valuable experience in addressing a variety of complex issues ranging from corporate strategy, organizational structure, governance, transformational change, operational performance improvement, and merger integration. During his career at Booz Allen Hamilton and Booz & Company, he has advised numerous companies on restructuring and M&A, particularly in mature industries.

Robert R. Bennett IND

Age: 63
Director since: 2013
HP Board Committees: Audit, FIT *(Chair)*

Skills
- Business and Management
- Finance and Capital Allocation
- Human Capital Management
- International Business and Affairs
- Operations
- Risk Management
- Strategic Transactions; M&A
- Strategy

Current Role
Managing Director, Hilltop Investments, LLC, a private investment company (since 2005)

Current Public Company Boards
- HP
- Discovery, Inc.
- Liberty Media Corporation

Prior Public Company Boards
- Sprint Corporation
- Demand Media, Inc.
- Discovery Holding Company
- Liberty Interactive Corporation
- Sprint Nextel Corporation

Qualifications:
Prior Business and Other Experience

- President, Discovery Holding Company (2005–2008)
- President and Chief Executive Officer, Liberty Media Corporation (1997–2005)
- Served in a variety of other executive roles at Liberty Media between 1990 and 1997, including as its principal financial officer from 1991 until 1997

Other Key Qualifications
Mr. Bennett brings to the Board in-depth knowledge of the media and telecommunications industry and his knowledge of the capital markets and other financial and operational matters. Additionally, as a result of his positions at Liberty Media, Mr. Bennett brings experience leading organizations through significant strategic transactions, including acquisitions, divestitures and integration. Mr. Bennett also has an in-depth understanding of finance and has held various financial management positions during his career including serving as CFO of a public company.

Charles "Chip" V. Bergh

CHAIR IND

Age: 64
Director since: 2015
Chairman since: 2017
HP Board Committees: HRC, NGSR

Skills
- Business and Management
- Customer Experience
- Environmental and Social Responsibility
- Finance and Capital Allocation
- Human Capital Management
- International Business and Affairs
- Operations
- Risk Management
- Strategic transactions; M&A
- Strategy

Current Role
President, Chief Executive Officer, and Director of Levi Strauss & Co., an apparel/retail company (since September 2011)

Current Public Company Boards
- HP
- Levi Strauss & Co.

Prior Public Company Boards
- VF Corporation

Qualifications:
Prior Business and Other Experience

- Group President, Global Male Grooming, Procter & Gamble Co. (2009–September 2011)
- In 28 years at Procter & Gamble, Mr. Bergh served in a variety of executive roles, including managing business in multiple regions worldwide

Other Key Qualifications
Mr. Bergh brings to the Board extensive experience in executive leadership at large global companies and international business management. From his more than 35 years at Levi Strauss and Procter & Gamble, Mr. Bergh has a strong operational and strategic background with significant experience in brand management. He also brings public company governance experience as a board member and committee member of other public and private companies.

Bruce Broussard IND

Age: 59
Director since: 2021
HP Board Committees: NGSR, HRC
Skills
- Business and Management
- Customer Experience
- Finance and Capital Allocation
- Human Capital Management
- International Business and Affairs
- Operations
- Risk Management
- Strategic Transactions; M&A
- Strategy
- Technology and Science

Current Role
President, Chief Executive Officer, and Director of Humana Inc., a healthcare company (CEO since 2013)

Current Public Company Boards
- HP Inc.
- Humana Inc.

Prior Public Company Boards
- KeyCorp

Qualifications:
Prior Business and Other Experience

- Chief Executive Officer, McKesson Specialty/US Oncology, Inc. (January 2008–December 2011)
- In 11 years at US Oncology, Inc., which was acquired by McKesson in December 2010, served in a number of senior executive roles, including Chief Financial Officer, President, Chief Executive Officer and Chairman of the Board

Other Key Qualifications
Mr. Broussard brings to the Board extensive experience in executive leadership at large global companies and international business management. From his experience at Humana and US Oncology, Broussard has significant expertise in the healthcare and health technology sectors. He also brings public company governance experience as a board member and committee member of other public companies.

Stacy Brown-Philpot IND

Age: 46
Director since: 2015
HP Board Committees: Audit, NGSR
Skills
- Business and Management
- Customer Experience
- Disruptive Innovation
- Environmental and Social Responsibility
- Finance and Capital Allocation
- Human Capital Management
- International Business and Affairs
- Operations
- Risk Management
- Strategy
- Technology and Science

Current Role
Member of Investment Committee, SB Opportunity Fund (since 2020)

Current Public Company Boards
- HP
- Nordstrom, Inc.

Prior Public Company Boards
- None

Qualifications:
Prior Business and Other Experience

- Chief Executive Officer, TaskRabbit (April 2016–August 2020)
- Chief Operating Officer, TaskRabbit (January 2013–April 2016)
- Entrepreneur-in-Residence, Google Ventures, the venture capital investment arm of Google, Inc., a technology company ("Google") (May 2012–December 2012)
- Senior Director of Global Consumer Operations, Google (2010–May 2012)
- Prior to 2010, Ms. Brown-Philpot served in a variety of Director-level positions at Google
- Prior to joining Google in 2003, Ms. Brown-Philpot served as a senior analyst and senior associate at the financial firms Goldman Sachs and PwC

Other Key Qualifications
Ms. Brown-Philpot brings to the Board extensive operational, analytical, financial, and strategic experience. In addition to her role as CEO of TaskRabbit from 2016 to 2020, Ms. Brown-Philpot's decade of experience leading various operations at Google and her prior financial experience from her roles at Goldman Sachs and PwC provide unique operational and financial expertise to the Board.

Stephanie A. Burns IND

Age: 67
Director since: 2015
HP Board Committees: FIT, HRC *(Chair)*

Skills
- Business and Management
- Customer Experience
- Environmental and Social Responsibility
- Finance and Capital Allocation
- Human Capital Management
- International Business and Affairs
- Operations
- Risk Management
- Strategic Transactions; M&A
- Strategy
- Technology and Science

Current Role
Director

Current Public Company Boards
- HP
- Corning Incorporated
- Kellogg Company

Prior Public Company Boards
- GlaxoSmithKline plc
- Manpower, Inc.

Qualifications:
Prior Business and Other Experience

- Chief Executive Officer, Dow Corning Corp., a silicon-based manufacturing company (2004–May 2011)
- President, Dow Corning (2003–November 2010)
- Executive Vice President, Dow Corning (2000–2003)

Other Key Qualifications
Dr. Burns has more than 30 years of global innovation and business leadership experience and brings significant expertise in scientific research, product development, issues management, science and technology leadership, and business management to the Board. Her leadership experience includes steering Dow Corning Corporation during an extended bankruptcy and restructuring process. Dr. Burns also brings public company governance experience to the Board as a member of boards and board committees of other public companies.

Mary Anne Citrino IND

Age: 62
Director since: 2015
HP Board Committees: Audit *(Chair)*, FIT

Skills
- Business and Management
- Finance and Capital Allocation
- International Business and Affairs
- Risk Management
- Strategic Transactions; M&A
- Strategy

Current Role
Senior Advisor and former Senior Managing Director, Blackstone, an investment firm (since 2004)

Current Public Company Boards
- HP
- Ahold Delhaize
- Alcoa Corporation

Prior Public Company Boards
- Health Net, Inc.
- Dollar Tree Inc.
- Barclays

Qualifications:
Prior Business and Other Experience

- Managing Director, Global Head of Consumer Products Investment Banking Group, and Co-head of Health Care Services Investment Banking, Morgan Stanley (1986–2004)

Other Key Qualifications
Ms. Citrino's more than 30-year career as an investment banker provides the Board with substantial knowledge regarding business operations and strategy, as well as valuable financial and investment expertise. She also brings public company governance experience as a member of boards and board committees of other public companies.

Richard L. Clemmer IND

Age: 70
Director since: 2020
HP Board Committees: Audit, FIT
Skills
- Business and Management
- Disruptive Innovation
- Finance and Capital Allocation
- Human Capital Management
- International Business and Affairs
- Operations
- Risk Management
- Strategic Transactions; M&A
- Strategy
- Technology and Science

Current Role
Chairman, Privafy, Inc. (since January 2019)

Current Public Company Boards
- HP
- Aptiv PLC

Prior Public Company Boards
- NCR Corporation
- NXP Semiconductors N.V.
- i2 Technologies, Inc.

Qualifications:
Prior Business and Other Experience

- Chief Executive Officer and Executive Director, NXP Semiconductors N.V. (January 2009–May 2020)
- Senior Advisor, Kohlberg Kravis Roberts & Co. (May 2007–December 2008)
- President and Chief Executive Officer, Agere Systems Inc. (October 2005–April 2007)

Other Key Qualifications
Mr. Clemmer brings to the Board significant leadership experience in the high tech industry, including experience with semiconductor, storage, e-Commerce, and software companies, and brings valuable experience leading organizations through strategic transactions. In his roles at NXP Semiconductors and Agere Systems, Mr. Clemmer oversaw the successful execution of a number of key strategic transactions, including the acquisition and integration of several companies and business units.

Enrique Lores

President, Chief Executive Officer and Director

Age: 56
Director since: 2019
HP Board Committees: N/A
Skills
- Business and Management
- Customer Experience
- Disruptive Innovation
- Environmental and Social Responsibility
- Finance and Capital Allocation
- Human Capital Management
- International Business and Affairs
- Operations
- Risk Management
- Strategic Transactions; M&A
- Strategy
- Technology and Science

Current Role
President and Chief Executive Officer, HP (since November 2019)

Current Public Company Boards
- HP
- PayPal Holdings, Inc.

Prior Public Company Boards
- None

Qualifications:
Prior Business and Other Experience

- President, Imaging and Printing Solutions, HP Inc. (November 2015–October 2019)
- Separation Leader, Hewlett-Packard Company (2014–October 2015)
- Senior Vice President & General Manager, Business Personal Systems, Hewlett-Packard Company (2013–2014)
- Senior Vice President, Worldwide Customer Support & Services, Hewlett-Packard Company (2011–2013)
- Senior Vice President, Worldwide Sales and Solutions Partner Organization, Hewlett-Packard Company (2008–2011)
- Vice President & General Manager, Large Format Printing, Hewlett-Packard Company (2003–2008)
- Vice President, Imaging & Printing Group, EMEA, Hewlett-Packard Company (2001–2003)
- Experience in a variety of roles at Hewlett-Packard Company (1989–2001)

Other Key Qualifications
Mr. Lores' international business and leadership experience, and his service in multiple facets of the HP business worldwide, provide the Board with an enhanced global perspective. Mr. Lores' more than 30 years of experience in the information and technology industry with HP, and his position as HP's Chief Executive Officer, provide the Board with valuable industry insight and expertise.

Judith “Jami” Miscik IND

Age: 63
Director since: 2021
HP Board Committees: Audit, NGSR
Skills
- Business and Management
- Finance and Capital Allocation
- Government and Government Affairs
- International Business and Affairs
- Operations
- Risk Management
- Strategy

Current Role
Chief Executive Officer and Vice Chairman, Kissinger Associates, Inc. (since 2015)

Current Public Company Boards
- HP
- General Motors Company
- Morgan Stanley

Prior Public Company Boards
- EMC Corporation
- Pivotal Software, Inc.

Qualifications:
Prior Business and Other Experience

- President, Kissinger Associates, Inc. (2009–2015)
- Global Head of Sovereign Risk, Lehman Brothers (2005–2008)
- Distinguished 22-year career at the Central Intelligence Agency, including serving as the Deputy Director for Intelligence from 2002 to 2005
- Director for Intelligence Programs, National Security Council (1995–1996)

Other Key Qualifications
Ms. Miscik brings to the Board significant experience in international affairs, intelligence and risk assessment and a vast understanding of the geopolitical and macroeconomic landscapes gained from roles in the public and private sectors. As the CEO of Kissinger Associates, an international geopolitical consulting firm, Ms. Miscik develops strategies for clients operating in overseas environments and advises on geopolitical and macroeconomic risks. Prior to entering the private sector, Ms. Miscik built a distinguished 22-year career in intelligence, ultimately serving as the Deputy Director for Intelligence at the Central Intelligence Agency.

Kim K.W. Rucker IND

Age: 55
Director since: 2021
HP Board Committees: Audit, NGSR
Skills
- Business and Management
- Customer Experience
- Government and Government Affairs
- Human Capital Management
- Environmental and Social Responsibility
- International Business and Affairs
- Risk Management
- Strategic Transactions; M&A
- Strategy

Current Role
Director

Current Public Company Boards
- HP
- Celanese Corporation
- Lennox International Inc.
- Marathon Petroleum Corporation

Prior Public Company Boards
- None

Qualifications:
Prior Business and Other Experience

- Executive Vice President, General Counsel and Secretary, Andeavor Logistics LP, an integrated marketing, logistics and refining company (2016–2018)
- Executive Vice President, Corporate & Legal Affairs, General Counsel and Corporate Secretary, Kraft Foods Group, Inc., a food and beverage company (2012–2015)
- Senior Vice President, General Counsel and Chief Compliance Officer (2008–2012) and Corporate Secretary (2009–2012), Avon Products, Inc.
- Senior Vice President, Corporate Secretary and Chief Governance Officer, Energy Future Holdings Corp. (formerly TXU Corp.) (2004–2008)
- Former Partner in the Corporate & Securities group at Sidley Austin LLP, a law firm

Other Key Qualifications
Ms. Rucker brings to the Board decades of business leadership and corporate governance experience. Through her roles at Andeavor, Kraft Foods Group, Avon Products and Energy Future Holdings, as well as her experience at the law firm Sidley Austin LLP, Ms. Rucker has substantial experience with complex mergers and acquisitions and regulatory matters, as well as a broad knowledge of law, corporate governance, internal and external communications, government affairs and community involvement activities.

Subra Suresh IND

Age: 65
Director since: 2015
HP Board Committees: Audit, FIT
Skills
- Business and Management
- Disruptive Innovation
- Environmental and Social Responsibility
- Finance and Capital Allocation
- Government and Government Affairs
- Human Capital Management
- Risk Management
- Strategy
- Technology and Science

Current Role
President, Nanyang Technological University, an autonomous global research university in Singapore (since January 2018)

Current Public Company Boards
- HP
- Singapore Exchange Limited

Prior Public Company Boards
- None

Qualifications:
Prior Business and Other Experience

- President, Carnegie Mellon University, a global research university (July 2013–June 2017)
- Independent Director of the Board, Battelle Memorial Institute, Ohio, an international nonprofit that develops and commercializes technology and manages laboratories for government customers (2014–2017)
- Director, National Science Foundation, a federal agency charged with advancing science and engineering research and education (October 2010–March 2013)
- Dean and the Vannevar Bush Professor of Engineering, School of Engineering (2007–2010), and Professor (1993–2013), Massachusetts Institute of Technology

Other Key Qualifications
Dr. Suresh is one of the few Americans to have been elected to all three branches of the U.S. National Academies (Engineering, Sciences and Medicine) in recognition of his considerable scientific and technical accomplishments. Dr. Suresh's experience as the president of two prominent research universities and his experience leading new entrepreneurship and innovation bring the Board valuable insights with respect to strategic opportunities and a deep understanding of the organizational, scientific, and technological requirements of ongoing innovation.

How We Are Selected

Identifying and Evaluating Candidates for Director

The NGSR Committee uses a variety of methods for identifying and evaluating nominees for Director. The NGSR Committee, in consultation with the Chairman, regularly assesses the appropriate size of the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, the NGSR Committee considers various potential candidates for Director. Candidates may come to the attention of the NGSR Committee through current Board members, professional search firms, stockholders or other persons. As part of the search process for each new director, the NGSR Committee actively seeks out diverse candidates to include in the pool from which director candidates are chosen. Identified candidates are evaluated at regular or special meetings of the NGSR Committee and may be considered at any point during the year.

As described below, the NGSR Committee considers properly submitted stockholder recommendations of candidates for the Board to be included in our proxy statement. Following verification of the stockholder status of individuals proposing candidates, recommendations are considered collectively by the NGSR Committee at a regularly scheduled meeting, which is generally the first or second meeting prior to the issuance of the proxy statement for our annual meeting. If any materials are provided by a stockholder in connection with the nomination of a Director candidate, such materials are forwarded to the NGSR Committee. In evaluating such nominations, the NGSR Committee seeks to achieve a balance of diverse knowledge, experience and capability on the Board. The NGSR Committee evaluates nominees recommended by stockholders using the same criteria it uses to evaluate all other candidates. In the case of each of Mr. Broussard and Ms. Rucker, a third-party professional search firm identified each director as a potential director nominee.

Director Nominees and Director Nominees' Experience and Qualifications

The Board annually reviews the appropriate skills and characteristics required of Directors in the context of the current composition of the Board, our operating requirements and the long-term interests of our stockholders. The Board believes that its members should possess a variety of skills, professional experience, and backgrounds in order to effectively oversee our business. In addition, the Board believes that each Director should possess certain attributes, as reflected in the Board membership criteria described below.

Our Corporate Governance Guidelines contain the current Board membership criteria that apply to nominees recommended for a position on the Board. Under those criteria, members of the Board should:

- have the highest professional and personal ethics and values, consistent with our long-standing values and standards;
- have broad experience at the policy-making level in business, government, education, technology or public service;
- be committed to enhancing stockholder value and represent the interests of all of our stockholders; and

- have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience (which means that Directors' service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to responsibly perform all Director duties).

In addition, the NGSR Committee takes into account a potential Director's ability to contribute to the diversity of background (such as race, gender, age and cultural background) and experience represented on the Board, and it reviews its effectiveness in balancing these considerations when assessing the composition of the Board. Although the Board uses these and other criteria as appropriate to evaluate potential nominees, it has no stated minimum criteria for nominees. Our Corporate Governance Guidelines can be found on our website at https://investor.hp.com/governance/governance-documents/default.aspx. In addition, our Bylaws also require that to be qualified to serve as a Director and to be eligible to be a Director nominee, each Director and Director nominee:

- must not have been an officer or director of a company that is a competitor of HP within the prior three years; and
- must not be a named subject of a criminal proceeding (excluding traffic violations and other minor offenses) pending as of the date HP first mails the proxy materials that include the name of the nominee and, within the ten years preceding such date, must not have been convicted in such a criminal proceeding.

All members of the HP Board are provided with opportunities for Director education on an ongoing basis, covering a variety of subjects relevant to HP. Recent topics have included strategy, innovation, people and culture development, best practices in governance and leadership, ethics and compliance, industry updates and technology trends.

The Board believes that all the nominees named above are highly qualified and have the skills and experience required for effective service on the Board. All the nominees named above have indicated to us that they will be available to serve as Directors. In the event that any nominee should become unavailable, the proxy holders, Enrique Lores and Harvey Anderson, will vote for a substitute nominee or nominees designated by the Board, if it decides do so. If any substitute nominees are so designated, we will file an amended proxy statement or additional soliciting material that, as applicable, identifies the substitute nominees, discloses that such nominees have consented to being named in the amended proxy statement or additional soliciting material and to serve as directors if elected, and includes certain biographical and other information about such nominees required by the applicable SEC rules.

There are no family relationships among our executive officers and Directors.

Annual Self-Evaluation

Annually, the Board and each Committee conduct a self-evaluation, overseen by the NGSR Committee.

Evaluation Process and Assessment

The NGSR Committee, working with the independent Chairman, determines the process, scope and contents of the Board's annual self-evaluation. As part of this process, tailored questionnaires for the Board and each Committee are reviewed and approved by the independent Chairman and the Chair of the NGSR Committee prior to the distribution to each of the directors.

Topics include:

- Board and Committee roles, effectiveness, and topical focus
- Board and Committee composition and size
- Board oversight of strategic priorities and risk matters
- Access to management, experts and internal and external resources

Review and Discussion

Following completion of the questionnaires, the Chair of the NGSR Committee and independent Chairman meet individually with each director to solicit individual feedback. The results of the Committee evaluations are shared with the Chairs of each Committee on an anonymized basis. The Chair of the NGSR Committee then provides the NGSR Committee and the Board with a summary of responses to the questionnaires. Separately, each Committee Chair additionally reviews the applicable Committee self-evaluation results with members of the relevant Committee.

Feedback Incorporated

Policies and practices are enhanced as a result of the self-evaluation results.

Stockholder Recommendations

The policy of the NGSR Committee is to consider properly submitted stockholder recommendations of candidates for membership on the Board as described above under the heading "Identifying and Evaluating Candidates for Director." In evaluating such recommendations, the NGSR Committee seeks to achieve a balance of diverse knowledge, experience and capability on the Board and to consider all applicable membership criteria. Any stockholder recommendations submitted for consideration by the NGSR Committee should include verification of the stockholder status of the person submitting the recommendation and the recommended candidate's name and qualifications for Board membership and should be addressed to our Corporate Secretary at HP Inc., 1501 Page Mill Road, Palo Alto, California 94304.

Stockholder Nominations

In addition, our Bylaws permit stockholders to nominate Directors for consideration at an annual stockholder meeting and, under certain circumstances, to include their nominees in the HP proxy statement. For a description of the process for nominating Directors in accordance with our Bylaws, see "Questions and Answers—Voting Information."

How We Are Organized

Current Committee Memberships

Name	Audit	Finance, Investment and Technology	HR and Compensation	Nominating, Governance and Social Responsibility
Independent Directors				
Aida M. Alvarez			●	●
Shumeet Banerji			●	👤
Robert R. Bennett 🖩	●	👤		
Charles "Chip" V. Bergh			●	●
Bruce Broussard			●	●
Stacy Brown-Philpot 🖩	●			●
Stephanie A. Burns		●	👤	
Mary Anne Citrino 🖩	👤	●		
Richard L. Clemmer 🖩	●	●		
Judith "Jami" Miscik	●			●
Kim K.W. Rucker	●			●
Subra Suresh 🖩	●	●		
Other Directors				
Enrique Lores				

● Member 👤 Chair 🖩 Audit Committee "financial expert"

Audit Committee

Mary Anne Citrino
Chair

Other Members:
Robert R. Bennett
Stacy Brown-Philpot
Richard L. Clemmer
Judith "Jami" Miscik
Kim K.W. Rucker
Subra Suresh

Number of Meetings: 13

We have an Audit Committee established in accordance with the requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee represents and assists the Board in fulfilling its responsibilities for overseeing our financial reporting processes and the audit of our financial statements.

Specific duties and responsibilities of the Audit Committee include, among other things:

Independent Registered Public Accounting Firm

- appointing, overseeing the work of, evaluating, compensating and retaining the independent registered public accounting firm and discussing with the independent registered public accounting firm its relationships with HP and its independence; and
- periodically considering whether there should be a regular rotation of the accounting firm in order to assure continuing independence.

Audit & Non-Audit Services; Financial Statements; Audit Report

- reviewing and approving the scope of the annual independent audit, the audit fee, and other audit services; and
- overseeing our financial reporting processes and the audit of our financial statements, including the integrity of our financial statements.

Disclosure Controls; Internal Controls & Procedures; Legal Compliance

- reviewing our disclosure controls and procedures, internal controls, internal audit function, and corporate policies with respect to financial information and earnings guidance;
- reviewing HP's information and technology security policies and the internal controls regarding information and technology security and cybersecurity; and
- overseeing compliance with legal and regulatory requirements.

Risk Oversight and Assessment

- overseeing management's measures to proactively and cooperatively address operational risks across functions;
- reviewing key functional and business risk areas, including specific critical risks identified by our enterprise risk management program;
- reviewing significant risks or exposures relating to litigation and other proceedings and regulatory matters that may have a significant impact on our financial statements; and
- reviewing other risks relating to the matters described above and management's approach to addressing these risks.

The Board determined that Ms. Citrino, Chair of the Audit Committee, and each of the other Audit Committee members (Mr. Bennett, Ms. Brown-Philpot, Mr. Clemmer, Ms. Miscik, Ms. Rucker and Dr. Suresh) are independent within the meaning of the New York Stock Exchange ("NYSE") and SEC standards of independence for directors and audit committee members and have satisfied the NYSE financial literacy requirements. The Board also determined that each of Mr. Bennett, Ms. Brown-Philpot, Ms. Citrino, Mr. Clemmer and Dr. Suresh is an "audit committee financial expert" as defined by the SEC rules.

The report of the Audit Committee is included on page 40.

Finance, Investment and Technology Committee

Robert R. Bennett
Chair

Other Members:
Stephanie A. Burns
Mary Anne Citrino
Richard L. Clemmer
Subra Suresh

Number of Meetings: 12

The Finance, Investment and Technology ("FIT") Committee provides oversight of the finance and investment functions of HP.

The FIT Committee's responsibilities and duties include, among other things:

Treasury Matters

- reviewing or overseeing significant treasury matters such as capital structure and allocation strategy, derivative policy, global liquidity, fixed income investments, borrowings, currency exposure, dividend policy, share issuances and repurchases, employee benefit fund matters and plan performance, and capital spending.

M&A Transactions & Strategic Alliances

- assisting the Board in evaluating investment, acquisition, enterprise services, joint venture and divestiture transactions in which we engage as part of our business strategy from time to time; and
- overseeing our integration planning and execution and the financial results of such transactions after integration.

Capitalization; Debt & Obligations; Swaps

- reviewing and overseeing company investing decisions, capital structure, and the allocation of free cash flow, as well as overseeing our loans and loan guarantees of third-party debt and obligations; and
- reviewing and overseeing the execution of HP's strategic plans and the Value Plan.

Technology Strategies & Guidance

- overseeing the execution of technology strategies formulated by management and making recommendations to the Board as to scope, direction, quality, investment levels, and execution of our technology strategies; and
- providing guidance on technology as it may pertain to, among other things, market entry and exit; investments, mergers, acquisitions and divestitures; new business divisions and spin-offs; R&D investments; and key competitor and partnership strategies.

Risk Oversight and Assessment

- overseeing the execution of derivatives and financial risk hedging strategy;
- assessing risk and return of financial investments and managing risk levels in the deployment of capital;
- reviewing acquisition and integration risks associated with M&A transactions and strategic alliances; and
- reviewing other risks relating to the matters described above and management's approach to addressing these risks.

Nominating, Governance and Social Responsibility Committee

Shumeet Banerji
Chair

Other Members:
Aida M. Alvarez
Charles “Chip” V. Bergh
Bruce Broussard
Stacy Brown-Philpot
Judith “Jami” Miscik
Kim K.W. Rucker

Number of Meetings: 5

The NGSR Committee oversees and represents and assists the Board (and management, as applicable) in fulfilling its responsibilities relating to our corporate governance, Director nominations and elections, HP’s policies and programs relating to global citizenship and other legal, regulatory and compliance matters relating to current and emerging political, environmental, global citizenship and public policy trends.

Specific duties and responsibilities of the NGSR Committee include, among other things:

Board Matters

- developing and recommending to the Board the criteria for identifying and evaluating Director candidates and identifying and recommending candidates to be nominated for election as Directors at our annual meeting, consistent with criteria approved by the Board, as well as director succession planning;
- annually assessing the size, structure, functioning, and composition of the Board and recommending assignments of Directors to Board committees and chairs of Board committees; and
- periodically reviewing the Board’s leadership structure, recommending changes to the Board as appropriate.

HP Governing Documents & Corporate Governance Guidelines & Other Policies

- conducting a preliminary review of Director independence and the financial literacy and expertise of Audit Committee members, and making recommendations to the Board related to such matters; and
- developing and regularly reviewing corporate governance principles, including our Corporate Governance Guidelines.

ESG Matters

- reviewing emerging corporate governance issues and practices;
- reviewing HP’s annual “Sustainable Impact Report,” which addresses HP’s supply chain and environment and sustainability performance; and
- overseeing the policies relating to, and the way HP conducts, its government relations activities.

Risk Oversight and Assessment

- identifying, evaluating, and monitoring social, political, and environmental trends, issues, concerns, and risks;
- monitoring legislative proposals and regulatory developments that could significantly affect the public affairs of HP; and
- reviewing other risks relating to the matters described above and management’s approach to addressing these risks.

The Board determined that Mr. Banerji, who serves as Chair of the NGSR Committee, and each of the other NGSR Committee members (Ms. Alvarez, Mr. Bergh, Mr. Broussard, Ms. Brown-Philpot, Ms. Miscik and Ms. Rucker) are independent within the meaning of the NYSE director independence standards.

HR and Compensation Committee

Stephanie A. Burns
Chair

Other Members:
Aida M. Alvarez
Shumeet Banerji
Charles "Chip" V. Bergh
Bruce Broussard

Number of Meetings: 6

The HR and Compensation ("HRC") Committee discharges the Board's responsibilities related to the compensation of our executives and Directors and provides general oversight of our compensation structure, including our equity compensation plans and benefits programs.

Specific duties and responsibilities of the HRC Committee include, among other things:

Executive Compensation Philosophy, Peer Group, Design, & Performance Reviews

- reviewing the overall compensation philosophy and strategy with respect to HP's executive officers and reviewing and approving short-term and long-term incentive plan design, structure and goals;
- conducting annual performance evaluation of the CEO; soliciting feedback across the organization and recommending all elements of the CEO's compensation to the independent members of the Board for their review and approval; and
- reviewing and approving objectives relevant to other executive officer compensation such as performance feedback and evaluating performance and determining the compensation of other executive officers in accordance with those objectives.

Other Compensation & Employee Benefit Plans

- overseeing and monitoring the effectiveness of non-equity-based benefit plan offerings, including but not limited to non-qualified deferred compensation, fringe benefits, and any perquisites, in particular those pertaining to Section 16 officers, and approving any material new employee benefit plan or change to an existing plan that creates a material financial commitment by HP; and
- monitoring analysis on pay equity as well as assessing analytical tools that can provide more real time assessments.

Director Compensation

- establishing compensation policies and practices for service on the Board and its committees, including annually reviewing the appropriate level of Director compensation and recommending to the Board any changes to that compensation.

Executive Succession Planning & Leadership Development

- reviewing senior management selection and overseeing succession planning, leadership development and driving CEO succession planning process in partnership with the Chairman and full Board.

Risk Oversight and Assessment

- overseeing, approving, and evaluating HP's overall human resources and compensation structure, policies and programs, assessing whether they establish appropriate incentives and leadership development opportunities for management and other employees, and confirming they do not encourage risk taking that is reasonably likely to have a material adverse effect on HP.

People Processes & Culture

- reviewing employee engagement and cultural initiatives including key training and development programs (such as leadership and manager training, unconscious bias), Diversity, Equity and Inclusion (DEI) programs and results of the annual employee engagement survey; and
- monitoring the key health metrics to evaluate the workforce including workforce diversity and inclusion, pay equity, employee engagement key hires, turnover and retention and restructuring.

The Board determined that Dr. Burns, who serves as Chair of the HRC Committee, and each of the other HRC Committee members (Ms. Alvarez, Mr. Banerji, Mr. Bergh and Mr. Broussard) are independent within the meaning of the NYSE standards of independence for directors and compensation committee members.

About Our Corporate Governance

Governance Practices

HP has a history of strong corporate governance and we have always led by example, adopting changes in line with our commitment to the highest standards of governance. As part of this commitment, the Board takes an active role in ensuring we embrace "best practices" in corporate governance and recognizes the importance of soliciting input from HP's stockholders and other stakeholders. The following examples highlight some of the key features of our corporate governance policies and practices, including updates we have recently made to strengthen our policies and practices:

- ✔ Independent Board Chairman
- ✔ Supermajority of independent directors
- ✔ Reasonable average director tenure
- ✔ Annual election of directors
- ✔ Majority vote for directors in uncontested elections
- ✔ Committee memberships limited to independent directors
- ✔ Executive sessions of non-employee directors
- ✔ Annual Board and Committee self-evaluations
- ✔ Strong director and officer stock ownership guidelines
- ✔ Director-shareholder engagement program
- ✔ One share, one vote
- ✔ Stockholder right to call a special meeting (15% threshold)
- ✔ Stockholder right to proxy access (3% threshold for 3 years)
- ✔ No poison pill

Board Leadership Structure

The HP Board periodically evaluates its leadership structure, taking into account the evolving needs of the business and the interests of HP's stockholders. The Board believes that it is in the best interests of the Company and its stockholders to separate the Chairman of the Board and Chief Executive Officer roles and for our Chairman to be independent. Currently, Mr. Bergh serves as our independent Chairman of the Board. Our Board believes that our current structure, with an independent Chairman who is well-versed in the needs of a complex business and has strong, well-defined governance duties, gives our Board a strong leadership and corporate governance structure that best serves the needs of HP and its stockholders. The Board will continue to evaluate its leadership structure on an ongoing basis and may make changes as appropriate to HP and its future needs.

Charles "Chip" V. Bergh
Independent Chairman

The independent Chairman has the following responsibilities:

- oversees the planning of the annual Board calendar;
- in consultation with the CEO and the other Directors, schedules, approves and sets the agenda for meetings of the Board and chairs and leads the discussion at such meetings;
- chairs HP's annual meeting of stockholders;
- is available in appropriate circumstances to speak on behalf of the Board and for consultation and direct communication with major stockholders upon request;
- provides guidance and oversight to management;
- helps with the formulation and implementation of HP's strategic plan;
- serves as the Board liaison to management;
- has the authority to call meetings of the independent Directors and schedules, sets the agenda for, and presides at executive sessions of the independent Directors;
- approves information sent to the Board;
- reviews/is consulted in preparing agendas for committee meetings;
- works with the HRC Committee to coordinate the annual performance evaluation of the CEO;
- works with the NGSR Committee to oversee the Board and committee evaluations and recommends changes to improve the Board, the committees, and individual Director effectiveness; and
- performs such other functions and responsibilities as set forth in the Corporate Governance Guidelines or as requested by the Board from time to time.

Executive Sessions

During fiscal 2021, the Directors regularly met in executive session, including executive sessions of only the independent Directors. Throughout fiscal 2021, Mr. Bergh served as independent Chairman. As such, Mr. Bergh scheduled and chaired each executive session held during fiscal 2021. Any independent Director may request that an additional executive session be scheduled. Board Committees also have regular executive sessions without management present.

Meeting Attendance

During fiscal 2021, the Board held seven meetings, all of which included executive sessions. Each incumbent Director serving during fiscal 2021 attended at least 75% of the aggregate of all Board and applicable committee meetings held during the period that he or she served as a Director. During fiscal 2021, we had the following four standing committees, which held the number of meetings indicated in parentheses during fiscal 2021: Audit Committee (13); FIT Committee (12); HRC Committee (6); and NGSR Committee (5). All the committee charters are available on our investor relations website at https://investor.hp.com/governance/governance-documents/default.aspx.

Directors are encouraged to participate in our annual meeting of stockholders. Twelve of our thirteen then-serving Directors attended our last annual meeting, held on April 13, 2021.

Director Independence

Our Corporate Governance Guidelines, which are available on our website at https://investor.hp.com/governance/governance-documents/default.aspx, provide that a substantial majority of the Board will consist of independent Directors and that the Board can include no more than three Directors who are not independent Directors. The independence standards can be found as Exhibit A to our Corporate Governance Guidelines. Our Director independence standards are consistent with, and in some respects more stringent than, the NYSE director independence standards. In addition, each member of the Audit Committee meets the heightened independence standards required for audit committee members under the applicable listing and SEC standards and each member of the HRC Committee meets the heightened independence standards required for compensation committee members under the applicable listing standards and SEC standards.

Under our Corporate Governance Guidelines, a Director will not be considered independent in the following circumstances:

- The Director is, or has been within the last three years, an employee of HP, or an immediate family member of the Director is, or has been within the last three years, an executive officer of HP.
- The Director has been employed as an executive officer of HP, its subsidiaries or affiliates within the last five years.
- The Director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $120,000 in direct compensation from HP, other than compensation for Board service, compensation received by a Director's immediate family member for service as a non-executive employee of HP, and pension or other forms of deferred compensation for prior service with HP that is not contingent on continued service.
- (A) The Director or an immediate family member is a current partner of the firm that is HP's internal or external auditor; (B) the Director is a current employee of such a firm; (C) the Director has an immediate family member who is a current employee of such a firm and who personally worked on HP's audit; or (D) the Director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on HP's audit within that time.
- The Director or an immediate family member is, or has been in the past three years, employed as an executive officer of another company where any of HP's present executive officers at the same time serves or has served on that company's compensation committee.
- The Director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, HP for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million, or 2% of such other company's consolidated gross revenues for such company's last completed fiscal year.
- The Director is affiliated with a charitable organization that receives significant contributions from HP.
- The Director has a personal services contract with HP or an executive officer of HP.

For these purposes, an "immediate family" member includes a person's spouse, parents, stepparents, children, step-children, siblings, mother- and father-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares the Director's home.

In determining independence, the Board reviews whether Directors have any material relationship with HP. An independent Director must not have any material relationship with HP, either directly or as a partner, stockholder or officer of an organization that has a relationship with HP, nor any relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director. In assessing the materiality of a Director's relationship to HP, the Board considers all relevant facts and circumstances, including consideration of the issues from the Director's standpoint and from the perspective of the persons or organizations with which the Director has an affiliation, and is guided by the standards set forth above.

In making its independence determinations, the Board considered transactions occurring since the beginning of fiscal 2019 between HP and entities associated with the independent Directors or their immediate family members. In addition to the transactions described below under the heading "Fiscal 2021 Related-Person Transactions," if any, the Board's independence determinations included consideration of the following transactions:

Current Directors:

- Mr. Bergh has served as President and Chief Executive Officer and a Director of Levi Strauss & Co. since September 2011. HP has entered into transactions for the purchase and sale of goods and services in the ordinary course of its business during the past three fiscal years with Levi Strauss & Co. The amount that HP paid in each of the last three fiscal years to Levi Strauss & Co., and the amount received in each fiscal year by HP from Levi Strauss & Co., did not, in any of the previous three fiscal years, exceed the greater of $1 million or 2% of either company's consolidated gross revenues.

- Mr. Broussard has served as President and Chief Executive Officer of Humana Inc. since 2011 and 2013, respectively. HP has entered into transactions for the purchase and sale of goods and services in the ordinary course of its business during the past three fiscal years with Humana. The amount that HP paid in each of the last three fiscal years to Humana, and the amount received in each fiscal year by HP from Humana, did not, in any of the previous three fiscal years, exceed the greater of $1 million or 2% of either company's consolidated gross revenues.
- Dr. Suresh has served as President of Nanyang Technological University since January 2018. HP has entered into transactions for the purchase and sale of goods and services in the ordinary course of its business during the past three fiscal years with Nanyang Technological University. The amount that HP paid in each of the last three fiscal years to Nanyang Technological University, and the amount received in each fiscal year by HP from Nanyang Technological University, did not, in any of the previous three fiscal years, exceed the greater of $1 million or 2% of either entity's consolidated gross revenues.
- Ms. Matsuoka, who served on our Board during fiscal 2021 until April 2021, has served as Division CEO at Panasonic since October 2019. HP has entered into transactions for the purchase and sale of goods and services in the ordinary course of its business during the past three fiscal years with Panasonic. The amount that HP paid in each of the last three fiscal years to Panasonic, and the amount received in each fiscal year by HP from Panasonic, did not, in any of the previous three fiscal years, exceed the greater of $1 million or 2% of either company's consolidated gross revenues.
- Each of Mr. Banerji, Mr. Bennett, Mr. Broussard, Ms. Brown-Philpot, Dr. Burns, Ms. Citrino, Ms. Miscik and Ms. Rucker, as well as Ms. Matsuoka and Mr. Mobley, each of whom served on our Board for a portion of fiscal 2021, or one of their immediate family members, is a non-employee director, trustee or advisory board member of another company that did business with HP at some time during the past three fiscal years. These business relationships were as a supplier or purchaser of goods or services in the ordinary course of business.

As a result of this review, the Board has determined the transactions described above and below under the heading "Fiscal 2021 Related-Person Transactions," if any, would not interfere with the Director's exercise of independent judgment in carrying out the responsibilities of a Director. The Board has also determined that, with the exception of Mr. Lores, (i) each of HP's remaining Directors, including Ms. Alvarez, Mr. Banerji, Mr. Bennett, Mr. Bergh, Mr. Broussard, Ms. Brown-Philpot, Dr. Burns, Ms. Citrino, Mr. Clemmer, Ms. Matsuoka (during the portion of fiscal 2021 she served on the Board), Ms. Miscik, Mr. Mobley (during the portion of fiscal 2021 he served on the Board), Ms. Rucker and Dr. Suresh, and (ii) each of the members of the Audit Committee, the HRC Committee and the NGSR Committee, has (or had) no material relationship with HP (either directly or as a partner, stockholder or officer of an organization that has a relationship with HP) and is (or was) independent within the meaning of the NYSE and our Director independence standards. The Board has determined that Mr. Lores is not independent because of his status as our current President and CEO.

Board Operations

Board Leadership

Chairman

Charles "Chip" V. Bergh

Other Members:
Aida M. Alvarez
Shumeet Banerji
Robert R. Bennett
Bruce Broussard
Stacy Brown-Philpot
Stephanie A. Burns
Mary Anne Citrino
Richard L. Clemmer
Enrique Lores
Judith "Jami" Miscik
Kim K.W. Rucker
Subra Suresh

Seven meetings in fiscal 2021

Committee Chairs

Mary Anne Citrino

Audit

Robert R. Bennett

Finance, Investment and Technology

Stephanie A. Burns

HR and Compensation

Shumeet Banerji

Nominating, Governance and Social Responsibility

2021 Highlights

- Corporate strategy
- Enterprise risk management
- Supply chain resiliency
- Diversity, equity and inclusion
- Sustainable Impact and ESG goals and performance
- Value plan allocation and long-term plan
- Data privacy
- Talent review, succession planning and human capital management
- Board refreshment
- Core and growth businesses
- Macroeconomic, geopolitical and regulatory landscape

Board Oversight of Strategy

One of the Board's primary responsibilities is overseeing management's establishment and execution of HP's strategy and the associated risks. The full Board oversees strategy and strategic risk through constructive engagement with management. The diverse mix of highly relevant and complementary skills, experiences and backgrounds our directors possess helps facilitate strong oversight of HP's management and HP's strategy to advance, disrupt and transform. At least annually, management reviews with the Board HP's overall corporate strategy and key commercial and strategic risks and the Board provides input to management. Throughout the year, the Board reviews HP's progress against its strategic plan. In addition, throughout the year, the Board reviews specific strategic initiatives and provides additional oversight.

Board Oversight of Risk

The Board, with the assistance of committees of the Board as discussed below, reviews and oversees our enterprise risk management ("ERM") program. This enterprise-wide 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. The ERM program was established to clearly define risk management roles and responsibilities, bring together senior management to discuss risk, promote visibility and constructive dialogue around risk at the senior management and Board levels and facilitate appropriate risk response strategies. Under the ERM program, management develops a holistic portfolio of our enterprise risks by facilitating business and function risk assessments, performing targeted risk assessments and incorporating information regarding specific categories of risk gathered from various internal HP 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.

The Board also considers specific risk topics in connection with this process. For example, information and technology security is a critical part of our risk management program. HP has a dedicated Chief Information Security Officer (CISO), whose team is responsible for leading HP's information and technology security policies, standards, and processes. Additionally, HP employees and contractors are required to complete trainings that cover security and privacy best practices and company policies. The Board regularly receives updates from management regarding our information and technology security program, and, at least quarterly, the CISO reports directly to the Board or the Audit Committee on these matters.

The Board oversees management's implementation of the ERM program, including reviewing our enterprise risk portfolio and evaluating management's approach to addressing identified risks. Various Board committees also contribute to the oversight and management of risks, and supplement the ERM program, within their respective areas of responsibility, as follows:

BOARD

- Stays informed of our risk profile and oversees ERM program
- Considers risk in connection with strategic planning and other matters

AUDIT

- Financial reporting and processes
- Selection and performance of independent auditor
- Audit and non-audit services
- Internal and disclosure controls and procedures
- Internal audit staffing and performance
- Risk assessment and management
- Information and technology security

FINANCE, INVESTMENT AND TECHNOLOGY

- Treasury policy and operations
- Liquidity
- Capital allocation, investment, and shareholder return
- Mergers and acquisitions
- Growth and technology strategies
- Risk assessment and management

HR AND COMPENSATION

- HR policy
- Executive and director compensation
- CEO and executive succession planning
- Talent and leadership development
- Diversity, equity and inclusion
- Risk assessment and management

NOMINATING, GOVERNANCE AND SOCIAL RESPONSIBILITY

- Board composition and tenure
- Director recruiting
- Public policy and government relations
- Sustainability impact and social responsibility
- Risk assessment and management

HP MANAGEMENT

HP Management advises the Board and its Committees of key risks and the status of ongoing efforts to address these risks

Spotlight on Board Oversight of ESG

The Board and its committees actively oversee HP's Sustainable Impact, strategy and related risks. Below we have included an update on our Board's involvement in our Environmental, Social and Governance ("ESG") efforts.

Climate Action

The NGSR Committee oversees HP's progress on ESG policies and programs including relevant sustainability issues related to carbon emissions, circularity and forests. The Board receives regular updates on our progress toward our sustainable impact and targets.

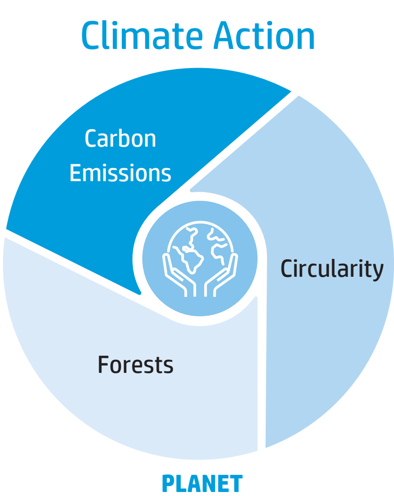
Human Rights

The HRC Committee provides guidance and direction regarding our talent recruitment and retention strategies, including management succession planning, with a focus on ensuring our leadership represents the diversity of our workforce and customers worldwide. The Audit Committee's oversight of our ERM program includes oversight of our global human rights program and supply chain responsibility program and policies, which involves working with our suppliers to protect and empower all workers in our supply chain, not just HP employees.

Digital Equity

The Board and Committees provide input on broad-based strategies to accelerate digital equity, and for corporate giving, including financial funding and employee engagement.

Our Approach to Accelerating our ESG Impact

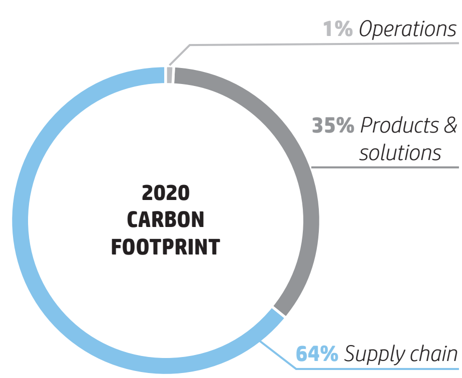


Shrinking Our Footprint

With a focus on carbon emissions, circularity, and forests, HP is taking a holistic approach to addressing our impact on climate change.

We are working to reduce climate impacts across our entire value chain, which includes our supply chain, our own operations, and customer use of our products and services. **Our ultimate goal is to achieve net zero greenhouse gas (GHG) emissions by 2040, with an interim goal to reduce our absolute value chain emissions 50 percent, compared to 2019 levels, by 2030.** This target is in line with the latest climate science and the 1.5°C reduction pathways called for by the Paris Agreement.

More information on our goals and progress is reported in our annual Sustainable Impact Report, available on our website.



To better meet the needs of investors and other stakeholders, this year we added a Task Force on Climate-related Financial Disclosures index to our Sustainable Impact Report. Our Sustainable Impact Report now includes disclosures aligned with the following ESG frameworks: Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosure (TCFD), Global Reporting Initiative (GRI), and the World Economic Forum International Business Council (WEF IBC).

Human Rights

PEOPLE

Driving Impact Through Our Supply Chain

Through our supply chain responsibility program, we work to improve labor conditions within supplier factories, tackle industry-wide challenges such as forced labor and conflict minerals, and build essential worker and management skills and capabilities.

We engage with suppliers in a wide range of ways to promote responsibility. Suppliers representing 95% of HP's total production supplier spend have gone through a social and environmental assessment, and suppliers representing about 40% of production supplier spend completed on-site social and environmental audits during 2020.

We are aiming to reach one million workers by 2030 through worker empowerment programs that will go above and beyond the typical risk management approach to seek positive changes through training and personal development.

In 2020

46,000

supplier factory workers participated in five worker empowerment programs

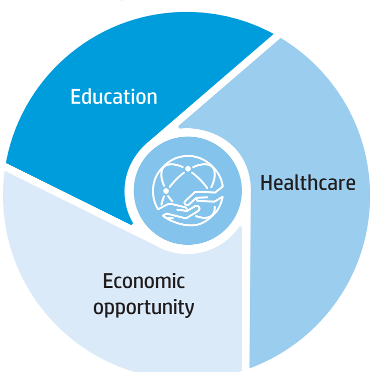
13%

increase in factory participation in HP's supply chain sustainability programs, compared to 2015

Diversity, Equity and Inclusion

Innovation at HP comes from the diverse perspectives, knowledge, and experiences of our employees. We strive to create an inclusive workplace where people can bring their authentic selves to work. As part of our Sustainable Impact strategy, we set aggressive targets, including achieving 50/50 gender equality in leadership by 2030. For additional information on diversity, equity and inclusion at HP, please refer to "Our Approach to Human Capital Management."

Digital Equity



COMMUNITY

Accelerating Digital Equity

The digital divide is the economic, educational and social inequalities that exist between those that have access to the hardware, connectivity, quality and relevant content, and digital literacy—and those who do not. Digital equity is the path for everyone, everywhere to have equal access to education, healthcare and economic opportunity. We believe digital equity will be achieved when every person has equitable and inclusive access to skills and knowledge, services and opportunities in the digital economy.

Our goal is to accelerate digital equity for 150 million people by 2030 through one or more of these key elements: hardware (e.g., laptop or printer), connectivity (e.g., access to the Internet), quality, relevant content (e.g., learning materials), and digital literacy (e.g., skills to use the technology). Our work contributes to the UN Sustainable Development Goals and focuses on four communities that are most likely to experience the digital divide: women and girls, people with disabilities (including aging populations), historically excluded and marginalized communities, and educators and practitioners.

50+ million

students & adult learners have benefited from HP's education programs and solutions since the beginning of 2015

155,000

new users reached through HP LIFE in 2020—up 210% from 2019

Driving Local Impact

We contribute skills, technology, partnerships, and investments to strengthen the resilience and vitality of our local communities and connect them to greater economic and social opportunity through technology.

In 2020, providing relief and support for those affected by COVID-19 was a primary focus. HP donated $13.86 million in products during the year, and the HP Foundation contributed $3 million in grants to support communities impacted by the pandemic: $1 million to provide critical medical supplies, and $2 million for broader relief. The HP Foundation also expanded the **HP LIFE** program to reach students and learners around the world who had their educations interrupted by school closures and a lack of access to technology.

In 2020

$17.57M
in corporate giving (cash contributions and products)

$9.88M
in HP Foundation giving

127,000
volunteering hours contributed by 6,650 employees

$2.65M
in employee giving

10,400
volunteer hours during 40 Days of Doing Good, supporting 112 projects

Our Approach to Human Capital Management

Approximately 51,000 employees worldwide power HP's innovation, contributing unique perspectives and a growth mindset to create breakthrough technologies and transformative solutions. We are committed to fostering a diverse, equitable, and inclusive workplace that attracts, retains, and advances exceptional talent. Through ongoing employee development, comprehensive compensation and benefits, and a focus on health, safety, and employee wellbeing, we strive to support our employees in all aspects of their lives so they can do their best work—while learning, growing, and feeling engaged.

The Board's Role in Human Capital Management

Our Board, through the HRC Committee, oversees HP's key human capital management strategies and programs and is responsible for, among other things:

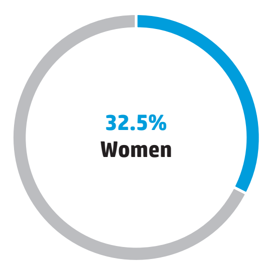
- reviewing employee engagement and cultural initiatives including key training and development programs, diversity, equity and inclusion programs and results of the annual employee engagement survey; and
- monitoring key workforce health metrics including workforce diversity, key hires, turnover and retention and restructuring.

Management regularly updates the Board and the HRC Committee on the status of such initiatives and programs.

Diversity, Equity and Inclusion (DEI)

Innovation at HP comes from the diverse perspectives, backgrounds, knowledge, and unique experiences of our employees. We strive to create an inclusive workplace where people bring their authentic selves to work and can reach their full potential.

Our commitment to DEI starts at the top with a highly knowledgeable, skilled and diverse board of directors. We are among the top technology companies for women in executive positions. Women represent 32.5% of HP's full-time executive positions globally. We are committed to improving representation of women at HP overall, with an intentional focus on leadership and technical roles globally.



In fiscal year 2021, 44.8% of our U.S. hires were ethnically diverse. We continue to work on removing barriers for underrepresented employees by creating equitable programs, training and development opportunities to grow and promote our employees.

To ensure leadership embeds a strong focus on DEI, each executive leader has individual performance goals under the Management by Objectives ("MBOs") program tied to DEI. Our Board has ongoing oversight of these programs.

HP is committed to embracing a culture that not only denounces racism but is actively anti-racist, and to using HP's platform, technology, and resources as a force for positive change. HP's Racial Equality and Social Justice Taskforce addresses systemic racism by advancing efforts inside HP, accelerating our external ecosystem and affecting change at the local and national level.

Pay Equity

We believe people should be paid equitably for what they do and how they do it, regardless of their gender, race, or other personal characteristics. To deliver on that commitment, we benchmark and set pay ranges based on relevant market data and consider factors such as an employee's role and experience, and their performance. We also regularly review our compensation practices, both in terms of our overall workforce and individual employees, to ensure our pay is fair and equitable.

For the past five years, HP has reviewed employees' compensation with the support of independent third-party experts to ensure consistent pay practices.

HP expanded its annual pay equity assessment in fiscal year 2021 — evaluating the nine countries with our largest employee populations, representing 72% of our global workforce. The independent analysis determined there were no systemic issues.

Any areas of potential concern, considering what we would expect employees to be paid when evaluating their skills, qualifications, and experience were reviewed and addressed as part of our off-cycle compensation process.

Employee Engagement

We have focused on driving engagement in three focus areas:

Improving the Way We Work:	Developing Our People:	Building Our Future:
Enhancing tools and processes to increase employee productivity and effectiveness.	Bolstering learning and development to maximize career growth opportunities and creating an inclusive work environment where all can thrive.	Driving innovation, agility, and employee alignment with HP's strategy and direction.

As part of our employee engagement process, we regularly collect feedback from employees to better understand and improve their experiences and identify opportunities to strengthen our culture. In fiscal year 2021, 95% of employees participated in our annual employee engagement survey. Employee engagement globally remained stable as compared to fiscal year 2020. Ethics and integrity as well as employees feeling that HP values diversity were both highly rated, at 96% and 94%, respectively. Our Inclusion Index reported 87% of employees experience an inclusive work environment at HP.

Talent and Learning

HP employees have access to a wide range of development opportunities, including virtual, social, and self-directed learning, as well as mentoring and coaching. We offer a variety of collaborative learning experiences, connection to a network of subject matter experts, and a social learning platform that enables employees to integrate development into their daily routines.

In fiscal year 2021, 99% of employees participated in learning and development activities, and we estimate that employees (on average) spent more than 30 hours participating in development activities through the year. The 2021 annual employee survey revealed that 84% of employees felt HP actively supported their learning and development.

Through fiscal year 2021 we accelerated our transition toward more holistic approaches of employee development, with additional trainings supporting employee wellbeing and remote working. More than 25,000 employees participated in new virtual business, professional, digital, and career development live trainings.

In addition to the above, we have key focus areas on leadership development and digital skills. Our priority leadership development programs included our new Hire EQ development program to improve our diversity hiring practices, and the Senior Leader Meeting Connect program to develop global business leadership insights and learn from external best practices. In fiscal year 2021, we continued our focus on the HP digital literacy campaign (Speak Digital) targeted to all employees to increase knowledge of digital technologies and emerging trends in customer experience and innovation.

Health, Safety and Wellness

The physical health, financial wellbeing, life balance and mental health of our employees are vital to HP's success. Our environmental, health, and safety leadership team uses our global injury and illness reporting system to assess worldwide and regional trends as a part of quarterly reviews. Our manufacturing facilities represent our most significant health and safety risks due to higher potential exposure to chemicals and machinery related hazards. Reducing and effectively managing risks at these facilities remains a focus, and injury rates continue to be low.

We also sponsor a global wellness program designed to enhance physical, financial, and mental wellbeing for all our employees around the world.

Throughout the year, we encourage healthy behaviors through regular communications, educational sessions, voluntary progress tracking, wellness challenges, and other incentives.

Throughout the COVID-19 pandemic, a top priority of HP's has been the health, safety, and wellbeing of employees and their families. Our cross-functional COVID-19 program management office meets regularly to review the latest data from HP business and site leaders, identify and address emerging risks, and formulate HP's response to actions taken by governments and public policy organizations. We've put in place global policies and protocols based on guidance from healthcare experts and public health leaders, and regularly review and update them to reflect the best, most current information available.

Hybrid Work Strategy

We are embracing hybrid ways of working across HP and introduced new flexible working guidelines in July 2021. Hybrid Work at HP balances more workplace flexibility with time together to collaborate and connect in person at our HP sites. Our goal is to provide the ability to work seamlessly across a diverse ecosystem of workplaces, enabled by enhanced tools and technology designed to optimize productivity and collaboration.

In summary, we aim to cultivate a healthy, supportive and inclusive environment that enables employees to do their best work, while developing themselves and reaching their full potential.

Compensation Risk Assessment

During fiscal 2021, Frederic W. Cook and Co., Inc. ("FW Cook"), independent compensation consultant to the HRC Committee, conducted an annual risk assessment of our executive compensation program as well as incentive and commission arrangements below the executive level. In addition, management separately reviewed the administration and controls for incentive plans below the executive level.

Based on these reviews, the HRC Committee concluded that our compensation program does not create risks that are reasonably likely to have a material adverse effect on HP, and that our program reflects a balance in design, policies, management controls, and HRC Committee oversight that is consistent with market "best-practice" for mitigating potential compensation-related risk.

Code of Conduct

We maintain a code of business conduct and ethics for Directors, officers and employees known as Integrity at HP, which is available on our website at https://investor.hp.com/governance/integrity-at-hp/default.aspx. If the Board grants any waivers from Integrity at HP to any of our Directors or executive officers, or if we amend Integrity at HP, we will, if required, disclose these matters via updates to our website on a timely basis. In June 2021, the Board received its annual ethics training.

Stockholder Outreach

We believe that effective corporate governance should include regular, constructive conversations with our stockholders. Over the past year, the Board engaged with stockholders, including seeking and encouraging feedback from stockholders about our corporate governance practices by conducting stockholder outreach and engagement throughout the year.

Engagement

Our Annual Director Stockholder Outreach Program

In fiscal 2022, prior to the filing of the proxy statement, we conducted our annual outreach regarding our governance profile.

Who Participated

- Chairman of the Board
- Chair of the HRC Committee
- Other members of the Board
- Senior Management
- Investor Relations
- Subject Matter Experts

How We Engage

- One-on-one and group meetings in-person and virtually
- Written and electronic communications

Other Ways We Engage

- Quarterly earnings calls
- Industry presentations and conference
- Company-hosted events presentations
- Securities analyst meeting

WHO WE ENGAGED

Fiscal 2021 - Annual Outreach

~50%

of our outstanding stock during fiscal 2021, as well as with proxy advisor firms.

Fiscal 2022 - Governance Profile Outreach

~30%

of our outstanding stock, as well as proxy advisor firms.

TOPICS DISCUSSED

Strategy and Business Performance	*Our strategic focus on driving long-term value creation, disruptive innovation, as well as a purpose-driven culture and our multi-year plan to advance, disrupt and transform*
Governance Practices	*Board composition, diversity and oversight and governance and executive compensation practices*
Executive Compensation	*Structure of executive compensation programs and focus on diversity, inclusion, talent development and culture*
ESG & Sustainable Impact	*Sustainable Impact strategy, human capital management, pay equity and diversity and inclusion*

Other Ways HP Communicates with Stockholders

November 2020
- Q4 2020 HP Inc. Earnings Conference Call

December 2020
- Wells Fargo TMT Summit
- HP Investor Tech Talk: Continuing Print's evolution with the launch of HP+
- UBS Global TMT Conference
- Barclays Global TMT Conference

January 2021
- **HP Inc. Annual Director Stockholder Outreach**
- 2021 CES Tech Conference

February 2021
- Q1 2021 HP Inc. Earnings Conference Call

March 2021
- Deutsche Bank 2021 Global ESG Conference
- Morgan Stanley TMT Conference

April 2021
- HP Inc. Annual Stockholder Meeting

May 2021
- Q2 2021 HP Inc. Earnings Conference Call

June 2021
- Cowen TMT Conference
- Bernstein Strategic Decisions Conference
- Evercore ISI TMT Conference
- Bank of America Global Tech Conference

August 2021
- Q3 2021 HP Inc. Earnings Conference Call

September 2021
- Deutsche Bank's Technology Conference
- Citi 2021 Global Technology Conference

October 2021
- HP Securities Analyst Meeting

Communications with the Board

Stockholders and other interested parties can contact the HP Board by email at **bod@hp.com** or by mail at the HP Board of Directors, 1501 Page Mill Road, Palo Alto, California 94304.

All Directors have access to this correspondence. In accordance with instructions from the Board, the Secretary to the Board reviews all correspondence, organizes the communications for review by the Board and posts communications to the full Board or to individual Directors, as appropriate. Our independent Directors have requested that certain items that are unrelated to the Board's duties, such as spam, junk mail, mass mailings, solicitations, resumes and job inquiries, not be posted. Communications that are intended specifically for the Chairman of the Board, other independent Directors, or the non-employee Directors should be sent to the e-mail address or street address noted above, to the attention of the Chairman of the Board.

Related-Person Transactions Policies and Procedures

Related-Person Transactions Policy

We have adopted a written policy for approval of transactions between us and our non-employee Directors, Director nominees, executive officers, beneficial owners of more than 5% of HP's stock, and their respective immediate family members where the amount involved in the transaction exceeds or is expected to exceed $120,000 in a single calendar year.

The policy provides that the NGSR Committee reviews certain transactions subject to the policy and decides whether to approve those transactions. In doing so, the NGSR Committee determines whether the transaction is not inconsistent with the interests of HP and its stockholders. In making that determination, the NGSR Committee considers, among other factors it deems appropriate:

- the extent of the related-person's interest in the transaction;
- whether the transaction is on terms generally available to an unaffiliated third party under the same or similar circumstances;
- the benefits to HP;
- the impact or potential impact on a Director's independence in the event the related person is a Director, an immediate family member of a Director or an entity in which a Director is a partner, 10% stockholder or executive officer;
- the availability of other sources for comparable products or services; and
- the terms of the transaction.

The NGSR Committee has delegated authority to the Chair of the NGSR Committee to pre-approve transactions where the aggregate amount involved is expected to be less than $1 million.

A summary of any new transactions pre-approved by the Chair is provided to the full NGSR Committee for its review at each of the NGSR Committee's regularly scheduled meetings.

The NGSR Committee has adopted standing pre-approvals under the policy for limited transactions with related persons. Pre-approved transactions include:

- compensation of executive officers that is excluded from reporting under SEC rules where the HRC Committee approved (or recommended that the Board approve) such compensation;
- non-employee Director compensation;

- transactions with another company with a value that does not exceed the greater of $1 million or 2% of the other company's annual revenues, where the related-person has an interest only as an employee (other than executive officer), Director or beneficial holder of less than 10% of the other company's shares;
- contributions to a charity in an amount that does not exceed the greater of $1 million or 2% of the charity's annual receipts, where the related person has an interest only as an employee (other than executive officer) or non-employee Director;
- transactions where all stockholders receive proportional benefits; and
- transactions with another publicly traded company where the related person's interest arises solely from beneficial ownership of more than 5% of HP's common stock and ownership of a non-controlling interest in the other publicly traded company.

A summary of new transactions covered by the standing pre-approvals relating to other companies (as described above) is provided to the NGSR Committee for its review in connection with that committee's regularly scheduled meetings.

Fiscal 2021 Related-Person Transactions

We enter into commercial transactions in the ordinary course of our business with many entities for which our executive officers or non-employee Directors serve as non-employee Directors and/or employees. All those transactions were pre-approved transactions as defined above. There have otherwise been no related-person transactions (actual or proposed) since the beginning of HP's last completed fiscal year.

How We Are Compensated

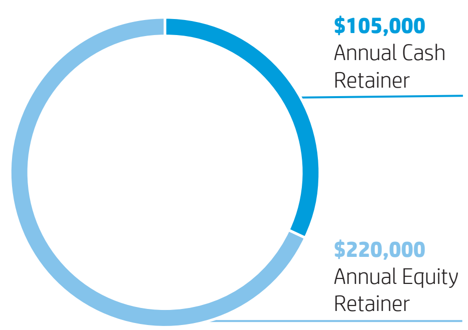
Director Compensation and Stock Ownership Guidelines

Non-employee Director compensation is determined annually by the independent members of the Board acting on the recommendation of the HRC Committee. In formulating its recommendation, the HRC Committee considers market data for our peer group and input from the independent compensation consultant retained by the HRC Committee. Mr. Lores, as an employee of the Company, does not receive any separate compensation for his HP Board service.

For the 2021 Board year, which began March 1, 2021 (and therefore approximates the period between annual stockholder meetings when non-employee Directors are regularly elected), each non-employee Director was initially entitled to receive an annual cash Board retainer of $105,000. Non-employee Directors may elect to defer up to 100% of their annual cash retainer. Additionally, in lieu of the annual cash retainer, non-employee Directors may elect to receive an equivalent value of equity in fully vested shares. For fiscal 2021, two non-employee Directors elected to defer their annual cash retainer. Each non-employee Director also received an annual equity Board retainer of $220,000 for service during the 2021 Board year, with regular grants on the date of the annual stockholder meeting. Equity grants to non-employee Directors are primarily intended to strengthen alignment with stockholder interests and to reinforce a long-term ownership view of the Company and its value. Retention is not the focus of equity grants for non-employee Directors, which is why such equity grants are not subject to service-related vesting. Non-employee Directors may elect to defer the settlement of shares received as part of the program until either (a) the first to occur of the Director's death, disability (as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")) or when the non-employee Director no longer serves as a member of the HP Board (a "Separation From Service" as defined in Section 409A of the Code) or (b) April 1 of a given year.

The Chairman of the Board receives an additional $200,000 annual cash retainer in recognition of the greater duties that the position requires. In addition to the regular annual cash and equity retainers, and the Chairman retainer described above, the non-employee Directors who served as chairs of standing committees during fiscal 2021 received cash retainers for such service.

ANNUAL DIRECTOR COMPENSATION



ADDITIONAL CASH COMPENSATION

Chairman of the Board	$200,000
Committee Chair Fees	
Audit Committee	$ 35,000
HRC	$ 25,000
NGSR	$ 20,000
Other Board standing committees	$ 20,000

Each non-employee Director also receives $2,000 for each Board meeting attended in excess of ten meetings per Board year, and $2,000 for each committee meeting attended in excess of a total of ten meetings of each committee per Board year. Non-employee Directors are reimbursed for their expenses in connection with attending Board meetings, including expenses related to spouses when they are invited to attend Board events, and non-employee Directors may use the Company aircraft for travel to and from Board meetings and other Company events.

Fiscal 2021 Non-Employee Director Compensation

Name[(1)]	Fees Earned or Paid in Cash[(2)] ($)	Stock Awards[(3)] ($)	All Other Compensation ($)	Total ($)
Aida Alvarez	118,976	220,013	—	338,989
Shumeet Banerji	66,880	325,014	—	391,894
Robert R. Bennett	144,976	220,013	—	364,989
Charles “Chip” V. Bergh	220,976	325,014	—	545,990
Bruce Broussard[(4)]	37,589	151,907	—	189,496
Stacy Brown-Philpot	122,976	220,013	—	342,989
Stephanie A. Burns	147,976	220,013	—	367,989
Mary Anne Citrino	159,976	220,013	—	379,989
Richard L. Clemmer	52,880	325,014	—	377,894
Yoky Matsuoka[(5)]	18,976	—	—	18,976
Judith “Jami” Miscik[(4)]	79,014	238,303	—	317,317
Stacey Mobley[(5)]	44,880	—	—	44,880
Subra Suresh	130,976	220,013	—	350,989
Enrique Lores[(6)]	—	—	—	—

(1) Ms. Rucker was appointed to our Board during our fiscal 2022 year. Accordingly, she did not receive any compensation during fiscal 2021.

(2) For purposes of determining Director compensation, the Board year begins in March and ends the following February, which does not coincide with our November through October fiscal year. Cash amounts included in the table above represent the portion of the regular annual retainers and committee chair retainers earned with respect to service during fiscal 2021, as well as any additional meeting fees paid during fiscal 2021. This also includes cash earned in the period described that was deferred by Director election into the 2005 Executive Deferred Compensation Plan, which provides that Directors may elect when to receive their deferred cash annual retainer. See “Additional Information about Fees Earned or Paid in Cash in Fiscal 2021” below.

(3) Represents the grant date fair value of stock awards granted in fiscal 2021 calculated in accordance with applicable accounting standards relating to share-based payment awards. Specifically, such amount is calculated by multiplying the closing price of HP’s stock on the date of grant by the number of shares awarded. For information on the assumptions used to calculate the value of the stock awards, refer to Note 5 to our Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended October 31, 2021, as filed with the SEC on December 9, 2021. See “Additional Information about Non-Employee Director Equity Awards” below.

(4) Ms. Miscik joined the Board on January 29, 2021, and Mr. Broussard joined the Board on June 22, 2021. For Ms. Miscik’s and Mr. Broussard’s first partial year of Board service, their respective annual cash retainers were pro-rated and paid in the form of cash and their respective annual equity retainers were pro-rated and paid in the form of fully vested shares. Ms. Miscik’s stock award includes her pro-rated annual equity retainer for her partial year of service for the 2020 Board year.

(5) Ms. Matsuoka and Mr. Mobley did not stand for re-election to the Board at the Company’s annual meeting of stockholders in April 2021. They therefore did not receive the annual stock award granted in April 2021.

(6) Mr. Lores has been serving as President and CEO of HP from November 1, 2019. Accordingly, he does not receive compensation for his Board service.

Additional Information about Fees Earned or Paid in Cash in Fiscal 2021

Name	Annual Retainers[(a)] ($)	Committee Chair and Chairman Fees[(b)] ($)	Additional Meeting Fees ($)	Total ($)
Aida Alvarez	104,976	—	14,000	118,976
Shumeet Banerji	34,880	20,000	12,000	66,880
Robert R. Bennett	104,976	20,000	20,000	144,976
Charles “Chip” V. Bergh	6,976	200,000	14,000	220,976
Bruce Broussard[(c)]	37,589	—	—	37,589
Stacy Brown-Philpot	104,976	—	18,000	122,976
Stephanie A. Burns	104,976	25,000	18,000	147,976
Mary Anne Citrino	104,976	35,000	20,000	159,976
Richard L. Clemmer	34,880	—	18,000	52,880
Yoky Matsuoka[(d)]	6,976	—	12,000	18,976
Judith “Jami” Miscik[(c)]	79,014	—	—	79,014
Stacey Mobley[(d)]	34,880	—	10,000	44,880
Subra Suresh	104,976	—	26,000	130,976

(a) The Board year begins in March and ends the following February, which does not coincide with HP’s November through October fiscal year. The dollar amounts shown include cash annual retainers earned for service during the last four months of the March 2020 through February 2021 Board year and cash annual retainers earned for service during the first eight months of the March 2021 through February 2022 Board year. This also includes cash earned in the period described that was deferred by Director election into the 2005 Executive Deferred Compensation Plan, which provides that Directors may elect when to receive their deferred cash annual retainer. Directors may not receive their deferred cash annual retainer earlier than January 2024. In the case of a termination of service, Directors can elect to receive the deferred money in the January following the termination of service if the date occurs prior to the specified distribution year elected.

(b) Committee chair fees are calculated based on service during each Board year. The dollar amounts shown include such fees earned for service during the last four months of the March 2020 through February 2021 Board year and fees earned for service during the first eight months of the March 2021 through February 2022 Board year.

(c) For Ms. Miscik's and Mr. Broussard's first partial year of Board service, their respective annual cash retainers were pro-rated and paid in the form of cash.

(d) Ms. Matsuoka and Mr. Mobley did not stand for re-election to the Board at the Company's annual meeting of stockholders in April 2021, and, as a result, their respective cash retainers were pro-rated.

Additional Information about Non-Employee Director Equity Awards

The following table provides additional information about equity awards, made to non-employee Directors during fiscal 2021, the grant date fair value of each of those awards and the number of stock awards and option awards outstanding as of the end of fiscal 2021:

Name	Stock Awards Granted During Fiscal 2021 (#)	Grant Date Fair Value of Stock and Option Awards Granted During Fiscal 2021[(a)] ($)	Stock Awards Outstanding at Fiscal Year End[(b)] (#)	Option Awards Outstanding at Fiscal Year End (#)
Aida Alvarez	6,659	220,013	27,250	—
Shumeet Banerji	9,837	325,014	—	—
Robert R. Bennett	6,659	220,013	33,475	—
Charles "Chip" V. Bergh	9,837	325,014	58,142	146,148
Bruce Broussard[(c)]	5,213	151,907	—	—
Stacy Brown-Philpot	6,659	220,013	76,795	—
Stephanie A. Burns	6,659	220,013	44,214	—
Mary Anne Citrino	6,659	220,013	57,484	159,671
Richard L. Clemmer	9,837	325,014	25,103	—
Yoky Matsuoka[(d)]	—	—	—	—
Judith "Jami" Miscik[(c)]	7,254	238,303	—	—
Stacey Mobley[(d)]	—	—	—	—
Subra Suresh	6,659	220,013	20,466	—

(a) Represents the grant date fair value of stock awards granted in fiscal 2021 calculated in accordance with applicable accounting standards. For stock awards, that number is calculated by multiplying the closing price of HP's stock on the date of grant by the number of shares awarded. For information on the assumptions used to calculate the value of the stock awards, refer to Note 5 to our Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended October 31, 2021, as filed with the SEC on December 9, 2021.

(b) Includes dividend equivalent units accrued with respect to share awards granted in fiscal 2021 and RSUs granted in previous years that have been deferred at the election of the Director.

(c) For Ms. Miscik's and Mr. Broussard's first partial year of Board service, their respective annual equity retainers were pro-rated and paid in the form of fully vested shares.

(d) Ms. Matsuoka and Mr. Mobley did not stand for re-election to the Board at the annual meeting of stockholders in April 2021. They therefore did not receive a stock award during fiscal 2021.

Non-Employee Director Stock Ownership Guidelines

Under our stock ownership guidelines, non-employee Directors are required to accumulate, within five years of election to the Board, shares of HP's stock equal in value to at least five times the amount of the regular annual cash Board retainer. Shares counted toward these guidelines include any shares held by the Director directly or indirectly, including deferred stock awards.

At the end of fiscal 2021, all non-employee Directors with more than five years of service have met our stock ownership guidelines and all non-employee Directors with less than five years of service have either met or are on track to meet our stock ownership guidelines within the required time based on current trading prices of HP's stock.

Audit Matters

BOARD PROPOSAL NO. 2

Ratification of Independent Registered Public Accounting Firm

Our Board recommends a vote **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2022 fiscal year.

The Audit Committee has appointed and, as a matter of good corporate governance, is requesting ratification by the stockholders of Ernst & Young LLP as the independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending October 31, 2022. During fiscal 2021, Ernst & Young LLP served as our independent registered public accounting firm and provided certain other audit-related and tax services. See "Report of the Audit Committee of the Board of Directors" and "Principal Accountant Fees and Services" below. Representatives of Ernst & Young LLP are expected to participate in the annual meeting, where they will be available to respond to appropriate questions and, if they desire, to make a statement.

Vote Required

Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2022 fiscal year requires the affirmative vote of a majority of the shares of HP common stock present in person or represented by proxy and entitled to be voted at the annual meeting. If the appointment is not ratified, the Board will consider whether it should select another independent registered public accounting firm. The members of the Audit Committee and the Board believe that the continued retention of Ernst & Young LLP to serve as HP's independent registered public accounting firm is in the best interests of HP and its investors.

Report of the Audit Committee of the Board of Directors

The Audit Committee represents and assists the Board in fulfilling its responsibilities for general oversight of the integrity of HP's financial statements, HP's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, the performance of HP's internal audit function and independent registered public accounting firm, and risk assessment and risk management. The Audit Committee manages HP's relationship with its independent registered public accounting firm (which reports directly to the Audit Committee) and is responsible for the audit fee negotiations associated with HP's retention of the independent registered public accounting firm. The Audit Committee has the authority to obtain advice and assistance from outside legal, accounting or other advisors as the Audit Committee deems necessary to carry out its duties and receives appropriate funding, as determined by the Audit Committee, from HP for such advice and assistance.

HP's management is primarily responsible for HP's internal control and financial reporting process. HP's independent registered public accounting firm, Ernst & Young LLP, is responsible for performing an independent audit of HP's consolidated financial statements and issuing opinions on the conformity of those audited financial statements with United States generally accepted accounting principles and the effectiveness of HP's internal control over financial reporting. The Audit Committee monitors HP's financial reporting process and reports to the Board on its findings.

In this context, the Audit Committee hereby reports as follows:

1. The Audit Committee has reviewed and discussed the audited financial statements with HP's management.
2. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the SEC.
3. The Audit Committee has received from the independent registered public accounting firm the written disclosures and the letter required by the applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence and has discussed with the independent registered public accounting firm its independence.
4. Based on the review and discussions referred to in paragraphs (1) through (3) above, the Audit Committee recommended to the Board, and the Board has approved, that the audited financial statements be included in HP's Annual Report on Form 10-K for the fiscal year ended October 31, 2021, for filing with the SEC.

The undersigned members of the Audit Committee have submitted this Report to the Board of Directors.

AUDIT COMMITTEE
Mary Anne Citrino, Chair
Robert R. Bennett
Stacy Brown-Philpot
Richard L. Clemmer
Jami Miscik
Kim K. W. Rucker
Subra Suresh

Principal Accountant Fees and Services

Fees Incurred by HP for Ernst & Young LLP

The following table shows the fees paid or accrued by HP for audit and other services provided by Ernst & Young LLP for fiscal 2021 and 2020. All fees paid to Ernst & Young LLP were pre-approved in accordance with the pre-approval policy, as discussed below.

	2021	2020
	In Millions	
Audit Fees[1]	$16.7	$16.6
Audit-Related Fees[2]	$ 2.9	$ 1.9
Tax Fees[3]	$ 0.7	$ 1.5
All Other Fees[4]	$ 0.1	$ 0.2
Total	$20.3	$20.2

(1) Audit fees represent fees for professional services provided in connection with the audit of our financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.

(2) Audit-related fees for fiscal 2021 consisted primarily of accounting consultations and employee benefit plan audits. Audit-related fees for fiscal 2020 consisted primarily of accounting consultations, employee benefit plan audits and other attestation services.

(3) For fiscal 2021 and fiscal 2020, tax fees consisted primarily of tax advice and tax planning fees. For fiscal 2021 and fiscal 2020, tax fees also included tax compliance fees.

(4) For fiscal 2021, all other fees consisted primarily of other attestation services. For fiscal 2020, all other fees included primarily advisory service fees.

Pre-Approval of Audit and Non-Audit Services Policy

The Audit Committee has delegated to the Chair of the Audit Committee the authority to pre-approve audit-related and non-audit services not prohibited by law to be performed by our independent registered public accounting firm and associated fees up to a maximum for any one service of $250,000, provided that the chair shall report any decisions to pre-approve services and fees to the full Audit Committee at its next regular meeting.

Executive Compensation

BOARD PROPOSAL NO. 3

Advisory Vote to Approve Executive Compensation

Our Board recommends a vote FOR the approval of the compensation of our NEOs, including the Compensation Discussion and Analysis, the compensation tables and narrative discussion following such compensation tables, and the other related disclosures in this proxy statement.

In accordance with SEC rules, our stockholders are being asked to approve, on an advisory or non-binding basis, the compensation of our NEOs as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K — a detailed description of our compensation program is available in the "Compensation Discussion and Analysis."

Our Board and the HRC Committee believe that we have created a compensation program that is tied to performance, aligns with stockholder interests and merits stockholder support. Accordingly, we are asking for stockholder approval of the compensation of our NEOs as disclosed in this proxy statement in the Compensation Discussion and Analysis, the compensation tables and the narrative discussion following the compensation tables.

Although this vote is non-binding, our Board and the HRC Committee value the views of our stockholders and will thoroughly review the voting results. If there are significant negative votes, we will take steps to understand those concerns that influenced the vote and consider them in making future decisions about executive compensation. We currently conduct annual advisory votes on executive compensation and expect to conduct the next advisory vote at our next annual meeting of stockholders in 2023.

Vote Required

The affirmative vote of a majority of the shares of HP common stock present in person or represented by proxy and entitled to be voted on the proposal at the annual meeting is required for advisory approval of this proposal.

A Conversation with the HRC Committee

Kristen Ludgate

Stephanie Burns

Kristen Ludgate, HP's Chief People Officer, talks with the Chair of our Board's HR and Compensation Committee ("HRC Committee"), Stephanie Burns, about our executive compensation program and the HRC Committee's duties in overseeing the program's design and implementation.

The HRC Committee consists of Ms. Burns and four other independent Directors: Ms. Alvarez, Mr. Banerji, Mr. Bergh and Mr. Broussard. All bring valuable experience and a clear understanding of the role that appropriate executive compensation plays in ensuring company performance and stockholder value.

Kristen Ludgate (KL):

Stephanie, so good to have you with us today. You've been a member of the HP Board since 2015 and have chaired the HRC since November 2017. Can you talk about the role the HRC Committee plays in our executive compensation program?

Stephanie Burns (SB):

Certainly. The HRC Committee oversees and provides strategic direction to management regarding our pay-for-performance program. We set the CEO's compensation and review and approve compensation for the rest of the leadership team. We also review senior management selections and oversee succession planning.

In carrying out these duties, the HRC Committee works with its own independent compensation consultant to help analyze competitive pay practices and market trends, with a focus on providing a competitive pay opportunity for our leadership while strengthening the pay-for-performance relationship and alignment with stockholders.

The HRC Committee also gets regular updates on key people practices and initiatives happening across HP. This includes everything from employee engagement to key hires to company culture, with a special focus on HP's Diversity, Equity and Inclusion (DEI) agenda, an area where the HRC Committee is fully engaged and committed to driving improvements.

KL:

Can you describe HP's overall philosophy and strategy on executive compensation?

SB:

Our compensation program is closely aligned with HP's business goals. It focuses on driving the right behaviors while helping attract, retain, and reward the executive team for delivering long-term value to stockholders. Our pay-for-performance philosophy is the foundation for all decisions regarding executive compensation, with a strong bias towards variable pay. Our program is also designed to facilitate strong corporate governance.

We align executive compensation with stockholder value through equity-based programs, combined with stockholder value-based performance measures (like relative total shareholder return (TSR)) and financial performance measures that executives can control and are closely correlated with stockholder value over time.

KL:

Can you describe how you stay connected with stockholders on compensation?

SB:

We regularly engage with our stockholders on a variety of topics, including their views on best practices in executive compensation following our commitment to a compensation program that aligns pay to performance and drives stockholder value.

Based on their feedback, starting in fiscal 2020 we adjusted our long-term performance-based incentives (PARSUs) to incorporate three year average EPS performance with full vesting only after three years of service and achievement of financial goals. We also changed relative TSR from a standalone measure to a "payout modifier" determined based on three-year performance. These changes have increased focus on strategic performance while continuing close alignment between stockholder value creation and real pay delivery.

For fiscal 2021, our performance-based equity remained at 60% weighting but has been split into 30% Performance Contingent Stock Options ("PCSOs") and 30% Performance Adjusted Restricted Stock Units. The PCSOs only vest if specific stock price growth hurdles are achieved and further align the interest of our executives with our stockholders by driving a focus on long-term sustained stock growth.

To further address commitments to stockholders articulated in the Value Plan, beginning in fiscal 2021, the net earnings metric has been replaced with operating profit in the annual incentive plan.

KL:

Are there specific elements of our program that showcase our best practices?

SB:

HP's program incorporates many best practices and we are continuously working to improve. Some specific elements we believe are best-in-class include:

- We target compensation within a competitive range of the market
- We utilize non-discretionary financial metrics and specific management objectives in our annual cash incentive plan that align with value drivers of our long-term strategic and financial plan
- We ensure individual executive performance goals under the Management by Objectives ("MBOs") program address a range of important topics, including focus areas on Innovation/Growth, Digital Transformation, People and Sustainable Impact
- We do not use fixed-term employment contracts with any of our senior executives, and have consistent and market-aligned severance practices

KL:

Thanks for the great overview Stephanie.

Compensation Discussion and Analysis

Introduction

This Compensation Discussion and Analysis describes our executive compensation philosophy and program, the compensation decisions the HRC Committee has made under the program, and the considerations in making those decisions in fiscal 2021.

Named Executive Officers (NEOs)

Our NEOs for fiscal 2021 are:

Enrique J. Lores
President and CEO

Marie Myers
Chief Financial Officer*

Christoph Schell
Former Chief Commercial Officer**

Alex Cho
President, Personal Systems

Tuan Tran
President, Imaging Printing & Solutions

* Ms. Myers was appointed as Chief Financial Officer on February 17, 2021. Prior to such time, she served as Acting Chief Financial Officer since October 1, 2020.

** Mr. Schell stepped down as Chief Commercial Officer, effective February 18, 2022. Since stepping down from such position, Mr. Schell has continued to be employed by the Company in a non-executive officer role.

Financial Highlights

As illustrated below for the three key financial measures used to fund our annual incentive awards, we exceeded two of our three goals reflected in our business plan in fiscal 2021.

GAAP Net Revenue

$63.5 BILLION

(as defined on page 51) compared to a target goal of $58.3 billion under our annual incentive plan.

Adjusted Non-GAAP Operating Profit

$6.6 BILLION

(as defined on page 51) compared to a target goal of $4.6 billion under our annual incentive plan.

Non-GAAP Free Cash Flow

6.6 PERCENT

as a percentage of revenue; (as defined on page 51) compared to a target goal of 6.7% under our annual incentive plan.

Fiscal 2021 Compensation Highlights

We provided competitive target pay opportunities, with amounts and mix consistent with peers and stable year over year.

Target Total Direct Compensation ("TDC") consists of base salary, target annual incentives expressed as a percentage of base salary and earned based on attainment of our annual performance objectives, and the grant-date value of long-term incentives. TDC is set within a competitive range of the market but varies based on experience, individual performance, advancement potential and internal equitability.

In response to the Covid-19 pandemic most of our executives did not receive salary increases.

In response to the impact of the COVID-19 pandemic, Mr. Lores and most of the members of the Executive Leadership Team, did not receive an increase in their base salaries in fiscal 2021. Mr. Lores and members of the Executive Leadership Team's salaries were reinstated November 1, 2020 after a 25% reduction in the salary of Mr. Lores, and a 15% reduction in the base salaries of the members of the Executive Leadership Team during fiscal 2020.

We modified our short-term incentive plan in fiscal 2021 to align with value drivers of our long-term strategic and financial plans.

For fiscal 2021, the metric of "Net Earnings" under the annual incentive plan was replaced by "Operating Profit". "Operating Profit" is one of the key critical value drivers of the long-term commitment that we have made to stockholders in our Value Plan.

Also, business unit revenue and operating profit weighting have each been reduced to 7.5% for a total of 15% (compared to 25% under the annual incentive plan for fiscal 2020) thereby increasing each total enterprise metric to 17.5% for a total of 35% (compared to 25% under the annual incentive plan for fiscal 2020). This shift towards increasing the weighting of each enterprise metric also serves to further strengthen alignment across our various business units.

NEOs earned annual incentives averaging 194% of target for fiscal 2021. Individual bonuses varied from 185.0% to 200.0% of target with HP's President & CEO's individual bonus equal to 185.0% of target. The Company achieved substantially above target results with respect to HP adjusted non-GAAP operating profit and GAAP net revenue. Non-GAAP free cash flow as a percentage of revenue result was slightly below target. In addition, 25% of our target annual incentives are contingent upon the achievement of qualitative objectives that we believe will contribute to our long-term success including Innovation/Growth, Digital Transformation, People and Sustainable Impact. NEOs successfully delivered against their MBOs as detailed on pages 52-53.

We also modified our long-term incentive plan to further align actual pay with performance, putting more variable compensation at risk to support our more growth-oriented strategy.

For fiscal 2021, our performance-based equity remained at 60% weighting but has been split into 30% Performance Contingent Stock Options ("PCSOs") and 30% Performance Adjusted Restricted Stock Units ("PARSUs").

The grant of PCSOs further aligns the interests of our executives with stockholders by driving long-term sustained stock growth. The PCSOs tranches will vest only if both the service and stock price hurdle conditions are met. Stock price hurdle will need to be met over a consecutive 20-day trading period within the respective performance period.

- *Tranche 1: first anniversary service condition and 110% of grant price within two years stock price hurdle*
- *Tranche 2: second anniversary service condition and 120% of grant price within four years stock price hurdle*
- *Tranche 3: third anniversary service condition and 130% of grant price within five years stock price hurdle*

The PARSU relative TSR payout modifier has been adjusted for a wider payout range from +/-25% to +/-50%. The broadened range strengthens the relationship between payouts and stockholder value creation.

Also, the EPS impact on PARSU payout funding for achievement of our maximum stretch goals has been increased to 300%. This change further calibrates payout outcomes from long-term financial goals to stockholder value creation.

The remaining portion of 40% of regular annual long-term incentive grant value was in the form of Restricted Stock Units ("RSUs") primarily intended to increase stock ownership among our NEOs, while also serving a retentive purpose and incentivizing our NEOs to maximize value for our stockholders. The value of such RSUs is tied to stock price and reinvested dividend equivalents.

NEOs received payout for Segment 2 FY19 PARSUs (measurement period ending in fiscal 2021). EPS FY20 and EPS FY21 were above target. Fiscal 2019-2021 relative TSR approximated the 32nd percentile of the S&P 500.

We regularly engaged with and listened to stockholders, practiced strong governance, and mitigated potential compensation-related risks.

Our executive compensation program is continuously reviewed for peer group alignment and strategic relevance as part of a process that includes ongoing stockholder engagement. At the annual meeting in 2021, our say-on-pay proposal was approved by over 92% of the voted shares, indicating significant stockholder support. Consequently, we did not make extensive program design changes as a result of the vote.

We updated the stock ownership guidelines for our executive officers.

In fiscal 2021, the HRC Committee reviewed the stock ownership guidelines for our executive officers and removed stock options as being counted towards stock ownership. This change aligns with market practice and provides for a more stringent but still realistic path for continued compliance of our executive officers with our guidelines.

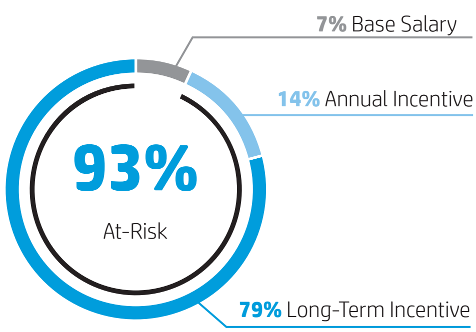
Components of Compensation

Our executive compensation program primarily comprises performance-based components. The table below shows each major pay component, the role and factors for determining the amount. Percentages are the averages of pay components at target for the NEOs, including the CEO.

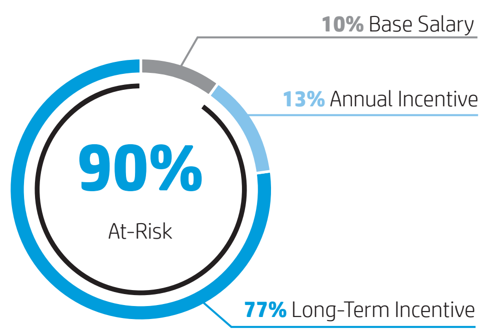
Pay Component	Role	Determination Factors
Base Salary 9%	• Provides a fixed portion of annual cash income	• Value of role in competitive marketplace • Value of role to the Company • Skills, experience and performance of individual compared to the market as well as others in the Company
Annual Incentive 14% Payments to executives for annual incentive purposes are made under the Stock Incentive Plan (the "Plan")	• Provides a variable and performance-based portion of annual cash income • Focuses executives on annual objectives that support the long-term strategy and creation of value	• Target awards based on competitive marketplace, level of position, skills and performance of executive • Actual awards based on achievement against annual corporate and business unit financial metrics and individual goals as set and approved by the HRC Committee. Financial metrics are revenue, operating profit and free cash flow as a percentage of revenue • To ensure leadership has a key focus on Innovation/Growth, Digital Transformation, People and Sustainable Impact each executive leadership team member has MBOs pertaining to these areas
Long-term Incentive • PARSUs • PCSOs • RSUs 77%	• Supports long-term sustained performance and growth-oriented strategy • Aligns interests of executives and stockholders, reflecting the time-horizon and risk to investors • Focuses executives on critical long-term performance goals • Encourages equity ownership and stockholder alignment • Retains key employees	• Target awards based on competitive marketplace, level of position, skills and performance of the executive • Actual earned values based on performance against corporate EPS goals, relative TSR performance and stock price performance
All Others • Benefits • Limited perquisites • Severance protection	• Supports the health and security of our executives and their ability to save on a tax-deferred basis • Enhances executive productivity	• Competitive market practices for similar roles • Level of executive • Standards of best-in-class governance

2021 NEO TDC at a Glance

CEO



OTHER NEOs



Alignment with Stockholders and Compensation Best Practices

Pay-for-Performance

- The majority of target total direct ***compensation*** for executives is ***performance-based*** as well as ***equity-based*** to ***align executives' rewards with sustained stockholder value creation***.
- Total direct compensation is set ***within a competitive range of our peer group*** to ensure that it is appropriate and is aligned with the level of position, experience, skills and performance of the executive.
- ***Actual realized*** total direct compensation and ***pay positioning*** are designed to fluctuate with, and be ***commensurate with, actual annual and long-term performance, recognizing company-wide, business unit, and individual results.***
- ***Incentive awards*** are heavily dependent upon our stock performance and are measured against ***objective financial metrics*** that we believe ***link*** either directly or indirectly ***to the creation of value*** for our stockholders. In addition, 25% of our target annual incentives are contingent upon the achievement of qualitative objectives that we believe will contribute to our long-term success including Innovation/Growth, Digital Transformation, People and Sustainable Impact.
- We ***balance*** cash flow, revenue and profit objectives, as well as short- and long-term objectives to ***reward for overall performance*** that does not over-emphasize a singular focus on a particular metric or time period. Also, we have payout governors on key financial metric outcomes designed to avoid significantly overachieving on one metric, without taking into consideration our performance on other plan metrics (as explained in more detail starting on page 50).
- A significant portion of our long-term incentives are delivered in the form of performance-contingent stock options, referred to as ***"PCSOs"***, which vest only if sustained stock price appreciation is achieved, and performance-adjusted restricted stock units, referred to as ***"PARSUs",*** which vest upon the achievement of ***earnings per share ("EPS")*** objectives and which can be modified by ***relative total shareholder return ("TSR")***.
- For fiscal 2021, the payouts under **annual incentive** awards and under **PARSUs** are **capped at 200% of bonus target and 3x target shares, respectively.**
- We validate the ***pay-for-performance*** relationship on an annual basis and our HR and Compensation ("HRC") Committee reviews and approves performance goals under our incentive plans.
- The compensation of objectively identified ***peer companies based on industry and size criteria*** is considered to confirm that pay levels and program design for the NEOs are ***appropriate*** and ***competitive***.

Corporate Governance

- We conduct an ongoing, proactive ***stockholder outreach*** program throughout the year and use that input to inform our program decisions and pay practices.
- We ***disclose*** our corporate performance goals and achievements relative to these goals.
- ***We do not utilize fixed-term executive employment contracts for senior executives.***
- We ***devote significant time*** to management succession planning and leadership development efforts.
- We maintain a ***consistent market-aligned*** severance policy for executives and a conservative change in control policy which requires a double trigger for execution.
- The HRC Committee engages an ***independent*** compensation consultant.
- We have ***clawback and equity-forfeiture provisions*** that provide the Board with discretion to recoup compensation in the event of a material financial restatement or misconduct that results in material reputational harm to the Company, which mitigates compensation-related risk.
- We maintain strong ***stock ownership guidelines*** for executive officers and non-employee Directors.
- We ***prohibit*** all employees, including our executive officers, and also non-employee Directors, from engaging in any form of ***hedging*** transaction involving HP securities, holding HP securities in margin accounts and ***pledging*** stock as collateral for loans in a manner that could create compensation-related risk for the Company.
- We ***do not provide excessive perquisites*** to our employees, including our executive officers.
- We ***do not allow*** our executives to ***participate in the determination of their own compensation.***
- We ***do not provide tax gross ups*** in connection with terminations, including terminations in the event of a change in control.

Listening to our Stockholders on Compensation

We regularly engage with our stockholders on a variety of issues, including their views on best practices in executive compensation. The following changes to our executive compensation program, shown here, reflect those conversations with stockholders and our commitment to a compensation program that aligns pay to performance and drives stockholder value.

- Starting with new grants in fiscal 2020, to ensure alignment with our three-year financial plan, we moved our performance-adjusted restricted stock units (PARSUs) to incorporate a three-year average EPS performance with full vesting only after three years of service and achievement of financial goals for that timeframe. We changed relative TSR from a standalone measure to a "payout modifier" determined based on cumulative three-year performance. We determined that this change increased focus on line-of-sight strategic performance while continuing close alignment between stockholder value creation and real pay delivery.
- For fiscal 2021, we incorporated performance-contingent stock options (PCSOs) into our long-term incentive compensation. The grant of PCSOs will further align the interests of our executives with our stockholders since a stock option will only realize value if the underlying share price appreciates and the PCSOs do not vest until specific stock-price growth hurdles have been achieved. It further provides substantial "skin in the game" incentives for our senior executives toward long-term sustained stock growth that aligns with the transformational growth strategy we have committed to our stockholders.
- Additional changes made in the recent past that reflect conversations with stockholders include increased focus on enterprise-wide GAAP net revenue and adjusted non-GAAP net earnings in our annual incentive plan to encourage greater collaboration and teamwork among business leaders. To further address commitments to stockholders articulated in the Value Plan, beginning in fiscal 2021, adjusted non-GAAP net earnings was replaced with non-GAAP operating profit in the annual incentive plan. This change provides stronger alignment with our long-term strategic and financial plans.

Executive Compensation Program Oversight and Authority

Role of the HRC Committee and its Advisor

The HRC Committee continued to retain FW Cook as its independent consultant during fiscal 2021, and to work with them and management on all aspects of our pay program for senior executives. The HRC Committee makes recommendations regarding the CEO's compensation to the independent members of the Board for approval, and reviews and approves the compensation of the remaining Section 16 officers, including our NEOs. Each HRC Committee member is an independent non-employee Director with significant expertise in executive compensation matters.

FW Cook provides analyses and recommendations that inform the HRC Committee's decisions; identifies peer group companies for competitive market comparisons; evaluates market pay data and competitive-position benchmarking; provides analyses and inputs on program structure, performance measures, and goals; provides updates on market trends and the regulatory environment as it relates to executive compensation; reviews various management proposals presented to the HRC Committee related to executive and Director compensation; and works with the HRC Committee to validate and strengthen the pay-for-performance relationship and alignment with stockholder interests. FW Cook does not perform other services for HP and will not do so without the prior consent of the HRC Committee chair. FW Cook meets with the HRC Committee chair and the HRC Committee outside the presence of management while in executive session.

The HRC Committee met seven times in fiscal 2021, and all seven of these meetings included an executive session. FW Cook participated in all of the meetings and, when requested by the HRC Committee chair, in the preparatory meetings and the executive sessions.

Role of Management and the CEO in Setting Executive Compensation

The CEO recommends compensation for Section 16 officers, including NEOs other than himself, for approval by the HRC Committee. The HRC considered market competitiveness, business results, experience, and individual performance when evaluating fiscal 2021 NEO compensation and the overall compensation structure. The Chief People Officer and other members of our executive compensation team, together with members of our finance and legal organizations, work with the CEO to design and develop the compensation program, to recommend changes to existing program provisions applicable to NEOs and other senior executives, develop financial and other targets to be achieved under those programs, prepare analyses of financial data, peer comparisons and other briefing materials to assist the HRC Committee in making its decisions, and implement the decisions of the HRC Committee.

During fiscal 2021, management continued to engage Meridian Compensation Partners, LLC ("Meridian") as its compensation consultant. The HRC Committee took into consideration that Meridian provided executive compensation-related services to management when it evaluated any information and analyses provided by Meridian, all of which were also independently reviewed by FW Cook, as applicable, on the HRC Committee's behalf.

During fiscal 2021, Mr. Lores provided input to the HRC Committee regarding performance metrics and the setting of appropriate performance targets for his direct reports. Mr. Lores also recommended MBOs for the NEOs (other than himself) and the other senior executives who report directly to him. Mr. Lores is subject to the same financial performance goals as the executives who lead global functions, and Mr. Lores' MBOs and compensation are established by the HRC Committee and recommended to the independent members of the Board for approval.

Use of Comparative Compensation Data and Compensation Philosophy

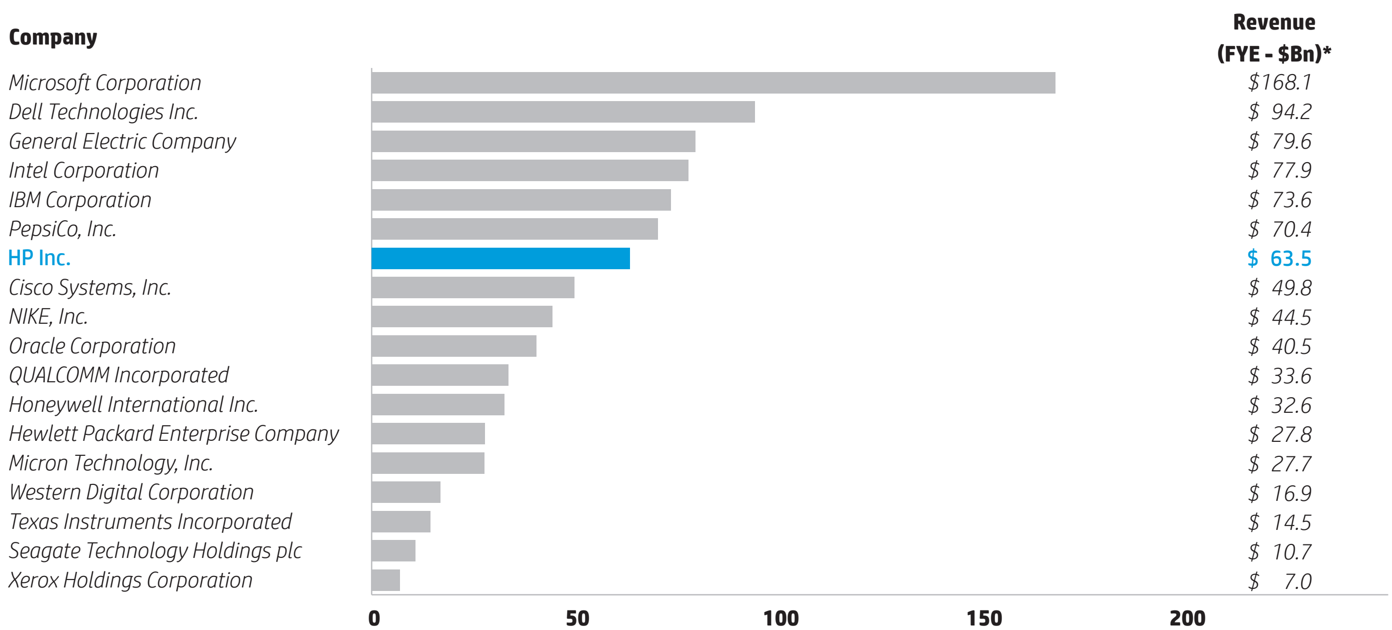
The HRC Committee reviews the compensation of our Section 16 officers in comparison to that of executives in similar positions at our peer group companies. Our peer group includes companies we compete with for executive talent due to our geographical proximity and technology industry overlap. The HRC Committee uses this information to evaluate how our pay levels and practices compare to market practices.

When determining the peer group, the following characteristics were considered with exceptions made at the HRC Committee's determination for labor-market relevance:

- Direct talent market peers.
- US-based companies in the technology sector (excluding distributors, contract manufacturers and outsourced services/IT consulting) with revenues between ~$12 billion and $290 billion and market cap between ~$6 billion and $140 billion.
- Select general industry companies (industrials, consumer products and telecom) generally meeting size and business criteria that are top-brands, and considering continuity.
- Review of the peer companies chosen by companies within our proposed peer group and peer business similarity, to evaluate relevance.

We believe the resulting peer group provides HP and the HRC Committee with a valid comparison and benchmark for the Company's executive compensation program and governance practices. For fiscal 2021, the HRC Committee removed Apple from the peer group due to the market cap difference between Apple and HP. The HP peer group for fiscal 2021, as approved by HRC Committee, consisted of the following companies:

FISCAL 2021 PEER GROUP



* Represents fiscal 2021 reported revenue, except fiscal 2020 reported revenue is provided for General Electric, Honeywell, IBM, Intel, PepsiCo, Texas Instruments and Xerox

Process for Setting and Awarding Executive Compensation

The primary factors considered when determining pay opportunities for our NEOs are market competitiveness, experience, individual performance, advancement potential and internal equitability. The weight given to each factor is not formulaic and may differ from year to year or by individual NEO.

The HRC Committee spends significant time determining the appropriate goals for our annual and long-term incentive plans, which make up the majority of NEO compensation. Management makes an initial recommendation of the goals, which is then assessed by the HRC Committee's independent compensation consultant and discussed and approved by the HRC Committee. Major factors considered in setting financial goals for each fiscal year are business results from the most recently completed fiscal year, budgets and strategic plans, macroeconomic factors, guidance and analyst expectations, industry performance, conditions or goals specific to a particular business segment, and strategic initiatives. Management by Objectives ("MBOs") address a range of important topics, including focus areas on Innovation/Growth, Digital Transformation, People and Sustainable Impact.

Following the close of the fiscal year, the HRC Committee reviews actual financial results and MBO performance against the goals that it had set for the applicable plans for that year, with payouts under the plans determined based on performance against the established goals. The HRC Committee meets in executive session to review the MBO performance of the CEO and to determine a recommendation for his annual incentive award to be approved by the independent members of the Board. See "2021 Annual Incentives" below for a further description of our results and corresponding incentive payouts.

Determination of Fiscal 2021 Executive Compensation

Under our Total Rewards Program, executive compensation consists of base salary, annual incentives, long-term incentives, benefits, and perquisites.

The HRC Committee regularly considers ways to improve our executive compensation program by considering stockholder feedback, our current business needs and strategy, and peer group practices.

2021 Base Salary

Our executives receive a small percentage of their overall compensation in the form of base salary, which is consistent with our philosophy of tying the majority of pay to performance. The NEOs are paid an amount in the form of base salary sufficient to attract qualified executive talent and maintain a stable management team.

The HRC Committee aims to set executive base salaries within a competitive range of the market for comparable positions. In fiscal 2021, salaries generally comprise on average 9% of our NEOs' overall compensation, consistent with our peers. To decide the CEO's salary, the HRC Committee reviews analyses and recommendations provided by FW Cook.

For fiscal 2021, the HRC Committee approved changes to the annual base salary for Marie Myers and Tuan Tran.

Changes in Base Salary

Executive	Fiscal Year-end 2020 Base Salary	Fiscal Year-end 2021 Base Salary	Percentage Change
Enrique Lores	$1,200,000	$1,200,000	0%
Marie Myers	$ 580,000	$ 700,000	21%
Christoph Schell	$ 760,000	$ 760,000	0%
Alex Cho	$ 740,000	$ 740,000	0%
Tuan Tran	$ 675,000	$ 715,000	6%

In connection with her appointment as Chief Financial Officer, effective February 17, 2021, Ms. Myers' annual base salary was increased to $700,000. Mr. Tran's salary was also increased and more closely aligns with market data.

2021 Annual Incentives

The fiscal 2021 annual incentive plan for the Executive Leadership Team consisted of the following three core financial metrics: GAAP net revenue, adjusted non-GAAP operating profit, and non-GAAP free cash flow as a percentage of revenue. As mentioned above, non-GAAP operating profit replaced non-GAAP net earnings in fiscal 2021. Revenue, operating profit and cash flow are critical value drivers of the long-term commitment that we have made to stockholders. The revised annual incentive metrics further support critical drivers of the Value Plan and ensure our executive leadership team's immediate goals and incentives are aligned with our long-term strategic and financial plans as well as stockholder interests. A fourth component, MBOs, was used to further drive individual performance and achievement of key strategic goals. Each financial metric and the MBOs were weighted at 25% of the target award value. Each individual metric may fund up to 250% of target; however, the maximum annual incentive for each executive is capped at 200% of target.

The target annual incentive awards for fiscal 2021 were set at 200% of salary for the CEO and 135% of salary for the CFO and the other NEOs. The target annual incentive award for the CFO and the other NEOs was at 125% for fiscal 2020. The change in 2021 was made, in part, to better align to market data.

In addition, payment under the annual incentive plan is contingent on an NEO's service through the end of the fiscal year.

Fiscal 2021 Annual Incentive Plan

Key Design Elements	Corporate Goals: GAAP Net Revenue ($ in billions)	Corporate Goals: Adjusted Non-GAAP Operating Profit ($ in billions)	Corporate Goals: Non-GAAP Free Cash Flow as a % of Revenue[1] (%)	MBOs	% Payout Metric[2] (%)
Weight	25%	25%	25%	25%	
Linkage					
Global Functions Executives[3]	Corporate	Corporate	Corporate	Individual	
Business Unit ("BU") Executives[4]	Corporate/BU	Corporate/BU	Corporate	Individual	
Corporate Performance Goals					
Maximum	—	—	—	Various	250
Target	$58.3	$4.6	6.7%	Various	100
Threshold	—	—	—	Various	0

(1) Maximum funding for non-GAAP free cash flow as a percentage of revenue is capped at 150% of target if adjusted non-GAAP operating profit achievement was below target and is capped at 100% of target if adjusted non-GAAP operating profit achievement was below threshold. If adjusted non-GAAP operating profit achievement was above target, the maximum funding level is 250% for this metric. Maximum and threshold information are not disclosed because such disclosure would result in competitive harm. However, goals are set at levels we believe to be achievable in connection with strong performance.

(2) Interpolated for performance between discrete points. Each individual metric may fund up to 250% of target; however, the maximum annual incentive for each executive is capped at 200% of target. As a general administrative discretionary guideline, the HRC Committee may decide that financial funding for Global Functions Executives, including the CEO, cannot exceed the highest funding for a Business Unit Executive.

(3) The Global Functions Executives include Mr. Lores, Ms. Myers and Mr. Schell.

(4) The Business Unit Executives include Mr. Cho and Mr. Tran. Specific Business Unit GAAP net revenue and adjusted non-GAAP operating profit goals are not disclosed because such disclosure would result in competitive harm. However, goals are set at levels we believe to be achievable in connection with strong performance.

The specific metrics, their linkage to corporate results, and the weighting that was placed on each were chosen because the HRC Committee believed that:

- Performance against these metrics, in combination, enhances value for stockholders, capturing both the top and bottom line, as well as cash and capital efficiency.
- A balanced weighting of metrics limits the likelihood of rewarding executives for excessive risk-taking.
- Different measures avoid paying for the same performance twice.
- MBOs address a range of important topics, including focus areas on Innovation/Growth, Digital Transformation, People and Sustainable Impact, which are important to the long-term success of the Company.

The following chart sets forth the definition of and rationale for each of the financial performance metrics that was used for the Fiscal 2021 Annual Incentive Plan:

Financial Performance Metrics	Definition	Rationale for Metric
GAAP Net Revenue	Net revenue as reported in our Annual Report on Form 10-K for fiscal 2021	Reflects top line financial performance, which is a strong indicator of our long-term ability to drive stockholder value
GAAP Business Revenue	Segment net revenue as reported in our Annual Report on Form 10-K for fiscal 2021	
Adjusted Non-GAAP Operating Profit[1]	Non-GAAP operating profit, as defined and reported in our fourth quarter fiscal 2021 earnings press release (of $5.8 billion in fiscal 2021) and summarized in footnote (1) below, further adjusted by excluding bonus	Reflects operational financial performance, which is directly tied to stockholder value on a short-term basis. Provides stronger alignment with our long-term strategic and financial plans
Non-GAAP Business Operating Profit	Business operating profit, excluding bonus	
Non-GAAP Free Cash Flow as a Percentage of Revenue[2]	Net cash provided by operating activities adjusted for net investments in leases, net investments in property, plant and equipment, and the net impact of the one-time Oracle litigation proceeds received, as reported in our fourth quarter fiscal 2021 earnings press release and summarized in footnote (2) below divided by net revenue as reported in our Annual Report on Form 10-K for fiscal 2021 (expressed as a percentage of revenue)	Reflects efficiency of cash management practices, including working capital and capital expenditures

(1) As summarized above, adjusted non-GAAP operating profit is a non-GAAP measure that is defined as GAAP operating profit (of $5.3 billion in fiscal 2021), which excludes (i) costs of $467 million related to restructuring and other charges, acquisition-related charges, amortization of intangible assets as well as (ii) bonus. Management uses adjusted non-GAAP operating profit to evaluate and forecast our performance before gains, losses, or other charges that are considered by management to be outside of our core business segment operating results. We believe that presenting adjusted non-GAAP operating profit provides investors with greater visibility with respect to the information used by management in its

financial and operational decision making. We further believe that providing this additional non-GAAP information helps investors understand our operating performance and evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance. This additional non-GAAP information is not intended to be considered in isolation or as a substitute for GAAP diluted operating profit.

(2) As summarized above, non-GAAP free cash flow is a non-GAAP measure that is defined as net cash provided by operating activities ($6.4 billion in fiscal 2021) adjusted for net investments in leases ($111 million in fiscal 2021) and net investments in property, plant and equipment ($582 million in fiscal 2021) and net Oracle litigation proceeds ($1.8 billion in fiscal 2021). HP's management uses non-GAAP free cash flow for the purpose of determining the amount of cash available for investment in HP's businesses, repurchasing stock and other purposes. HP's management also uses non-GAAP free cash flow to evaluate HP's historical and prospective liquidity.

Following fiscal 2021, the HRC Committee reviewed performance against the financial metrics and certified the results as follows:

Fiscal 2021 Annual Incentive Performance Against Financial Metrics[(1)(2)]

Metric	Weight[(3)]	Target ($ in billions)	Result ($ in billions)	Percentage of Target Annual Incentive Funded
GAAP Net Revenue	25.0%	$58.3	$63.5	62.5%
Adjusted Non-GAAP Operating Profit	25.0%	$ 4.6	$ 6.6	62.5%
Non-GAAP Free Cash Flow (% of revenue)	25.0%	6.7%	6.6%	21.8%
Total	75.0%			146.8%

(1) Mr. Lores, Ms. Myers, and Mr. Schell received annual incentive payments based on corporate financial metrics. Mr. Cho and Mr. Tran received an annual incentive payment based on corporate and business financial metrics.

(2) As a general administrative discretionary guideline, the HRC Committee may decide that financial funding for Global Functions Executives, including the CEO, cannot exceed the highest funding for a Business Unit Executive. Governors also include that HP Adjusted Non-GAAP Operating Profit Before Bonus will need to be achieved at minimum to be eligible for any award related to the HP GAAP revenue component. Also, Non-GAAP Free Cash Flow (% of revenue) is capped at 150% of target if HP Adjusted non- GAAP operating profit achievement is below target. Non-GAAP Free Cash Flow (% of revenue) is capped at 100% of target if HP Adjusted non- GAAP operating profit is below minimum.

(3) The financial metrics were equally weighted to account for 75% of the target annual incentive.

Fiscal 2021 Annual Incentive Performance Against Non-Financial Component (MBOs)

Mr. Lores. The HRC Committee determined that Mr. Lores' MBO performance was achieved above target. Mr. Lores' fiscal 2021 MBOs included but were not limited to: executing the strategy to position HP for long term success; achieving all fiscal 2021 business goals; advancing HP's leadership position in Personal Systems and Print; continuing to scale innovation businesses; enhancing HP's sustainability vision; ensuring HP has an effective talent program; and driving employee commitment and engagement while strengthening the HP culture and continuing to drive diversity throughout the organization.

Mr. Lores had strong accomplishments, including the following:

- Delivered excellent financial results including revenues of $63.5B (+12.1% increase vs. prior year), Non-GAAP operating profit of $5.8 billion (+42% vs. prior year), Non-GAAP EPS at $3.79 (+66% vs. prior year), generated $4.2 billion of free cash flow and returned a record $7.2 billion to stockholders in the form of dividends and share repurchases
- Successfully navigated a complex and dynamic environment characterized by pandemic uncertainties, component shortages and supply chain disruptions, with HP emerging as a stronger company
- Achieved fiscal 2021 business goals and exceeded value-plan commitments despite significant operational challenges, delivering exceptional performance with strong top and bottom-line growth and substantial EPS expansion
- Advanced HP's leadership in Personal Systems and Print by driving innovation, expanding into adjacencies, evolving our business models, and strengthening our value propositions
  - Accelerated shift to Contractual and New Business Models (Instant Ink, HP+, workforce services, etc.)
  - Drove Peripherals growth in Personal Systems and closed HyperX acquisition in June 2021
- Shifted the focus for innovation businesses—specifically 3D printing—to creating integrated high-value end-to-end applications
- Introduced a new 10-year vision for HP to become the world's most sustainable and just technology company, incorporating measurable goals across Climate Action, Human Rights and Digital Equity to be achieved by 2030
- Filled all openings on the Executive Leadership Team with a strong and diverse set of candidates
- Drove continued progress against aggressive diversity goals for women, US ethnicity, and US Veterans

Ms. Myers. The HRC Committee determined that Ms. Myers' MBO performance was achieved above target. Ms. Myers did a remarkable job serving in two critical roles on the Executive Leadership Team as both Chief Transformation Officer and Chief Financial Officer. As Chief Transformation Officer, Ms. Myers delivered structural savings and major transformation programs, streamlining processes and advancing sustainability frameworks. Ms. Myers also did an excellent job as CFO, executing the fiscal 2021 Investor Relations plan, accelerating Finance transformation efforts and advancing the Finance team's leadership and capabilities. Ms. Myers is a highly valued member of the Executive Leadership Team and an exemplary leader to our HP community.

Mr. Schell. The HRC Committee determined that Mr. Schell's MBO performance was achieved above target. Mr. Schell did an excellent job exceeding financial performance and long-term saving targets, at the same time resetting pricing and pivoting the business to growth opportunities. Mr. Schell successfully designed and implemented innovative channel simplification initiatives that were a first in the industry. Mr. Schell also did a remarkable job leading the COVID-19 project management office, working on the front line with customers and solving location specific issues. Mr. Schell is an outstanding global leader and his skills and experience enhance our leadership.

Mr. Cho. The HRC Committee determined that Mr. Cho's MBO performance was achieved above target. Mr. Cho did an excellent job growing the business through a successful and creative combination of organic and inorganic strategies, launching new products and platforms and completing two successful acquisitions. Mr. Cho's leadership helped address operational challenges while supporting strong external partnerships with critical leaders. Mr. Cho also brought an exceptionally strong focus to people and sustainability initiatives in the Personal Systems organization. Mr. Cho is a thoughtful and well-respected leader in the organization with a strong team to drive the business forward.

Mr. Tran. The HRC Committee determined that Mr. Tran's MBO performance was achieved above target. Mr. Tran successfully navigated a number of complex challenges in Print while making progress on more strategic, future focused priorities such as HP+ and Instant Ink enrollments. Mr. Tran also did an excellent job maintaining operations at the Malaysia factory and addressing privacy challenges in Europe. Mr. Tran is a knowledgeable and experienced leader with strong credibility internally and with external stakeholders to help drive HP's enterprise goals.

Based on the findings of these performance evaluations, the HRC Committee (and, in the case of the CEO, the independent members of the Board) determined performance against MBO metrics for the NEOs as follows:

Named Executive Officer	Target MBO (%)	MBO Funded (%)
Enrique J. Lores	25.0	38.2
Marie Myers	25.0	53.2
Christoph Schell	25.0	53.2
Alex Cho	25.0	53.2
Tuan Tran	25.0	38.2

Based on the level of performance described above on both the financial metrics and MBOs for fiscal 2021, the payouts to the NEOs under the annual incentive were as follows:

Fiscal 2021 Annual Incentive Payout

Total payouts were determined by adding the weighted performance against financial metrics to the weighted performance against the non-financial metrics to determine a total payout as a percentage of the target opportunity for each executive:

	Percentage of Target Annual Incentive Funded		Total Annual Incentive Payout	
Named Executive Officer	Financial Metrics (%)	Non-Financial Metrics (%)	As % of Target Annual Incentive (%)	Payout ($)
Enrique J. Lores	146.8	38.2	185.0	4,440,000
Marie Myers	146.8	53.2	200.0	1,794,000
Christoph Schell	146.8	53.2	200.0	2,052,000
Alex Cho	146.8	53.2	200.0	1,998,002
Tuan Tran	146.8	38.2	185.0	1,785,712

Long-term Incentive Compensation – Awards from Fiscal 2021

In order to motivate and reward our NEOs for their contributions towards achieving our business objectives, long-term incentives comprise the majority of each NEO's total target compensation opportunity with a total long-term incentive target value for each NEO established by the HRC Committee in early fiscal 2021. The long-term incentives consist of a mix of 30% PARSUs, 30% PCSOs and 40% time-based RSUs and are linked to EPS, relative TSR and stock price performance. The high proportion of performance-based awards (60%) reflects our pay-for-performance philosophy. The time-based awards support retention and are linked to stockholder value and ownership, which are important goals of our executive compensation program.

2021 PARSUs

The fiscal 2021 PARSUs cliff-vest following the end of a three-year performance period in 2023. Vesting of the PARSUs is based on achievement of an EPS goal with a TSR "payout modifier". The EPS goal consists of three annual goals that roll up into our three-year annual average EPS. A TSR "payout modifier" is then applied to the EPS average payout at the end of year three to ensure alignment with our stockholders' experience and stockholder value creation. TSR is measured over the full three-year period based on performance against the S&P 500. The relative TSR is a market-based payout modifier that adjusts payout (-50%, 0% or +50%) so there is alignment with stockholder results. Final payout is subject to an overall maximum of 300% of the target number of shares. This structure is summarized in the charts below:

PARSU Measures	• Non-GAAP EPS[(1)] – 100% of the units • Relative TSR vs. S&P 500 – "Payout Modifier"
PARSU Measurement Periods	• Earnout and vesting at the end of 3 years, subject to continued service • EPS based on three 1-year goals, set at the beginning of each year[(2)] • TSR measured over the full 3-years from FY21-23

PARSU Goal Scoring	• EPS funds payout from zero to 300% of target units according to threshold-target-maximum[(3)]
	  • Max 300%
	  • Above target 200%
	  • Target 100%
	  • Threshold 50%
	  • Below Threshold 0%
	• TSR adds 50% if in the top quartile and subtracts 50% if in the bottom quartile (no adjustment from 25th percentile to 75th percentile).
	  • Relative 3-year TSR > S&P 500 75th percentile +50%
	  • Relative 3-year TSR is equal to or between S&P 500 25th and 75th percentile No change
	  • Relative 3-year TSR < S&P 500 25th percentile -50%
	  • Subject to overall 300% of target shares max

(1) EPS for PARSU measurement is calculated using non-GAAP Net Earnings adjusted to include bonus at target.

(2) Performance measurement occurs at the end of the year one, year two, and year three performance periods.

(3) Interpolate for performance between discrete points.

In November of 2021, the HRC Committee determined that fiscal 2021 EPS for fiscal 2021 PARSUs was achieved at 300% based on actual PARSU EPS performance of $4.08 (target of $2.74). The final payout will also depend on performance in fiscal 2022 and 2023 along with the three-year relative TSR performance.

	Metric PARSU EPS[(1)] – 100%			Results		
	Fiscal 2021 EPS *Target: $2.74*	Fiscal 2022 EPS	Fiscal 2023 EPS	Average EPS Performance	3-year TSR Payout Modifier	Total Payout
Fiscal 2021 PARSUs	300%	_	_	TBD	TBD	TBD

(1) EPS for PARSU measurement is calculated using non-GAAP Net Earnings adjusted to include bonus at target.

2021 PCSOs

The addition of PCSOs in fiscal 2021 supports our more growth-oriented portfolio and strategy and aligns the interests of our executives with our stockholders by driving long-term sustained stock price growth and reflecting the time-horizon and risk to investors. The fiscal 2021 PCSO awards will vest in three tranches provided certain stock price requirements are met as follows:

- one-third of the PCSO award will vest upon continued service of one year and achievement of a closing stock price that is at least 10% over the grant date stock price for at least 20 consecutive trading days within two years from the date of grant;
- one-third will vest upon continued service for two years and achievement of a closing stock price that is at least 20% over the grant date stock price for at least 20 consecutive trading days within four years from the date of grant; and
- one-third will vest upon continued service of three years and achievement of a closing stock price that is at least 30% over the grant date stock price for at least 20 consecutive trading days within five years from the date of grant.

As of the end of fiscal 2021, all stock price appreciation conditions were met meaning that the vesting of the PCSOs only remains subject to the continued service requirements.

	Stock Price Hurdle (Grant Price: $23.68)	Time to Achieve Hurdle	Service Condition	Status as of 10/31/21
First Tranche	110% of grant price ($26.05)	2 years	1 year	Stock price hurdle met; subject to continued service
Second Tranche	120% of grant price ($28.42)	4 years	2 years	Stock price hurdle met; subject to continued service
Third Tranche	130% of grant price ($30.78)	5 years	3 years	Stock price hurdle met; subject to continued service

2021 RSUs

2021 RSUs and related dividend equivalent units vest ratably on an annual basis over three years from the grant date. Three-year vesting is common in our industry and supports executive retention and alignment with stockholder value.

Fiscal 2021 Long-term Incentive Compensation at Target

The following table shows combined total target grant values for annual grants attributable to fiscal 2021. These values represent target opportunities to earn future value-based compensation and are not actual earned amounts, which will be determined after the end of the three-year performance period based on continued employment, stock price growth and performance against pre-established PCSO and PARSU performance goals.

Named Executive Officer	PARSUs	PCSOs	RSUs	Total Fiscal 2021 Long-term Incentive Grant
Enrique J. Lores	$4,050,000	$4,050,000	$5,400,000	$13,500,000
Marie Myers	$1,200,000	$1,200,000	$1,600,000	$ 4,000,000
Christoph Schell	$1,950,000	$1,950,000	$2,600,000	$ 6,500,000
Alex Cho	$1,650,000	$1,650,000	$2,200,000	$ 5,500,000
Tuan Tran	$1,650,000	$1,650,000	$2,200,000	$ 5,500,000

In addition to her annual grant, Ms. Myers also received a one-time equity award with a February 17, 2021 grant date fair value of $1,000,000, consisting of restricted stock units that vest ratably over three years, beginning on the first anniversary of the grant date. The grant was made in connection with her appointment as our Chief Financial Officer on February 17, 2021 after serving as our Acting Chief Financial Officer and to reward her continuing leadership of our Transformation and IT organization through May 2021 while she was also serving as CFO.

Values in the Summary Compensation Table are different than the target values described in the table above. In the Summary Compensation Table, amounts reflect the grant date fair value for the EPS component for Year 1 (2021), for which goals were approved in January 2021, and the grant date fair value for the TSR modifier, consistent with accounting standards. Grant date fair values for the EPS component for Year 2 (2022) and Year 3 (2023) are not included in the Summary Compensation Table since EPS goals for those years are approved in their respective fiscal year.

The Summary Compensation Table for fiscal 2021 also includes a portion of the fiscal 2020 PARSUs Year 2 EPS (2021) and 2019 PARSUs Year 3 EPS (2021) for which goals were approved in January 2021.

For more information on grants to the NEOs during fiscal 2021, see “Executive Compensation—Grants of Plan-Based Awards in Fiscal 2021.”

Long-term Incentive Compensation – Continuing Performance Awards from Prior Fiscal Years

2020 PARSUs

The fiscal 2020 PARSUs cliff-vest following the end of a three-year performance period in 2022. The metrics for such PARSUs are based on achievement of EPS goal with a TSR "payout modifier", similar to the fiscal 2021 PARSUs. The EPS goal consists of three annual goals that roll up into our three-year average annual EPS. A TSR "payout modifier" will then be applied to the EPS average payout at the end of year three to ensure alignment with our stockholders' experience and stockholder value creation. TSR will be measured over the full three-year period based on performance against the S&P 500. The relative TSR is a market-based payout modifier that adjusts payout (-25%, 0% or +25%) so there is alignment with stockholder results. Maximum final payout may not exceed 200% of target shares. This structure is summarized in the charts below:

PARSU Measures	• Non-GAAP EPS[(1)] - 100% of the units • Relative TSR vs. S&P 500 - "Payout Modifier"
PARSU Measurement Periods	• Earnout and vesting at the end of 3 years, subject to continued service • EPS based on three 1-year goals, set at the beginning of each year[(2)] • TSR measured over the full 3-years from FY20-22

PARSU Goal Scoring	• EPS funds payout from zero to 200% of target units according to threshold-target-maximum[(3)]
	  • Max 200%
	  • Above target 150%
	  • Target 100%
	  • Threshold 50%
	  • Below Threshold 0%
	• TSR adds 25% if in the top quartile and subtracts 25% if in the bottom quartile (no adjustment from 25th percentile to 75th percentile).
	  • Relative 3-year TSR > S&P 500 75th percentile +25%
	  • Relative 3-year TSR is equal to or between S&P 500 25th and 75th percentile No change
	  • Relative 3-year TSR < S&P 500 25th percentile -25%
	  • Subject to overall 200% of target shares max

(1) EPS for PARSU measurement is calculated using non-GAAP Net Earnings adjusted to include bonus at target.

(2) Performance measurement occurs at the end of the year one, year two, and year three performance periods .

(3) Interpolate for performance between discrete points.

The EPS performance target for fiscal 2021 is the same for both the fiscal 2020 and 2021 PARSU awards. As a result, the Year 2 performance level was 200% (the maximum for the 2020 PARSUs) based on PARSU EPS performance of $4.08 in fiscal 2021 (target of $2.74), as determined by the HRC Committee in November of 2021. The final payout for fiscal 2020 PARSUs will also depend on performance in fiscal 2022 along with the three-year relative TSR performance.

	Metric PARSU EPS[(1)] – 100%				Results		
	Fiscal 2020 EPS *Target: $2.32*	**Fiscal 2021 EPS** *Target: $2.74*	**Fiscal 2022 EPS**	**Fiscal 2023 EPS**	**Average EPS Performance**	**3-year TSR Payout Modifier**	**Total Payout**
Fiscal 2020 PARSUs	104.2%	200.0%	_		TBD	TBD	TBD
Fiscal 2021 PARSUs		300.0%	_	_	TBD	TBD	TBD

(1) EPS for PARSU measurement is calculated using non-GAAP Net Earnings adjusted to include bonus at target.

2019 PARSUs

The fiscal 2019 PARSUs have a two-and three-year vesting period, subject to one-, two-, and three-year performance periods that began at the start of fiscal 2019 and continue through the end of fiscal 2019, 2020 and 2021. Under this program, 50% of the PARSUs (including dividend equivalent units) are eligible for vesting based on EPS and 50% are eligible for vesting based on relative TSR performance against the S&P 500. These PARSUs vest as follows: 16.6% of the units are eligible for vesting based on EPS performance of year one with continued service over two years, 16.6% of the units are eligible for vesting based on EPS performance of year two with continued service over three years, 16.6% of the units are eligible for vesting based on EPS performance of year three with continued service over three years, 25% of the units are eligible for vesting based on relative TSR performance over two years with continued service over two years, and 25% of the units are eligible for vesting based on relative TSR performance over three years with continued service over three years. This structure is summarized in the charts below:

PARSU Measures	• Non-GAAP EPS[1] - 50% of the units • Relative TSR vs. S&P 500 – 50% of the units

PARSU Measurement Periods[3]	• Earnout and vesting at the end of 2 and 3 years, subject to continued service
	• EPS based on three 1-year goals, set at the beginning of each year[2]
	  • EPS Year 1 units vest at the end of year 2
	  • EPS Year 2 units vest at the end of year 3
	  • EPS Year 3 units vest at the end of year 3
	• TSR measured over 2-years FY19-FY20 and 3-years from FY19-21
	  • TSR measured over 2 years vest at the end of year 2
	  • TSR measured over 3 years vest at the end of year 3

PARSU Goal Scoring[4]	• EPS funds payout from zero to 200% of target units according to threshold-target-maximum
	  • Max 200%
	  • Above target 150%
	  • Target 100%
	  • Threshold 50%
	  • Below Threshold 0%
	• TSR funds payout from zero to 200% of target units according to threshold-target-maximum
	  • Max > 90th percentile 200%
	  • Above target 70th percentile 150%
	  • Target **50th percentile** 100%
	  • Threshold 25th percentile 50%
	  • Below Threshold < 25th percentile 0%

(1) EPS for PARSU measurement is calculated using non-GAAP Net Earnings adjusted to include bonus at target.
(2) Performance measurement occurs at the end of the year one, year two, and year three performance periods .
(3) Vesting occurs at the end of the two- and three-year periods, subject to continued service.
(4) Interpolate for performance between discrete points.

EPS and relative TSR are weighted equally in determining earned PARSUs. The first segment (42% of total target units) vested at the end of fiscal 2020, subject to Year 1 EPS performance and relative TSR performance for the first two years. The second segment (58% of total target units) vested after the end of fiscal 2021, subject to Year 2 EPS performance, Year 3 EPS performance, and relative TSR performance for the three years.

The actual performance achievement for the one- and two-year period (i.e., fiscal 2019 and fiscal 2019–2020), as a percentage of target for the HP PARSUs as of October 31, 2020, was summarized in our proxy statement for fiscal 2020. The actual performance achievement for the three-year period (i.e., fiscal 2019–2021) as a percentage of target for the HP PARSUs as of October 31, 2021 is summarized in the table below:

Actual Performance – Segment 2

	EPS[1] vs. Internal Goals				Relative TSR vs. S&P 500[2]	
Segment	**2020**	**Payout**	**2021**	**Payout**	**Fiscal 2019-2021 Results**	**Payout**
Segment 2 (58%)	$2.33	104.2%	$4.08	200.0%	32nd percentile	64%
	Target: $2.32		Target: $2.74			

(1) EPS for PARSU measurement is calculated using non-GAAP Net Earnings adjusted to include bonus at target.
(2) Through October 2021, HP's relative TSR performance was at the 32nd percentile of the S&P 500 which corresponds to a payout of 64% of target.

The table below summarizes Fiscal 2019 PARSUs (segment 1 and segment 2). Segment 1 performance was based on performance over fiscal 2019 and 2020 and segment 2 performance was based on performance over fiscal 2019 to 2021.

	Metric PARSU EPS – 50%			Metric TSR – 50%		
	Fiscal 2019 EPS Payout	Fiscal 2020 EPS Payout	Fiscal 2021 EPS Payout	Fiscal 2019 TSR	Fiscal 2020 TSR	Fiscal 2021 TSR
Segment 1	122.7%		–	0%		
Segment 2		104.2%	200%	64%		

Fiscal 2022 Compensation Program

The HRC Committee regularly identifies and evaluates ways to improve our executive compensation program. We believe that our current compensation structure, as modified in fiscal 2021 to reflect our strategy under new leadership, effectively aligns real pay delivery with critical financial and strategic non-financial goals, reinforces year-over-year improvement and our growth-oriented strategy, offers a stable and consistent message to both stockholders and participants, and provides an attractive pay-for-performance incentive opportunity to encourage retention and leadership engagement. In light of our continued monitoring and evaluation of our executive compensation program, and our engagement with, and feedback from, our stockholders, we believe the structure of our incentive designs as in effect in fiscal 2021 continue to support the Company's business strategy and align with our compensation philosophy. The introduction of PCSOs further align the interest of our executives with stockholders by driving long-term sustained stock growth.

Benefits

We do not provide our executives, including the NEOs, with special or supplemental U.S. defined benefit pension or health benefits. Our NEOs receive health and welfare benefits (including retiree medical benefits, if eligibility conditions are met) under the same programs and subject to the same eligibility requirements that apply to our employees generally.

Benefits under all U.S. pension plans were frozen effective December 31, 2007. Benefits under the Electronic Data Systems ("EDS") Pension Plan ceased upon HP's acquisition of EDS in 2008. As a result, no NEO or any other HP employee accrued a benefit under any HP U.S. defined benefit pension plan during fiscal 2021. The amounts reported as an increase in pension benefits in the Summary Compensation Table are for those NEOs who previously accrued a benefit in a defined benefit pension plan prior to the cessation of accruals and reflect changes in actuarial values only, not additional benefit accruals.

The NEOs, along with other executives who earn base pay or an annual incentive in excess of certain limits of the Code or greater than $160,000, are eligible to participate in the 2005 Executive Deferred Compensation Plan (the "EDCP"). This plan is maintained to permit executives to defer some of their compensation in order to also defer taxation on such amounts. This is a standard benefit plan also offered by most of our peer group companies. The EDCP permits deferral of base pay in excess of the amount allowed under the qualified HP 401(k) Plan (the "HP 401(k) Plan") (the 401(k) deferral limit for calendar 2021 was $19,500) and up to 95% of the annual incentive payable under the Stock Incentive Plan, the PfR Plan and other eligible plans. In addition, we make a 4% matching contribution to the EDCP on base pay contributions in excess of IRS limits up to a maximum of two times that limit (maximum of $11,600 in calendar 2021). This is the same percentage of matching contributions those executives are eligible to receive under the 401(k) Plan. In effect, the EDCP permits these executives and all eligible employees to receive a 401(k)-type matching contribution on a portion of base-pay deferrals in excess of IRS limits. Amounts deferred or matched under the EDCP are credited with hypothetical investment earnings based on investment options selected by the participant from among nearly all the proprietary funds available to employees under the 401(k) Plan. No amounts earn above-market returns. Benefits payable under the EDCP are unfunded and unsecured.

Executives are also eligible to have a yearly HP-paid medical exam as part of the HP U.S. executive physical program. This includes a comprehensive exam, thorough health assessment and personalized health advice. This benefit is also offered by our peer group companies.

Consistent with its practice of not providing any special or supplemental executive defined benefit programs, including arrangements that would otherwise provide special benefits to the family of a deceased executive, in 2011 the HRC Committee adopted a policy that, unless approved by our stockholders pursuant to an advisory vote, we will not enter into a new plan, program or agreement or modify an existing plan, program or agreement with a Section 16 officer (including the NEOs) that provides for payments, grants or awards following the death of the officer in the form of unearned salary or unearned annual incentives, accelerated vesting or the continuation in force of unvested equity grants, perquisites, and other payments or awards made in lieu of compensation, except to the extent that such payments, grants or awards are provided or made available to our employees generally.

We provide our executives with financial counseling services to assist them in obtaining professional financial advice, a common benefit among our peer group companies, for convenience and to increase the understanding and effectiveness of our executive compensation program.

Limited Perquisites

We provide a small number of perquisites to our senior executives, including the NEOs. For a list of all perquisites provided to our NEOs for fiscal 2021, please refer to "Fiscal 2021 All Other Compensation Table" on page 63.

HP maintains one corporate aircraft due to our global presence. For security, safety, effectiveness and efficiency purposes, the Company allows executives to use the corporate aircraft for personal reasons. The CEO is required by the Board to use corporate aircraft for all travel. In the event an NEO is accompanied by a guest or family member on the aircraft for personal reasons, as approved by the CEO or CLO, the NEO is taxed on the value of this usage according to the relevant rules of the Internal Revenue Code. We do not provide tax gross-ups for the imputed income attributable to personal use. Among our NEOs, Mr. Lores is the only executive who used the corporate aircraft for personal use during fiscal 2021, which was to provide security and protect his health and safety. During fiscal 2021, Ms. Myers used the corporate aircraft for business travel during which she was accompanied by her family. While the incremental costs associated with such travel were recognized as imputed income by Ms. Myers, such travel by her guests was at no additional cost to HP.

In addition, we cover the costs of financial counseling, tax preparation and estate planning services for certain of our executives. These services provide these executives with a better understanding of their compensation and benefits and allow them to focus their attention on our future success.

We consider specific personal security measures to be appropriate expenses that arise out of the executive's employment responsibilities and that are necessary to his/her job performance and to ensure the safety of the covered executive and his/her family. The Board and the HRC Committee periodically review and approve the amount and nature of executive officers' security expenses.

Termination and Change in Control Protections

The HRC Committee is focused on ensuring that the severance and change of control protections available to our executives are consistent with market practice, provide clarity to prospective and current executives, and will help attract and retain talent. Consistent with this approach, our Section 16 officers (including all of the NEOs) are covered by the Amended and Restated Severance and Long-term Incentive Change in Control Plan for Executive Officers ("SPEO"), as subsequently amended. The SPEO is intended to protect our executives and our stockholders, and provide a level of transition assistance in the event of an involuntary termination of employment. We have not entered into individual employment agreements or any severance or change in control agreements with our current NEOs.

Severance and Long-term Incentive Change in Control Plan for Executive Officers

Under the SPEO, participants who incur an involuntary termination (i.e., a termination not for cause), and who execute a full and effective release of claims following such termination, are eligible to receive severance benefits in an amount determined as a multiple of base pay, plus the average of either the actual annual incentives paid for the preceding three years or target bonus if the executive has received less than three full fiscal year annual cash bonuses at his or her seniority level as of immediately prior to such termination. In the case of the NEOs other than the CEO, the multiplier is 1.5. In the case of the CEO, the multiplier is 2.0. In all cases, this benefit will not exceed 2.99 times the sum of the executive's base pay plus target annual incentive as in effect immediately prior to the termination of employment.

Although most of the compensation for our executives is performance-based and largely contingent upon the achievement of financial goals, the HRC Committee continues to believe that the SPEO is appropriate for the attraction and retention of executive talent. In addition, we find it more equitable to offer severance benefits based on a standard formula for the Section 16 officers (including all of the NEOs) because severance often serves as a bridge when employment is involuntarily terminated, and should therefore not be affected by other, longer-term accumulations. As a result, and consistent with the practice of our peer group companies, other compensation decisions are not generally tied to the existence of this severance protection.

In addition to the cash benefit, SPEO participants are eligible to receive (1) a pro-rata annual incentive for the year of termination based on actual performance results, at the discretion of the HRC Committee, (2) pro-rata vesting of unvested equity awards (and for performance-based equity awards, only if any applicable performance conditions have been satisfied), and (3) payment of a lump-sum health-benefit stipend of an amount equal to 18 months' COBRA premiums for continued group medical coverage for the executive and his or her eligible dependents.

Severance Benefits in the Event of a Change in Control under SPEO

In order to better ensure the retention of our Executive Leadership team in the event of a potentially disruptive corporate transaction, the SPEO also includes change in control terms for our NEOs. The benefits provided for involuntary terminations under the SPEO are also provided in connection with a voluntary termination for Good Reason (as defined in the plan) that occurs within 24 months after a change in control ("double trigger"). In addition, the SPEO provides for full vesting of outstanding stock options, RSUs, PCSOs and PARSUs upon involuntary termination not for Cause or voluntary termination for Good Reason within 24 months after a change in control, and in situations where equity awards are not assumed by the surviving corporation (a "modified double trigger"). The SPEO further provides that under either a double trigger or modified double trigger, PARSUs will vest based on actual performance with respect to the awards for which the applicable performance period has ended or target performance with respect to the awards for which the applicable performance period has not ended. In addition, in the event of any dispute under the SPEO relating to a participant's termination of employment within 24 months following a change in control, the Company will reimburse all related legal fees and expenses reasonably incurred by the participant if claims are brought in good faith. We do not provide tax gross ups in connection with terminations, including terminations in the event of a change in control.

Other Compensation-Related Matters

Succession Planning

Among the HRC Committee's responsibilities described in its charter is to oversee succession planning and leadership development. In addition, the full Board plans for succession of the CEO and annually reviews senior management selection and succession planning. As part of this process, the independent Directors annually review candidates for senior management positions to see that qualified candidates are available for all positions and that development plans are being utilized to strengthen the skills and qualifications of the candidates. The criteria used when assessing the qualifications of potential CEO successors include, among others, strategic vision and leadership, operational excellence, financial management, executive officer leadership development, ability to motivate employees, and an ability to develop an effective working relationship with the Board. We also host a Board Buddy program through which each executive officer is aligned to a board member as a mentor to aid the executive's development while giving board members a deeper understanding of the day-to-day operations of the Company.

In fiscal 2021, an executive talent review was conducted along with succession plans for each of the executive leaders. Successors were identified to reflect necessary skill sets, performance, potential, and diversity. Development plans for successors were also established to ensure readiness and those will be managed throughout the coming year. In addition to the annual succession planning process, the HRC Committee participates in an in-depth performance discussion of each executive officer at the time of the annual compensation review. Further, the HRC Committee receives regular People Updates at HRC Committee meetings throughout the year, which includes a review of key people processes and developments for that quarter.

In addition, the executive team participated in team and individual development discussions throughout the year. New external executive team members also completed an assessment and onboarding process to ensure their full integration into the team and maximize their effectiveness.

Stock Ownership Guidelines and Prohibition on Hedging and Pledging

Our stock ownership guidelines are designed to align executives' interests with those of our stockholders and mitigate compensation-related risk. The current guidelines provide that, within five years of assuming a designated position, the CEO should attain an investment position in our stock equal to seven times his base salary and all other Section 16 officers reporting directly to the CEO should attain an investment position equal to five times their base salaries. Our NEOs are on pace to meet the stock ownership guidelines within the allotted time frame.

Shares counted toward these guidelines include any shares held by the executive directly or through a broker, shares held through the 401(k) Plan, shares held as restricted stock and shares underlying time-vested RSUs. In fiscal 2021 and upon the HRC Committee's approval, we no longer count stock options toward stock ownership guidelines. We also do not include shares in ongoing PARSU cycles. Our NEOs are on pace to meet the stock ownership guidelines within the allotted time frame.

The HRC Committee has adopted a policy prohibiting all employees, including executive officers, and Directors from engaging in any form of hedging transaction (derivatives, equity swaps, forwards, etc.) involving Company securities, including, among other things, short sales and transactions involving publicly traded options. In addition, with limited exceptions, our executive officers are prohibited from holding our securities in margin accounts and from pledging our securities as collateral for loans. We believe that these policies further align our executives' interests with those of our stockholders.

Policy for Recoupment of Performance-Based Incentives

In fiscal 2006, the Board adopted a "clawback" policy that provides Board discretion to recover certain annual incentives from senior executives (including the NEOs) whose fraud or misconduct resulted in a significant restatement of financial results. The policy specifically allows for the recovery of annual incentives paid at or above target from those senior executives whose fraud or misconduct resulted in the restatement where the annual incentives would have been lower absent the fraud or misconduct, to the extent permitted by applicable law. Additionally, our incentive plan document (and award agreements) allows for the recoupment of performance-based annual incentives and long-term incentives consistent with applicable law and the clawback policy.

In addition, in fiscal 2014, we added a provision to our grant agreements to clarify that equity awards are subject to the clawback policy. Award agreements also provide the Board discretion to recover certain outstanding cash and equity awards for fraud or misconduct that results in reputational harm to HP even when such fraud or misconduct does not result in a significant restatement of financial results.

Accounting and Tax Effects

The impact of accounting treatment is considered in developing and implementing our compensation programs, including the accounting treatment as it applies to amounts awarded or paid to our executives.

The impact of federal tax laws on our compensation programs is also considered, including the deductibility of compensation paid to the NEOs, as limited by Section 162(m) of the Code. For prior fiscal years, Section 162(m) included an exception from the deductibility limitation for qualified "performance-based compensation." This exception, however, has been repealed for tax years beginning in fiscal 2019 under the Tax Cuts and Jobs Act. As such, compensation paid to certain of our executive officers in excess of $1.0 million is not deductible unless it qualifies for certain transition relief applicable for compensation paid pursuant to a written binding contract that was in effect as of November 2, 2017. In addition, the Tax Cuts and Jobs Act increased the scope of individuals subject to the deduction limitation. Thus, compensation originally intended to satisfy the requirements for exemption from Section 162(m) may not be fully deductible. Although our compensation program may take into consideration the Section 162(m) rules as a factor, these considerations will not necessarily limit compensation to amounts deductible under Section 162(m). Despite the modifications to Section 162(m), the HRC Committee intends to continue to implement compensation programs that it believes are competitive and in the best interests of HP and its stockholders.

HR and Compensation Committee Report on Executive Compensation

The HRC Committee of the Board of HP has reviewed and discussed with management this Compensation Discussion and Analysis. Based on this review and discussion, it has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and in the Annual Report on Form 10-K of HP filed for the fiscal year ended October 31, 2021.

HR and Compensation Committee of the Board of Directors

Stephanie A. Burns, Chair
Aida Alvarez
Shumeet Banerji
Charles "Chip" V. Bergh
Bruce Broussard

Executive Compensation Tables

Fiscal 2021 Summary Compensation Table

The following table sets forth information concerning the compensation of our NEOs for fiscal years 2021, 2020, and 2019, as applicable. Per SEC reporting guidelines, our NEOs for fiscal 2021 include our CEO (Mr. Lores), our CFO (Ms. Myers), and the next three most highly compensated individuals serving as executive officers at year end (Mr. Schell, Mr. Cho, and Mr. Tran) as of the last day of the fiscal year (October 31, 2021).

Name and Principal Position	Year	Salary[3] ($)	Bonus[4] ($)	Stock Awards[5] ($)	Option Awards[6] ($)	Non-Equity Incentive Plan Compensation[7] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings[8] ($)	All Other Compensation[9] ($)	Total ($)
Enrique J. Lores President and CEO	2021	1,200,000	—	10,558,022	4,107,368	4,440,000	—	428,416	20,733,806
	2020	1,100,000	—	7,976,875		3,261,085	—	219,555	12,557,515
	2019	750,000	—	5,527,211		873,522	—	48,155	7,198,888
Marie Myers[1] Chief Financial Officer	2021	664,445	250,000	3,185,034	1,216,998	1,794,000	—	111,091	7,221,568
	2020	329,313	—	1,749,997		605,084	—	4,302	2,688,696
Christoph Schell[2] Former Chief Commercial Officer	2021	760,000	—	5,427,349	1,977,620	2,052,000	—	41,000	10,257,969
	2020	722,000	—	4,462,000		1,290,846	—	40,600	6,515,446
Alex Cho President, Personal Systems	2021	740,000	—	4,552,967	1,673,373	1,998,002	15	43,426	9,007,783
	2020	703,000	—	3,571,232		1,328,883	49,881	23,563	5,676,559
	2019	675,000	—	3,427,818		1,271,882	67,760	16,795	5,459,255
Tuan Tran President, Print	2021	715,000	—	4,066,688	1,673,373	1,785,712	5,418	78,876	8,325,067

(1) Ms. Myers was appointed to the role of Acting Chief Financial Officer effective October 1, 2020, while continuing to lead our Transformation and IT organization. On February 17, 2021, Ms. Myers was appointed as Chief Financial Officer of the Company.

(2) Mr. Schell stepped down as Chief Commercial Officer, effective February 18, 2022. Since stepping down from such position, Mr. Schell has continued to be employed by the Company in a non-executive officer role.

(3) Amounts shown represent base salary earned or paid during the fiscal year, as described under the heading "Compensation Discussion and Analysis—Determination of Fiscal 2021 Executive Compensation—2021 Base Salary."

(4) Ms. Myers received a one-time lump sum cash payment of $250,000 in connection with her appointment as Acting Chief Financial Officer, while continuing to lead our Transformation and IT organization.

(5) The grant date fair value of all stock awards has been calculated in accordance with applicable accounting standards. In the case of RSUs, the value is determined by multiplying the number of units granted by the closing price of our stock on the grant date. For PARSUs awarded in fiscal 2021, they include both internal (EPS) and market-related (TSR) performance goals as described under the "Compensation Discussion and Analysis—Determination of Fiscal 2021 Executive Compensation—Long-Term Incentive Compensation—Awards from Fiscal 2021". Amounts shown reflect the grant date fair value of the first tranche of the 2021 PARSUs for which the EPS goal has been established (i.e., for fiscal 2021) based on the probable outcome of performance conditions related to these PARSUs at the grant date. Consistent with the applicable accounting standards, the grant date fair value of the market related TSR modifier has been determined using a Monte Carlo simulation model. Further, consistent with accounting standards, grant date fair value reflects the EPS portion of the award for Year 1 only, for which goals were approved in January 2021. This value also reflects grant date fair value of the 2020 PARSU award for Year 2 (fiscal 2021 EPS) and the EPS portion of the 2019 PARSU award for Year 3 (fiscal 2021 EPS), for which goals were approved in January 2021. The table below sets forth the grant date fair value for the fiscal 2021 EPS of the 2021 PARSUs granted on December 7, 2020, the fiscal 2021 EPS of the 2020 PARSUs granted on December 6, 2019, and the fiscal 2021 EPS portion of the 2019 PARSUs granted on December 7, 2018:

Name	Date of Original PARSU Grant	Probable Outcome of Performance Conditions Grant Date Fair Value ($)*	Maximum Outcome of Performance Conditions Grant Date Fair Value ($)*	Market-related Component Grant Date Fair Value ($)**
Enrique J. Lores	12/7/2020	1,241,374	3,724,122	733,049
	12/6/2019	2,596,726	5,193,452	
	12/7/2018	586,862	1,173,724	
Marie Myers	12/7/2020	367,818	1,103,454	217,199
Christoph Schell	12/7/2020	597,692	1,793,076	352,951
	12/6/2019	1,357,373	2,714,746	
	12/7/2018	519,340	1,038,680	
Alex Cho	12/7/2020	505,737	1,517,211	298,651
	12/6/2019	1,133,122	2,266,244	
	12/7/2018	415,467	830,934	
Tuan Tran	12/7/2020	505,737	1,517,211	298,651
	12/6/2019	1,062,310	2,124,620	

* Amounts shown represent the grant date fair value of the PARSUs subject to the internal EPS performance goal (i) based on the probable or target outcome as of the date the goals were set and (ii) based on achieving the maximum level of performance for the performance period beginning in fiscal 2021. The grant date fair value of the 2021 PARSUs Year 1 EPS units awarded on December 7, 2020, 2020 PARSUs Year 2 EPS units awarded on December 6, 2019 and 2019 PARSUs Year 3 EPS units awarded on December 7, 2018 was $25.91 per unit, which was the closing share price of our common stock on January 12, 2021 when the EPS goal was approved. The values of 2021 PARSUs Year 2 and Year 3 EPS units will not be available until January 2022 and January 2023, respectively, and therefore are not included for fiscal 2021, but will be included for their respective fiscal years.

** Amounts shown represent the grant date fair value of PARSUs subject to the market related TSR modifier of the PARSUs, for which expense recognition is not subject to probable or maximum outcome assumptions. The grant date fair value of the market related TSR modifier of the PARSUs granted December 7, 2020 was $5.10 per unit, which was determined using a Monte Carlo simulation model. The significant assumptions used in this simulation model were a volatility rate of 41.0%, a risk-free interest rate of 0.2%, and a simulation period of 2.9 years. For information on the assumptions used to calculate the fair value of the awards, refer to Note 5 to our consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended October 31, 2021, as filed with the SEC on December 9, 2021.

(6) The grant date fair value of PCSO awards is calculated using a combination of a Monte Carlo simulation model and a lattice model, as these awards contain market conditions. For information on the assumptions used to calculate the fair value of the awards, refer to Note 5 of our consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended October 31, 2021, as filed with the SEC on December 9, 2021.

(7) Amounts shown represent payouts under the annual incentive (amounts earned during the applicable fiscal year but paid after the end of that fiscal year).

(8) Amounts shown represent the increase in the actuarial present value of NEO pension benefits during the applicable fiscal year. As described in more detail under the heading "Narrative to the Fiscal 2021 Pension Benefits Table" below, pension accruals have generally ceased for all NEOs, and NEOs hired after the dates that pension accruals ceased are not eligible to participate in any U.S. defined benefit pension plan. The only exception for the NEOs listed above is that Mr. Cho participates in the International Retirement Guarantee (IRG), which is provided to a small, closed group of employees who have transferred between countries with pension/retirement indemnity plans. Mr. Cho will not accrue additional benefits under the IRG unless he transfers outside of the US with HP Inc. for an extended period of time. Accordingly, the amounts reported for the NEOs do not reflect additional accruals but reflect the passage of one more year from the prior present value calculation, Deferred Profit-Sharing Plan returns, and changes in other actuarial assumptions. The assumptions used in calculating the changes in pension benefits are described in footnote (2) to the "Fiscal 2021 Pension Benefits Table" below. No HP plan provides for above-market earnings on deferred compensation amounts, so the amounts reported in this column do not reflect any such earnings.

(9) The amounts shown are detailed in the "Fiscal 2021 All Other Compensation Table" below. The security amount previously disclosed under "All Other Compensation" in our Summary Compensation Table for the year 2020 inadvertently excluded certain costs associated with security services provided to Mr. Lores. This amount has been revised from previous disclosure to reflect an increased amount of $77,700 for Mr. Lores, for a total security amount of $114,835.

Fiscal 2021 All Other Compensation Table

The following table provides additional information about the amounts that appear in the "All Other Compensation" column in the "Summary Compensation Table" above.

Name	401(k) Company Match(1) ($)	NQDC Company Match(2) ($)	Mobility Program(3) ($)	Security Services/ Systems(4) ($)	Personal Aircraft Usage(5) ($)	Non-U.S. Tax Gross-Up(6)	Miscellaneous(7) ($)	Total AOC ($)
Enrique J. Lores	11,600	11,400	7,816	238,136	139,506	—	19,958	428,416
Marie Myers	11,600	5,639	—	93,852	—	—	—	111,091
Christoph Schell	11,600	11,400	—	—	—	—	18,000	41,000
Alex Cho	11,600	11,400	—	—	—	—	20,426	43,426
Tuan Tran	11,600	11,400	15,395	—	—	22,026	18,455	78,876

(1) Represents matching contributions made under the HP 401(k) Plan that were earned for 2021.

(2) Represents matching contributions credited during fiscal 2021 under the HP Executive Deferred Compensation Plan with respect to the 2020 calendar year of that plan.

(3) For Mr. Lores and Mr. Tuan, represents tax preparation, filing, equalization and compliance services paid under HP's tax assistance due to business travel in Korea. Due to the taxation impact on US taxpayers who travel to Korea on business and the increase in Korea travel due to our acquisition of Samsung's Print business, the HRC Committee approved a Tax Assistance Program during its July 2017 meeting that covers our Section 16 officers. The program has the same characteristics as the existing tax equalization program for all other employees. Both programs together ensure a tax neutral scenario for all HP employees who must comply with Korean tax requirements due to business travel to Korea.

(4) Represents home security services provided to the NEOs and, consistent with SEC guidance, the incremental cost associated with these services is reported here as a perquisite. For the CEO and CFO, we provided a home security evaluation and residential security systems. At times, we may provide security for the CEO and CFO, which included personal security services provided during business-related travel and at business facilities, as needed to address security concerns arising out of our business. We consider personal security measures to be appropriate expenses that arise out of the executive's employment responsibilities and that are necessary to his/her job performance and to ensure the safety of the covered executive and his/her family. We believe that all Company-incurred security costs are reasonable and necessary and for the Company's benefit. The Board and the HR & Compensation Committee periodically review and approve the amount and nature of executive officers' security expenses.

(5) Represents the value of personal usage of HP corporate aircraft. For purposes of reporting the value of such personal usage in this table, we use data provided by an outside firm to calculate the hourly cost of operating each type of aircraft. These costs include the cost of fuel, maintenance, landing and parking fees, crew, catering and supplies. For trips by NEOs that involve mixed personal and business usage, we include the incremental cost of such personal usage (i.e., the excess of the cost of the actual trip over the cost of a hypothetical trip without the personal usage). For income tax purposes, the amounts included in NEO income are calculated based on the standard industry fare level valuation method. No tax gross ups are provided for this imputed income.

(6) Represents tax gross up costs for Korean income tax and U.S. social taxes under HP's Tax Assistance Program for Korea business travel.

(7) Includes other amounts paid either directly to the executives or on their behalf, including financial counseling, tax preparation and estate planning services, as discussed further in "Compensation Discussion and Analysis". For Mr. Lores, the amount includes $1,958.35 personal ground transportation expenses incurred while on business trips. For Mr. Cho, the amount includes $19,676.37 for financial counseling services that was incurred in fiscal 2019 and fiscal 2020 but not billed until fiscal 2021. For Mr. Tran it also includes $455 wellness incentive. All U.S. employees are also eligible to receive this incentive.

Grants of Plan-Based Awards in Fiscal 2021

The following table provides information on annual incentive awards for fiscal 2021 and awards of RSUs, PCSOs and PARSUs granted during fiscal 2021 as a part of our long-term incentive program:

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			Estimated Future Payouts Under Equity Incentive Plan Awards[2]						
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units[3] (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant-Date Fair Value of Stock and Option Awards[2] ($)
Enrique J. Lores											
Annual Incentive		24,000	2,400,000	4,800,000							
RSU	12/7/2020							228,041			5,400,011
PCSO	12/7/2020								637,460	23.68	4,107,368
PARSU	12/7/2020				23,956	47,911	143,733				1,974,423
PARSU	12/6/2019				50,111	100,221	200,442				2,596,726
PARSU	12/7/2018				11,325	22,650	45,300				586,862
Marie Myers											
Annual Incentive		8,970	897,001	1,794,002							
RSU	2/17/2021							38,052			1,000,007
	12/7/2020							67,568			1,600,010
PCSO	12/7/2020								188,877	23.68	1,216,998
PARSU	12/7/2020				7,098	14,196	42,588				585,017
Christoph Schell											
Annual Incentive		10,260	1,026,000	2,052,000							
RSU	12/7/2020							109,797			2,599,993
PCSO	12/7/2020								306,925	23.68	1,977,620
PARSU	12/7/2020				11,534	23,068	69,204				950,643
PARSU	12/6/2019				26,194	52,388	104,776				1,357,373
PARSU	12/7/2018				10,022	20,044	40,088				519,340
Alex Cho											
Annual Incentive		9,990	999,000	1,998,000							
RSU	12/7/2020							92,905			2,199,990
PCSO	12/7/2020								259,706	23.68	1,673,373
PARSU	12/7/2020				9,760	19,519	58,557				804,388
PARSU	12/6/2019				21,867	43,733	87,466				1,133,122
PARSU	12/7/2018				8,018	16,035	32,070				415,467
Tuan Tran											
Annual Incentive		9,653	965,250	1,930,500							
RSU	12/7/2020							92,905			2,199,990
PCSO	12/7/2020								259,706	23.68	1,673,373
PARSU	12/7/2020				9,760	19,519	58,557				804,388
PARSU	12/6/2019				20,500	41,000	82,000				1,062,310

(1) Amounts represent the range of possible cash payouts for fiscal 2021 annual incentive awards under the Stock Incentive Plan based upon annual salary.

(2) For the 2019 PARSUs, amounts represent the range of shares that may be released at the end of the three-year vesting period (the two-year segment vested in November 2020) applicable to the PARSUs assuming achievement of threshold, target, or maximum performance. 50% of the PARSUs are eligible for vesting based on EPS performance and 50% are eligible for vesting based on relative TSR performance. PARSUs vest as follows: 16.6% of the units are eligible for vesting based on EPS performance of year one with continued service over two years, 16.6% of the units are eligible for vesting based on EPS performance of year two with continued service over three years, 16.6% of the units are eligible for vesting based on EPS performance of year three with continued service over three years, 25% of the units are eligible for vesting based on relative TSR performance over two years with continued service over two years, 25% of the units are eligible for vesting based on relative TSR performance over three years with continued service over three years. For the 2020 and 2021 PARSUs, amounts represent the range of shares that may be released at the end of the three-year vesting period applicable to the PARSUs assuming achievement of threshold, target, or maximum performance. For the 2021 PARSUs year 1 and 2020 PARSUs year 2, fiscal 2021 EPS units are reflected in this table, including the grant date fair value of the market related TSR goal modifier of the 2021 PARSUs, for which expense recognition is not subject to probable or maximum outcome assumptions. Further, the 2019 PARSUs fiscal 2021 EPS units are also included. If our EPS and relative TSR performance are below threshold for the performance period, no shares will be released for the applicable segment based on program description. For additional details, see the discussion of PARSUs under the heading "Compensation Discussion and Analysis—Determination of Fiscal 2021 Executive Compensation—Long-Term Incentive Compensation—Awards from Fiscal 2021—2021 PARSUs."

(3) RSUs vest as to one-third of the units on each of the first three anniversaries of the grant date, subject to continued service.

Outstanding Equity Awards at 2021 Fiscal Year-End

The following table provides information on stock and option awards held by the NEOs as of October 31, 2021:

	Stock Awards							
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price[3] ($)	Option Expiration Date[4]	Number of Shares or Units of Stock That Have Not Vested[5] (#)	Market Value of Shares or Units of Stock That Have Not Vested[6] ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[7] (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[6] ($)
Enrique J. Lores	156,976	—	12.47	10/29/2023	423,021	12,830,231	544,617	16,518,234
		637,460[1]	23.68	12/6/2030				
Marie Myers	—	188,877[2]	23.68	12/6/2030	176,640	5,357,499	42,588	1,291,694
Christoph Schell	—	306,925[2]	23.68	12/6/2030	728,830	22,105,414	278,756	8,454,669
Alex Cho	—	259,706[2]	23.68	12/6/2030	187,616	5,690,379	233,489	7,081,721
Tuan Tran	—	259,706[2]	23.68	12/6/2030	172,267	5,224,866	222,555	6,750,093

(1) The option award held by Mr. Lores fully vests as to one-third of the options on the first, second and third anniversary of December 7, 2020, the date of grant. The option award would continue to vest in accordance with this schedule in the event Mr. Lores retires from HP. Mr. Lores is retirement-eligible.

(2) The performance hurdles applicable to these option awards have been achieved by the end of fiscal 2021. Such option awards vest as to one-third of the shares on the first, second and third anniversary of December 7, 2020, the date of grant.

(3) Option exercise prices are the fair market value of our stock on the grant date. In connection with the separation of HPE and in accordance with the employee matters agreement, HP made certain adjustments to the exercise price and number of stock-based compensation awards with the intention of preserving the intrinsic value of the awards prior to the separation. Exercisable and non-exercisable stock options were converted to similar awards of the entity where the employee was working post-separation.

(4) All options have a ten-year term, except for the 156,976 stock options granted to Mr. Lores, which have an eight-year term.

(5) The amounts in this column include shares underlying dividend equivalent units credited with respect to outstanding stock awards through October 31, 2021. The release dates and release amounts for all unvested stock awards are as follows, assuming continued service and satisfaction of any applicable financial performance conditions:

- Mr. Lores: December 7, 2021 (180,412 shares plus accrued dividend equivalent shares); December 7, 2022 (147,559 shares plus accrued dividend equivalent shares); December 7, 2023 (76,014 shares plus accrued dividend equivalent shares).
- Ms. Myers: December 7, 2021 (22,522 shares plus accrued dividend equivalent shares); February 17, 2022 (12,684 shares plus accrued dividend equivalent shares); March 30, 2022 (32,698 shares plus accrued dividend equivalent shares); December 7, 2022 (22,523 shares plus accrued dividend equivalent shares); February 17, 2023 (12,684 shares plus accrued dividend equivalent shares); March 30, 2023 (32,698 shares plus accrued dividend equivalent shares); December 7, 2023 (22,523 shares plus accrued dividend equivalent shares); February 17, 2024 (12,684 shares plus accrued dividend equivalent shares).
- Mr. Schell: December 7, 2021 (103,071 shares plus accrued dividend equivalent shares); July 25, 2022 (468,823 shares plus accrued dividend equivalent shares); December 7, 2022 (73,998 shares plus accrued dividend equivalent shares); December 7, 2023 (36,599 shares plus accrued dividend equivalent shares).
- Mr. Cho: December 7, 2021 (85,448 shares plus accrued dividend equivalent shares); December 7, 2022 (62,188 shares plus accrued dividend equivalent shares); December 7, 2023 (30,969 shares plus accrued dividend equivalent shares).
- Mr. Tuan: December 7, 2021 (73,320 shares plus accrued dividend equivalent shares); December 7, 2022 (60,237 shares plus accrued dividend equivalent shares); December 7, 2023 (30,969 shares plus accrued dividend equivalent shares).

(6) Value calculated based on the $30.33 closing price of our stock on October 29, 2021.

(7) The amounts in this column include the amounts of PARSUs granted in fiscal 2020 (Year 1 and Year 2 EPS units) and fiscal 2021 (Year 1 EPS units). The EPS units for PARSUs granted in fiscal 2020 and 2021 are reported based on maximum (200% and 300%, respectively) performance. Actual payout will be based on achievement of performance goals at the end of the three-year vesting period.

Option Exercises and Stock Vested in Fiscal 2021

The following table provides information about options exercised and stock awards vested for the NEOs during the fiscal year ended October 31, 2021:

	Option Awards		Stock Awards[1]	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise[2] ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting[3] ($)
Enrique J. Lores	—	—	244,099	6,442,778
Marie Myers	—	—	33,592	1,060,164
Christoph Schell	—	—	269,269	7,829,677
Alex Cho	42,378	320,870	157,311	4,279,698
Tuan Tran	55,660	750,458	61,889	1,465,532

(1) Includes PARSUs, RSUs, and accrued dividend equivalent shares.

(2) Represents the amounts realized based on the difference between the market price of HP stock on the date of grant and the exercise price.

(3) Represents the amounts realized based on the fair market value of our stock on the performance period end date for PARSUs (October 31, 2021) and on the vesting date for RSUs and accrued dividend equivalent shares. Fair market value is determined based on the closing price of our stock on the applicable performance period end/vesting date.

Fiscal 2021 Pension Benefits Table

The following table provides information about the present value of accumulated pension benefits payable to each NEO:

Name	Plan Name[(1)]	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit[(2)] ($)	Payments During Last Fiscal Year ($)
Enrique J. Lores[(3)]	—	—	—	—
Marie Myers[(4)]	—	—	—	—
Christoph Schell[(3)]	—	—	—	—
Alex Cho	RP	7.6	108,005	—
	EBP	7.6	15	—
	IRG	26.3	171,426	—
Tuan Tran	RP	14.6	384,996	—
	EBP	14.6	254,989	—

(1) The “RP” and the “EBP” are the qualified HP Retirement Plan and the non-qualified HP Excess Benefit Plan, respectively. All benefits are frozen under these plans. The RP has been merged into the HP Inc. Pension Plan (formerly known as the Hewlett-Packard Company Retirement Plan). The “IRG” is the International Retirement Guarantee which is a nonqualified plan covering certain highly compensated international transfers.

(2) The present value of accumulated benefits is shown at the age 65 unreduced retirement age for the RP, the EBP and the IRG using the assumptions under Accounting Standards Codification (ASC) Topic 715-30 Defined Benefit Plans—Pension for the 2021 fiscal year-end measurement (as of October 31, 2021). The present value is based on a discount rate of 2.91% for the RP, 1.64% for the EBP and 1.57% for the IRG, lump sum interest rates of 0.70% for the first five years, 2.55% for the next 15 years and 3.06% thereafter, and applicable mortality for lump sums with the respective mortality improvement scale applied for future years. As of October 31, 2020 (the prior measurement date), the ASC Topic 715-30 assumptions included a discount rate of 2.77% for the RP, 1.44% for the EBP, and 1.34% for the IRG, lump sum interest rates of 0.51% for the first five years, 2.31% for the next 15 years and 3.15% thereafter, and applicable mortality for lump sums with the respective mortality improvement scale applied for future years.

(3) Mr. Lores and Mr. Schell are not eligible to receive benefits under any defined benefit pension plan because we ceased benefit accruals under all of our U.S.-qualified defined benefit pension plans prior to the commencement of their employment with HP in the United States.

(4) Ms. Myers was a participant in the RP and EBP, but when she previously left the Company, she was paid her RP and EBP benefits (in the 2019 fiscal year).

Narrative to the Fiscal 2021 Pension Benefits Table

No NEO currently accrues a benefit under any qualified or non-qualified defined benefit pension plan because we ceased benefit accruals in all our U.S.-qualified defined benefit pension plans (and their non-qualified plan counterparts) in prior years. In the case of Mr. Cho, his IRG benefit is based on the US retirement program and since the US pension plans are frozen there is no accrual under that plan. Benefits previously accrued by Mr. Cho under the RP, EBP and IRG and by Mr. Tran under the RP and EBP are payable to them following termination of employment, subject to the terms of the applicable plans.

Terms of the HP Retirement Plan (RP)

Mr. Cho and Mr. Tran earned benefits under the RP and the EBP based on pay and service prior to 2006. The RP is a traditional defined benefit plan that provided a benefit based on years of service and the participant’s “highest average pay rate,” reduced by a portion of Social Security earnings. “Highest average pay rate” was determined based on the 20 consecutive fiscal quarters when pay was the highest. Pay for this purpose included base pay and bonus, subject to applicable IRS limits. Benefits under the RP may be taken in one of several different annuity forms or in an actuarially equivalent lump sum. Mr. Tran was a participant in the RP before November 1, 1993 so he has a DPSP balance which is integrated with the RP. Benefits calculated under the RP are offset by the value of benefits earned under the HP Deferred Profit Sharing Plan (the “DPSP”) before November 1, 1993. Together, the RP and the DPSP constitute a “floor-offset” arrangement for periods before November 1, 1993. Benefits not payable from the RP and the DPSP due to IRS limits are paid from the EBP under which benefits are unfunded and unsecured. When an EBP participant terminates employment, the benefit liability is transferred to the EDCP, where an account is established for the participant. That account is then credited with hypothetical investment earnings (gains or losses) based upon the investment election made by participants from among investment options similar to those offered under the HP 401(k) Plan. There is no formula that would result in above-market earnings or payment of a preferential interest rate on this benefit. At the time of distribution, amounts representing EBP benefits are paid from the EDCP in a lump sum or installment form, according to pre-existing elections made by those participants, except that participants with a small benefit or who have not qualified for retirement status (age 55 with at least 15 years of continuous service) are paid their EBP benefit in January of the year following their termination, subject to any delay required by Section 409A of the Code.

Since Mr. Cho became a participant in the RP after November 1, 1993, he has no Deferred Profit-Sharing Plan (DPSP) balance to be integrated with the RP.

Terms of the International Retirement Guarantee (IRG)

Employees who transferred internationally at the Company’s request prior to 2000 were put into an international umbrella plan. This plan determines the country of guarantee which is generally the country in which an employee has spent the longest portion of his HP Inc. career. For Mr. Cho, the country of guarantee is currently the U.S. The IRG determines the present value of a full career benefit for Mr. Cho under the HP Inc. sponsored retirement benefit plans that applied to employees working in the U.S., and U.S. Social Security (since the U.S. is his country of guarantee) then offsets the present value of the retirement benefits from plans and social insurance systems in the countries in which he earned retirement benefits (France and the US) for his total period of HP Inc. employment. The net benefit value is payable as a single lump sum amount as soon as practicable after termination or retirement, subject to any delay required by Section 409A of the Code. This is a nonqualified retirement plan.

Fiscal 2021 Non-Qualified Deferred Compensation Table

The following table provides information about contributions, earnings, withdrawals, distributions, and balances under the EDCP:

Name	Executive Contributions in Last FY[(1)] ($)	Registrant Contributions in Last FY[(1)(2)] ($)	Aggregate Earnings in Last FY ($)	Aggregate Withdrawals/ Distributions[(3)] ($)	Aggregate Balance at FYE[(4)] ($)
Enrique J. Lores	1,226,326	11,400	780,317	—	4,867,348
Marie Myers	70,836	5,639	61,793	—	352,678
Christoph Schell	11,400	11,400	20,759	—	102,290
Alex Cho	11,900	11,400	742	—	86,248
Tuan Tran	907,002	11,400	519,176	—	2,411,199

(1) The amounts reported here as "Executive Contributions" and "Registrant Contributions" are reported as compensation to such NEO in the "Salary" and "Non-Equity Incentive Plan Compensation" columns in the "Summary Compensation Table" above.

(2) The contributions reported here as "Registrant Contributions" were made in fiscal 2021 with respect to calendar year 2020 participant base pay deferrals. During fiscal 2021, the NEOs were eligible to receive a 4% matching contribution on base pay deferrals that exceeded the IRS limit that applies to the qualified HP 401(k) Plan up to a maximum of two times that limit.

(3) The distributions reported here were made pursuant to participant elections made prior to the time that the amounts were deferred in accordance with plan rules.

(4) Of these balances, the following amount was reported as compensation to such NEO in the Summary Compensation Table in prior proxy statements: Mr. Lores $1,812,934, Ms. Myers $212,926, Mr. Schell $22,568, Mr. Cho $37,840, and Mr. Tran $0. The information reported in this footnote is provided to clarify the extent to which amounts payable as deferred compensation represent compensation reported in our prior proxy statements, rather than additional earned compensation.

Narrative to the Fiscal 2021 Non-qualified Deferred Compensation Table

HP sponsors the EDCP, a non-qualified deferred compensation plan that permits eligible U.S. employees to defer base pay in excess of the amount taken into account under the qualified HP 401(k) Plan and bonus amounts of up to 95% of the annual incentive bonus payable under the annual incentive plan. In addition, a matching contribution is available under the plan to eligible employees. The matching contribution applies to base pay deferrals on compensation above the IRS limit that applies to the qualified HP 401(k) Plan, up to a maximum of two times that compensation limit (matching contributions made in fiscal 2021 pertained to base pay from $280,000 to $560,000 during calendar year 2020). During fiscal 2021, the NEOs were eligible for a matching contribution of up to 4% on base pay contributions in excess of the IRS limit, up to a maximum of two times that limit.

Upon becoming eligible for participation or during the annual enrollment period, employees must specify the amount of base pay and/or the percentage of bonus to be deferred, as well as the time and form of payment. If termination of employment occurs before retirement (defined as at least age 55 with 15 years of continuous service), distribution is made in the form of a lump sum in January of the year following the year of termination, subject to any delay required under Section 409A of the Code. At retirement (or earlier, if properly elected), benefits are paid according to the distribution election made by the participant at the time of the deferral election, subject to any delay required under Section 409A of the Code. As of the end of fiscal 2021, Mr. Lores was the only NEO who was retirement eligible. In the event of death, the remaining vested EDCP account balance will be paid to the designated beneficiary, or otherwise in accordance with the EDCP provisions, in a single lump-sum payment in the month following the month of death.

Amounts deferred or credited under the EDCP are credited with hypothetical investment earnings based on participant investment elections made from among the investment options available under the HP 401(k) Plan. Accounts maintained for participants under the EDCP are not held in trust, and all such accounts are subject to the claims of general creditors of HP. No amounts are credited with above-market earnings.

Potential Payments Upon Termination or Change in Control

The amounts in the following table estimate potential payments due if a NEO had terminated employment with HP effective October 31, 2021 under each of the circumstances specified below. These amounts are in addition to benefits generally available to U.S. employees upon termination of employment, such as distributions from the retirement plans and the HP 401(k) Plan and payment of accrued vacation where required.

				Long Term Incentive Programs[3]		
Name	Termination Scenario	Total[1]	Severance[2]	Stock Options	Restricted Stock	PARSU
Enrique J. Lores[4]	Voluntary	$ 24,687,053	$ 0	$4,239,109	$ 12,830,231	$ 7,617,713
	Disability	$ 30,675,630	$ 0	$4,239,109	$ 12,830,231	$ 13,606,290
	Retirement	$ 24,687,053	$ 0	$4,239,109	$ 12,830,231	$ 7,617,713
	Death	$ 30,675,630	$ 0	$4,239,109	$ 12,830,231	$ 13,606,290
	Not for Cause	$ 31,919,588	$7,232,535	$4,239,109	$ 12,830,231	$ 7,617,713
	Change in Control	$ 37,908,165	$7,232,535	$4,239,109	$ 12,830,231	$ 13,606,290
Marie Myers	Voluntary/For Cause	$ 0	$ 0	$ 0	$ 0	$ 0
	Disability	$ 7,905,225	$ 0	$1,256,032	$ 5,357,499	$ 1,291,694
	Retirement	$ 0	$ 0	$ 0	$ 0	$ 0
	Death	$ 7,905,225	$ 0	$1,256,032	$ 5,357,499	$ 1,291,694
	Not for Cause	$ 4,949,452	$2,497,185	$ 383,791	$ 1,637,911	$ 430,565
	Change in Control	$ 10,402,410	$2,497,185	$1,256,032	$ 5,357,499	$ 1,291,694
Christoph Schell	Voluntary/For Cause	$ 0	$ 0	$ 0	$ 0	$ 0
	Disability	$ 31,079,033	$ 0	$2,041,051	$ 22,105,414	$ 6,932,568
	Retirement	$ 0	$ 0	$ 0	$ 0	$ 0
	Death	$ 31,079,033	$ 0	$2,041,051	$ 22,105,414	$ 6,932,568
	Not for Cause	$ 22,939,061	$3,440,588	$ 623,657	$ 14,952,752	$ 3,922,064
	Change in Control	$ 34,519,621	$3,440,588	$2,041,051	$ 22,105,414	$ 6,932,568
Alex Cho	Voluntary/For Cause	$ 0	$ 0	$ 0	$ 0	$ 0
	Disability	$ 13,228,494	$ 0	$1,727,045	$ 5,690,379	$ 5,811,070
	Retirement	$ 0	$ 0	$ 0	$ 0	$ 0
	Death	$ 13,228,494	$ 0	$1,727,045	$ 5,690,379	$ 5,811,070
	Not for Cause	$ 9,783,519	$3,441,304	$ 527,711	$ 2,532,464	$ 3,282,040
	Change in Control	$ 16,669,798	$3,441,304	$1,727,045	$ 5,690,379	$ 5,811,070
Tuan Tran	Voluntary/For Cause	$ 0	$ 0	$ 0	$ 0	$ 0
	Disability	$ 12,510,793	$ 0	$1,727,045	$ 5,224,866	$ 5,558,882
	Retirement	$ 0	$ 0	$ 0	$ 0	$ 0
	Death	$ 12,510,793	$ 0	$1,727,045	$ 5,224,866	$ 5,558,882
	Not for Cause	$ 8,356,169	$2,552,310	$ 527,711	$ 2,162,227	$ 3,113,921
	Change in Control	$ 15,063,103	$2,552,310	$1,727,045	$ 5,224,866	$ 5,558,882

(1) Total does not include amounts earned or benefits accumulated due to continued service by the NEO through October 31, 2021, including vested stock options, PCSOs, RSUs, PARSUs, accrued retirement benefits, and vested balances in the EDCP, as those amounts are detailed in the preceding tables.

(2) The amounts reported are the cash benefits payable in the event of a qualifying termination under the SPEO: for CEO, 2x multiple of base pay plus either the average of the actual annual incentives paid for the preceding three years, or target bonus if less than three full years at the level by the end of the fiscal year; for other NEOs, 1.5x multiple of base pay plus either the average of the actual annual incentives paid for the preceding three years, or target bonus if less than three full years at the level by the end of the fiscal year; and includes 18 months' COBRA premiums for continued group medical coverage for the NEOs and their eligible dependents. In addition, each NEO would be eligible to receive a pro-rata cash bonus based on actual performance (in the event of a qualifying termination outside of the context of a change in control) or based on target performance (in the event of a qualifying termination within 24 months of a change in control); such amounts have not been included in this column.

(3) Upon an involuntary termination not for cause, covered executives receive pro-rata vesting on unvested equity awards as discussed under the heading "Executive Compensation—Compensation Discussion and Analysis—Termination and Change in Control Protections—Severance and Long-term Incentive Change in Control Plan for Executive Officers." Full vesting of PARSUs based on performance at target levels (to the extent that the actual performance period has not been completed) applies in the event of a termination due to death or disability for all grant recipients. Pro-rata vesting of PARSUs based on actual performance applies in the event of a termination due to retirement for all grant recipients. To calculate the value of unvested PARSUs for purposes of this table, target performance is used unless the performance period has been completed and the results have been recorded as of October 31, 2021. No TSR modifier was applied to such values. Full vesting of unvested PCSOs applies in the event of a termination due to death or disability for all grant recipients. With respect to the treatment of equity in the event of a change in control of HP, the information reported reflects the SPEO-approved change in control terms. As of the end of the fiscal 2021, only Mr. Lores is retirement eligible.

(4) As of the end of fiscal 2021, Mr. Lores is retirement eligible (a minimum age of 55 plus years of service equal to or greater than 70 points).

Narrative to the Potential Payments Upon Termination or Change in Control Table

HP Severance Plan for Executive Officers

An executive will be deemed to have incurred a qualifying termination for purposes of the SPEO if he or she is involuntarily terminated without cause and executes a full release of claims in a form satisfactory to HP promptly following termination. For purposes of the SPEO, "cause" means an executive's conviction of, or plea of guilty or *nolo contendere* to, a felony under federal law or the law of the state in which such action occurred; executive's willful and deliberate failure in the performance of the executive's duties in any material respect; executive's willful misconduct that results in material harm to HP; or a material violation of HP's ethics and compliance program, code of conduct or other material policy of HP. The material terms of the SPEO are described under the heading "Executive Compensation—Compensation Discussion and Analysis—Termination and Change in Control Protections—Severance and Long-term Incentive Change in Control Plan for Executive Officers."

We have not entered into individual fixed-term employment agreements or any severance or change in control agreements with our current NEOs.

Voluntary or "For Cause" Termination

In general, an NEO who remained employed through October 31, 2021 (the last day of the fiscal year) but voluntarily terminated employment immediately thereafter, or was terminated immediately thereafter in a "for cause" termination, would be eligible (1) to receive his or her annual incentive amount earned for fiscal 2021 under the annual incentive (subject to any discretionary downward adjustment or elimination by the HRC Committee prior to actual payment, and to any applicable clawback policy), (2) to exercise his or her vested stock options up to three months following a voluntary termination, and up to the date of termination in the case of termination "for cause," (3) to receive a distribution of vested amounts deferred or credited under the EDCP, and (4) to receive a distribution of his or her vested benefits, if any, under the HP 401(k) and pension plans. An NEO who terminated employment before October 31, 2021, either voluntarily or in a "for cause" termination, would generally not have been eligible to receive any amount under the annual incentive with respect to the fiscal year in which the termination occurred, except that the HRC Committee has the discretion to make payment of prorated bonus amounts to individuals on leave of absence or in non-pay status, as well as in connection with certain voluntary severance incentives, workforce reductions, and similar programs.

"Not for Cause" Termination

A "not for cause" termination of an NEO who remained employed through October 31, 2021 and was terminated immediately thereafter would qualify the NEO for the amounts described above under a "voluntary" termination in addition to benefits under the SPEO if the NEO signs the required release of claims in favor of HP.

In addition to the cash severance benefits and pro-rata equity awards vesting under the SPEO, the NEO would be eligible to exercise vested stock options up to one year after termination and receive distributions of vested, accrued benefits from HP deferred compensation and pension plans.

Termination Following a Change in Control

In the event of a change in control of HP, RSUs, stock options, and PCSOs will vest in full if the successor does not assume such awards or if an individual is terminated without Cause or terminates with Good Reason within 24 months of a change in control. Under each scenario, outstanding PARSUs will vest in full with vesting based on actual performance with respect to awards for which the performance period has ended and target performance level with respect to awards for which the performance period has not ended, as determined by the HRC Committee within 30 days of change in control.

Death or Disability Terminations

An NEO who continued in employment through October 31, 2021 whose employment is terminated immediately thereafter due to death or disability would be eligible (1) to receive his or her full annual incentive amount earned for fiscal 2021 under the annual incentive determined by HP in its sole discretion, (2) to receive a distribution of vested amounts deferred or credited under the EDCP, and (3) to receive a distribution of his or her vested benefits under the HP 401(k) and pension plans.

Upon termination due to death or disability, equity awards held by the NEO may vest in full. If termination is due to disability, RSUs, stock options, and PCSOs will vest in full, subject to satisfaction of applicable performance conditions, and, in the case of stock options and PCSOs, must be exercised within three years of termination or by the original expiration date, if earlier; all unvested portions of the PARSUs, including any amounts for dividend equivalent payments, shall vest based on performance at target levels. If termination is due to the NEO's death, RSUs, stock options, and PCSOs will vest in full and, in the case of stock options and PCSOs, must be exercised within one year of termination or by the original expiration date, if earlier; all unvested portions of the PARSUs, including any amounts for dividend equivalent payments, shall vest based on performance at target levels.

HP Severance Policy for Senior Executives

Under the HP Severance Policy for Senior Executives adopted by the Board in July 2003 (the "HP Severance Policy"), HP will seek stockholder approval for future severance agreements, if any, with certain senior executives that provide specified benefits in an amount exceeding 2.99 times the sum of the executive's current annual base salary plus annual target cash bonus, in each case as in effect immediately prior to the time of such executive's termination. Individuals subject to this policy consist of the Section 16 officers designated by the Board. In implementing this policy, the Board may elect to seek stockholder approval after the material terms of the relevant severance agreement are agreed upon.

For purposes of determining the amounts subject to the HP Severance Policy, benefits subject to the limit generally include cash separation payments that directly relate to extraordinary benefits that are not available to groups of employees other than the Section 16 officers upon termination of employment. Benefits that have been earned or accrued, as well as prorated bonuses, accelerated stock or option vesting, and other benefits that are consistent with our practices applicable to employees other than the Section 16 officers, are not counted against the limit. Specifically, benefits subject to the HP Severance Policy include: (a) separation payments based on a multiplier of salary plus target bonus, or cash amounts payable for the uncompleted portion of employment agreements; (b) the value of any service period credited to a Section 16 officer in excess of the period of service actually provided by such Section 16 officer for purposes of any employee benefit plan; (c) the value of benefits and perquisites that are inconsistent with our practices applicable to one or more groups of employees in addition to, or other than, the Section 16 officers ("Company Practices"); and (d) the value of any accelerated vesting of any stock options, stock appreciation rights, restricted stock, RSUs, or long-term cash incentives that is inconsistent with Company Practices. The following benefits are not subject to the HP Severance Policy, either because they have been previously earned or accrued by the employee or because they are consistent with Company Practices: (i) compensation and benefits earned, accrued, deferred or otherwise provided for employment services rendered on or prior to the date of termination of employment pursuant to bonus, retirement, deferred compensation, or other benefit plans (e.g., 401(k) Plan distributions, payments pursuant to retirement plans, distributions under deferred compensation plans or payments for accrued benefits such as unused vacation days), and any amounts earned with respect to such compensation and benefits in accordance with the terms of the applicable plan; (ii) payments of prorated portions of bonuses or prorated long-term incentive payments that are consistent with Company Practices; (iii) acceleration of the vesting of stock options, stock appreciation rights, restricted stock, RSUs or long-term cash incentives that is consistent with Company Practices; (iv) payments or benefits required to be provided by law; and (v) benefits and perquisites provided in accordance with the terms of any benefit plan, program, or arrangement sponsored by HP or its affiliates that are consistent with Company Practices.

For purposes of the HP Severance Policy, future severance agreements include any severance agreements or employment agreements containing severance provisions that we may enter into after the adoption of the HP Severance Policy by the Board, as well as agreements renewing, modifying, or extending such agreements. Future severance agreements do not include retirement plans, deferred compensation plans, early retirement plans, workforce restructuring plans, retention plans in connection with extraordinary transactions, or similar plans or agreements entered into in connection with any of the foregoing, provided that such plans or agreements are applicable to one or more groups of employees in addition to the Section 16 officers.

HP Retirement Arrangements

Upon retirement immediately after October 31, 2021 with a minimum age of 55 and years of combined age and service equal to or greater than 70, HP employees in the United States receive full vesting of time-based options (other than options granted under a retention agreement on or after June 25, 2019) granted under our stock plans with a post-termination exercise period of up to three years or the original expiration date, whichever comes first, as well as full vesting of RSUs (other than RSUs granted under a retention agreement on or after June 25, 2019). Awards under the PCSO program, if any, will continue to vest and become exercisable once the share price and time component have been satisfied. Such an individual will vest at the same time as other participants with a post-termination exercise period of up to five years or the original expiration date, whichever comes first. Awards under the PARSU program, if any, are paid on a prorated basis to participants at the end of the performance period based on actual results, and bonuses, if any, under the annual incentive plan may be paid in prorated amounts at the discretion of management based on actual results. In accordance with Section 409A of the Code, certain amounts payable upon retirement (or other termination) of the NEOs and other key employees will not be paid out for at least six months following termination of employment. As of the end of fiscal 2021, Mr. Lores was the only NEO who was retirement eligible.

We sponsor two retiree medical programs in the United States, one of which provides subsidized coverage for eligible participants based on years of service. Eligibility for this program requires that participants have been continuously employed by HP since January 1, 2003 and have met other age and service requirements. None of the NEOs are eligible for this program.

The other U.S. retiree medical program we sponsor provides eligible retirees with access to coverage at group rates only, with no direct subsidy provided by HP. All the NEOs could be eligible for this program if they retire from HP on or after age 55 with at least ten years of qualifying service or if they retire at any age with combined age plus service equal to 80 or more years. In addition, beginning at age 45, eligible U.S. employees may participate in the HP Retirement Medical Savings Account Plan (the "RMSA"), under which certain participants are eligible to receive HP matching credits of up to $1,200 per year, up to a lifetime maximum of $12,000, which can be used to cover the cost of such retiree medical coverage (or other qualifying medical expenses) if the employee meets the eligibility requirements for HP retiree medical benefits. None of the NEOs are currently receiving the HP matching credits under the RMSA.

CEO Pay Ratio Disclosure

In accordance with SEC rules, we are reporting our CEO pay ratio. As set forth in the Summary Compensation Table, our CEO's annual total compensation for fiscal 2021 was $20,733,806. Our median employee's annual total compensation was $67,667, resulting in a CEO pay ratio of 306:1.

In calculating the CEO pay ratio, the SEC rules allow companies to adopt a variety of methodologies, apply certain exclusions, and make reasonable estimates and assumptions reflecting their unique employee populations. Therefore, our reported CEO pay ratio may not be comparable to CEO pay ratios reported by other companies due to differences in industries and geographical dispersion, as well as the different estimates, assumptions, and methodologies applied by other companies in calculating their CEO pay ratios.

Our CEO pay ratio is based on the following methodology:

- We used a measurement date that is as close as possible to the end of our fiscal year and identified our employee population as of September 1, 2021, including employees who joined HP as part of acquisitions and excluding employees on furlough or a leave of absence, consistent with SEC rules.
- We utilized annualized base salary as the consistently applied compensation measure as of September 1, 2021 to identify the median employee.
- We calculated the median employee's actual annual total compensation for fiscal 2021 using the same methodology that was used for our named executive officers, as set forth in the Summary Compensation Table.

BOARD PROPOSAL NO. 4

To approve the Third Amended and Restated HP Inc. 2004 Stock Incentive Plan

Our Board recommends a vote FOR the approval of the Third Amended and Restated HP Inc. 2004 Stock Incentive Plan

On January 13, 2022, the Board of Directors of HP Inc. (the "Board") approved the adoption of the Third Amended and Restated HP Inc. 2004 Stock Incentive Plan (the "Amended 2004 Plan"), which amends and restates our Second Amended and Restated HP Inc. 2004 Stock Incentive Plan (the "Existing 2004 Plan"), subject to approval by our stockholders. We are asking stockholders to consider and vote upon a proposal to approve the Amended 2004 Plan. The Company anticipates that its equity-based compensation needs will soon exceed the remaining shares available under the Existing 2004 Plan. Upon the recommendation of the HRC Committee, the Board on January 13, 2022 therefore approved the Amended 2004 Plan, subject to the receipt of stockholder approval at our annual meeting.

Vote Required

The affirmative vote of a majority of the shares of HP common stock present in person or represented by proxy and entitled to be voted on the proposal at the annual meeting is required for approval of this proposal.

Summary of Third Amended and Restated HP Inc. Stock Incentive Plan

The Amended 2004 Plan provides for the grant of cash awards, shares, stock units, stock appreciation rights and stock options. The primary change to the Amended 2004 Plan is to add an additional 30,000,000 shares of our common stock. In addition to this amendment, the Amended 2004 Plan includes a handful of housekeeping amendments (which do not require stockholder approval), including (i) changes to address recent changes to Section 162(m) of the Internal Revenue Code; (ii) changes to address changes to applicable law and accounting rules; and (iii) incorporation of additional provisions to improve our corporate governance practices related to the plan.

The following table sets forth certain information about the Amended 2004 Plan, as well as HP's Existing 2004 Plan:

Number of new shares being authorized under the Amended 2004 Plan	30,000,000
Number of shares available for future awards under the Existing 2004 Plan at December 31, 2021	98,113,666
Number of shares relating to outstanding stock options at December 31, 2021	7,289,322
Number of shares outstanding at December 31, 2021 relating to awards of restricted stock and restricted stock units	24,550,865
Number of shares outstanding at December 31, 2021 relating to awards of performance-adjusted restricted stock units	2,159,355
Maximum option term	10 years
Minimum exercise price (relative to the market value on date of grant)	100%
Weighted average remaining term of outstanding options as of December 31, 2021	8.12 years
Weighted average exercise price of outstanding options as of December 31, 2021	$24.37
Total number of shares available for future awards after December 31, 2021 if this proposal is approved	128,113,666

If the Amended 2004 Plan is approved, HP's total potential dilution from the shares available for issuance under its equity incentive plans would increase from 12.5% as of December 31, 2021 to 15.4%. Total potential dilution is the number of shares subject to equity awards outstanding but not exercised or settled plus the number of shares available to be granted, divided by the sum of the total number of shares of Company common stock outstanding at the end of the year. The HRC Committee considered this potential dilution level in the context of competitive data from our peer group. The HRC Committee concluded that the resulting dilution levels would be within normal competitive ranges.

The Company manages its long-term dilution goal by monitoring the number of shares subject to equity awards that it grants annually, commonly referred to as "burn rate". Burn rate shows how rapidly a company is depleting its shares reserved for equity compensation plans, and is defined as the number of shares granted under HP's equity incentive plans divided by the weighted average number of common shares outstanding at the end of the year, as calculated below. The Company has calculated the burn rate under the Existing 2004 Plan for the past three years, as set forth in the following table:

	Options Granted		Full-Value Shares				
	Time	Performance[1]	Time-Based Granted	Performance-Based Granted	Performance-Based Earned	Weighted Average Number of Common Shares Outstanding	Burn Rate
Fiscal 2019	2,451,052	—	14,261,808	2,954,157	2,217,538	1,515,166,128	1.3%
Fiscal 2020	995,602	—	16,847,147	1,261,847	1,611,483	1,413,267,680	1.4%
Fiscal 2021	—	2,691,497	14,828,449	688,325	751,061	1,208,043,806	1.5%

The three-year average burn rate is 1.4%.

(1) None of the performance-contingent stock options vested during fiscal 2021.

Based on a review of our historical and projected grant practices, we believe that the shares reserved for grant under the Amended 2004 Plan will meet the Company's equity grant needs for approximately three years. The shares reserved may, however, last for more or less than three years depending on currently unknown factors, such as the number of grant recipients, future grant practices and the Company's share price.

Why You Should Vote to Approve the Amended 2004 Plan

The Board recommends that our stockholders approve the Amended 2004 Plan because it believes that the Amended 2004 Plan promotes the success and enhances the value of HP by linking the individual interests of key personnel of HP to those of HP's stockholders and provides such individuals with an incentive for outstanding performance to generate superior returns to HP's stockholders. The Amended 2004 Plan is further intended to provide flexibility to HP in its ability to motivate, attract, and retain the services of such individuals upon whose judgment, interest, and special effort the successful conduct of HP's operation is largely dependent. The approval of the Amended 2004 Plan will enable us to continue to provide such incentives.

Highlights of the Amended 2004 Plan. Specific features of the Amended 2004 Plan that are consistent with good corporate governance practices include, but are not limited to:

- There is no “evergreen” feature pursuant to which the shares authorized for issuance under the Amended 2004 Plan can be automatically replenished.
- There can be no repricing of options or stock appreciation rights without stockholder approval, either by canceling the award in exchange for a replacement award at a lower price or by reducing the exercise price of the award (other than in connection with a change in our capitalization).
- The Amended 2004 Plan includes a $550,000 value limit to the annual equity retainer that can be granted to non-employee directors in any director plan year.
- No liberal share recycling of stock options or full-value awards.
- The aggregate number of shares that can be granted in any calendar year to any one awardee under the Amended 2004 Plan will be 4,000,000, except that the same awardee may be granted up to 4,000,000 additional shares in connection with his or her initial service.
- The Amended 2004 Plan prohibits the current payment of dividends or dividend equivalent rights on unvested awards. The Amended 2004 Plan also prohibits the payment of dividends or dividend equivalents on options and SARs.
- If awards granted under the Amended 2004 Plan are assumed by the successor entity in connection with a change of control of the Company, such awards will not automatically vest and pay out upon the change of control.

Amended 2004 Plan Summary

The principal features of the Amended 2004 Plan are summarized below. The following summary of the Amended 2004 Plan does not purport to be a complete description of all of the provisions of the Amended 2004 Plan. It is qualified in its entirety by reference to the complete text of the Amended 2004 Plan, which has been filed with the SEC as Annex A to this proxy statement. Any HP stockholder who wishes to obtain a copy of the Amended 2004 Plan may do so upon written request to the Secretary at HP's principal executive offices.

General. The purpose of the Amended 2004 Plan is to encourage ownership in HP by key personnel whose long-term employment is considered essential to HP's continued progress and thereby align participants' and stockholders' interests. Stock options and stock awards, including stock units, and cash awards may be granted under the Amended Plan. Options granted under the Amended 2004 Plan may be either "incentive stock options," as defined in Section 422 of the Code, or non-statutory stock options.

Administration. The Amended 2004 Plan may be administered by the Board, a committee appointed by the Board or its delegate (as applicable, the "Administrator"). The Administrator is also specifically authorized to adopt sub-plans to facilitate compliance with non-US laws authorizing the grant of tax-favorable Awards to employees outside the United States.

Share Reserve. If the Amended 2004 Plan is approved, the maximum number of shares that will be authorized for issuance under the Amended 2004 Plan is 623,111,733 shares (which includes shares that have already been issued or that are issuable pursuant to awards previously granted under the Existing Plan), subject to adjustments in the event of certain capitalization events. Of this maximum number, (based on the approval of the Amended 2004 Plan), 128,113,666 shares would be available for the grant of new awards under the Amended 2004 Plan, determined as of December 31, 2021. The shares may be either shares reacquired by HP, including shares purchased on the open market, or authorized but unissued shares of common stock. Shares issued in respect of any full-value award granted under the Plan after March 20, 2013 are counted against the share limit set forth in the foregoing sentence as 2.32 shares for every single share actually issued in connection with such award.

If any shares subject to an award are forfeited or such award is settled in cash or otherwise terminates without the delivery of such shares, the shares subject to such award will again be available for grant under the Plan. Any shares that become available for the grant of awards pursuant to the foregoing sentence will be added back in accordance with the following: (i) if the shares were subject to options or stock appreciation rights, shares will be added back as one (1) share for every share subject to such awards; (ii) if the shares were subject to full-value awards, shares will be added back as 2.32 shares for every single share subject to such award. Notwithstanding the foregoing, shares subject to an award may not again be made available for issuance under the Plan if such shares are: (i) shares delivered to or withheld by the Company to pay the exercise price of an option, (ii) shares delivered to or withheld by the Company to pay the withholding taxes, or (iii) shares repurchased by the Company on the open market with the proceeds of an award paid to the Company by or on behalf of the participant. For the avoidance of doubt, when stock appreciation rights are exercised and settled in shares, the full number of shares exercised will no longer be available for issuance under the Plan.

Eligibility. Awards may be granted under the Amended 2004 Plan to employees of HP and its affiliates and to non-employee directors. Incentive stock options may be granted only to employees of HP or its subsidiaries. There are approximately 51,000 employees and twelve non-employee directors eligible to receive awards under the Amended 2004 Plan. The Administrator, in its discretion, selects the employees to whom awards may be granted, the time or times at which such awards are granted, and the terms of such awards.

Share Limitations. The Amended 2004 Plan provides that no employee may be granted more than 4,000,000 shares in any calendar year, except that an employee may be granted awards covering up to an additional 4,000,000 shares in connection with his or her initial employment with HP. The maximum number of shares that may be subject to incentive stock options granted under the Amended 2004 Plan may not exceed 623,111,733.

Terms and Conditions of Options and Stock Appreciation Rights. Each option or stock appreciation right is evidenced by an award agreement between HP and the awardee and is subject to the following additional terms and conditions:

Exercise Price. The Administrator determines the exercise price of options and stock appreciation rights at the time the award is granted. The exercise price of a stock option or stock appreciation right may not be less than 100% of the fair market value of the common stock on the date such award is granted, although certain replacement awards with lower exercise prices may be granted to service providers of entities acquired by HP. The fair market value of the common stock is determined as the closing quoted sales price for the common stock on the date the award is granted (or if no sales were reported that day, the last preceding day a sale occurred). As of February 18, 2022, the closing quoted sales prices of common stock was $36.20 per share. No option or stock appreciation right may be repriced to reduce the exercise price of such award without stockholder approval (except in connection with a change in HP's capitalization).

Exercise of Options and Stock Appreciation Rights; Form of Consideration. The Administrator determines when options or stock appreciation rights become exercisable and in its discretion may accelerate the vesting of any outstanding award. The means of payment for shares issued upon exercise of an option are specified in each option agreement. The Amended 2004 Plan permits payment to be made by cash, check, wire transfer, other shares of common stock of HP (with some restrictions), broker assisted cashless exercises, any other form of consideration permitted by applicable law, or any combination thereof.

Term of Option or Stock Appreciation Right. The term of an option or stock appreciation right may be no more than ten years from the date of grant.

Termination of Employment. If an awardee's employment terminates for any reason, then all options and stock appreciation rights held by the awardee under the Amended 2004 Plan generally will terminate immediately upon the awardee's termination unless determined otherwise by the Plan Administrator.

Other Provisions. The award agreement may contain other terms, provisions and conditions not inconsistent with the Amended 2004 Plan, as may be determined by the Administrator.

Terms and Conditions of Stock Awards. Each stock award agreement will contain provisions regarding (1) the number of shares subject to such stock award or a formula for determining such number, (2) the purchase price of the shares, if any, and the means of payment for the shares, (3) the performance criteria, if any, and level of achievement versus these criteria that will determine the number of shares granted, issued, retainable and vested, as applicable, (4) such terms and conditions on the grant, issuance, vesting and forfeiture of the shares, as applicable, as may be determined from time to time by the Administrator, (5) restrictions on the transferability of the stock award, and (6) such further terms and conditions, in each case not inconsistent with the Amended 2004 Plan, as may be determined from time to time by the Administrator.

Termination of Employment. In the case of stock awards, including stock units, unless the Administrator determines otherwise, the restricted stock or restricted stock unit agreement will provide that the unvested stock or stock units will be forfeited upon the awardee's termination of employment for any reason.

Vesting. The vesting of a stock award may be subject to performance criteria, continued service of the awardee, or both.

Non-Employee Director Awards. Non-employee directors are eligible only for annual retainer awards and are not eligible for any other type of award that is authorized under the Amended Plan. Annual retainer awards paid in the form of equity are granted in the form of non-statutory stock options or restricted stock units. The non-employee directors can elect to receive the annual equity retainer and the annual cash retainer in the form of stock options or restricted stock units, and may elect to defer the restricted stock units provided that such deferral election is made by December 31st of the calendar year immediately preceding the annual meeting at which they are elected. Individuals who become non-employee directors after the start of a calendar year generally are also permitted to elect to receive their annual equity retainer and annual cash retainer in the form of restricted stock units if the election is made with certain periods set forth in the plan and only with respect to compensation related to future services. The awards are granted automatically on the date of the stockholder meeting. The exercise price of director stock options cannot be less than 100% of the fair market value of HP common stock on the grant date. The value of the annual equity retainer (not including cash compensation that may be payable in shares at the election of the non-employee director) granted to a non-employee director for any director plan year is limited to $550,000.

The number of shares subject to non-statutory stock option awards granted to non-employee directors is determined as follows:

$$\frac{\text{Amount of annual retainer to be paid as options}}{\text{Fair market value of a share of HP common stock on the grant date}} \times \text{Multiplier (defined below)} = \text{Number of Shares}$$

The Administrator determines the Multiplier prior to the grant date using a modified Black-Scholes option valuation method that takes into account the following factors: (1) the fair market value of HP common stock on the date the Multiplier is determined; (2) the average length of time that HP stock options are held by optionees prior to exercise; (3) the risk-free rate of return based on the term determined in section (2) of this sentence and U.S. government securities rates; (4) the annual dividend yield for HP common stock; and (5) the volatility of HP common stock over the previous ten-year period.

The number of shares subject to restricted stock unit awards granted to non-employee directors is determined as follows:

$$\frac{\text{Amount of annual retainer to be paid as restricted stock units}}{\text{Fair market value of a share of HP common stock on the grant date}} = \text{Number of Shares}$$

Cash Awards. Each cash award agreement will contain provisions regarding (1) the target and maximum amount payable to the awardee as a cash award, (2) the performance criteria and level of achievement versus the criteria that will determine the amount of such payment, (3) the period as to which performance shall be measured for establishing the amount of any payment, (4) the timing of any payment earned by virtue of performance,

(5) restrictions on the alienation or transfer of the cash award prior to actual payment, (6) forfeiture provisions, and (7) such further terms and conditions, in each case not inconsistent with the Amended 2004 Plan, as may be determined from time to time by the Administrator. The maximum amount payable as a cash award that is settled for cash may be a multiple of the target amount payable.

Nontransferability. Unless otherwise determined by the Administrator, awards granted under the Amended 2004 Plan are not transferable other than by will or the laws of descent and distribution and may be exercised during the optionee's lifetime only by the optionee. The Administrator will have the sole discretion to permit the transfer of an award.

Performance Criteria. Performance criteria for purposes of awards granted under the plan means any performance criteria selected by the Administrator, including, but not limited to, one or more of the performance criteria listed below, either individually, alternatively or in combination, applied to either HP as a whole or to a business unit, affiliate or business segment, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis, or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Administrator in the award agreement. The performance criteria may be: (1) cash flow (including operating cash flow or free cash flow) or cash conversion cycle; (2) earnings (including gross margin, earnings before interest and taxes, earnings before taxes, and net earnings); (3) earnings per share; (4) growth in earnings or earnings per share, cash flow, revenue, gross margin, operating expense or operating expense as a percentage of revenue; (5) stock price; (6) return on equity or average stockholder equity; (7) total stockholder return; (8) return on capital; (9) return on assets or net assets; (10) return on investment; (11) revenue (on an absolute basis or adjusted for currency effects); (12) net profit or net profit before annual bonus; (13) income or net income; (14) operating income or net operating income; (15) operating profit, net operating profit or controllable operating profit; (16) operating margin, operating expense or operating expense as a percentage of revenue; (17) return on operating revenue; (18) market share or customer indicators; (19) contract awards or backlog; (20) overhead or other expense reduction; (21) growth in stockholder value relative to the moving average of the S&P 500 Index, a peer group index or another index; (22) credit rating; (23) strategic plan development and implementation, attainment of research and development milestones or new product invention or innovation; (24) succession plan development and implementation; (25) improvement in productivity or workforce diversity; (26) attainment of objective operating goals and employee metrics; (27) economic value added; and (28) any other environmental, social, and corporate governance goals and objectives.

Adjustments Upon Changes in Capitalization, Merger or Sale of Assets. Subject to any required action by HP's stockholders, (1) the number and kind of shares covered by each outstanding award, (2) the price per share subject to each outstanding award, and (3) the share limitations set forth in Section 3 of the Amended 2004 Plan will be proportionately adjusted for any increase or decrease in the number or kind of issued shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of HP's stock, or any other increase or decrease in the number of issued shares of HP's stock effected without receipt of consideration by HP.

In the event of a liquidation or dissolution, any unexercised options, stock appreciation rights or stock awards will terminate. The Administrator, in its discretion, may provide that each awardee shall have the right to exercise all of the awardee's options or stock appreciation rights, including those not otherwise exercisable, until the date ten days prior to the consummation of the liquidation or dissolution, and be fully vested in any other stock awards.

In the event of a change of control of HP, as defined in the Amended 2004 Plan and determined by the Board, the treatment of the award will depend on whether the awards are assumed, substituted or otherwise continued. Generally, in the event the awards are assumed, substituted or otherwise continued by the successor corporation, and the participant's employment is terminated without cause, awards that are not subject to performance-based vesting will fully vest and become fully exercisable, as applicable, and for awards that are subject to performance-based vesting, the awards will vest either at 100% of target level (if the termination occurs prior to the completion of the performance period) or based on actual attainment (if the termination occurs after the completion of the performance period). If the awards are not assumed, awards will vest as follows and replaced with a right to receive a cash payment equal to the amount the participants would have received had the awards been exercised or settled, as applicable: awards that are not based on performance-based vesting will fully vest and become fully exercisable, as applicable, and for awards that are subject to performance-based vesting, the awards will vest either at 100% of target level (if the change in control occurs prior to the completion of the performance period) or based on actual attainment (if the termination occurs after the completion of the change in control).

Amendment and Termination of the Plan. The Board may amend, alter, suspend or terminate the Amended 2004 Plan, or any part thereof, at any time and for any reason. However, HP will obtain stockholder approval for any amendment to the Amended 2004 Plan to the extent required by applicable laws or stock exchange rules. In addition, without limiting the foregoing, unless approved by HP stockholders, no such amendment shall be made that would: (1) materially increase the maximum number of shares for which awards may be granted under the Amended 2004 Plan, other than an increase pursuant to a change in HP's capitalization; (2) reduce the minimum exercise price for options or stock appreciation rights granted under the Amended 2004 Plan; (3) reduce the exercise price of outstanding options or stock appreciation rights; or (4) change the class of persons eligible to receive awards under the Amended 2004 Plan. No such action by the Board or stockholders may alter or impair any award previously granted under the Amended 2004 Plan without the written consent of the awardee, unless such amendments are necessary or desirable to facilitate compliance with applicable law. Unless terminated earlier, the Amended 2004 Plan shall terminate ten years from the date of its approval by the stockholders; provided that no incentive stock options may be granted more than ten years after the date the Board approved the Amended 2004 Plan.

Federal Income Tax Consequences

The following summarizes the U.S. federal income tax consequences of awards that may be granted under the Amended 2004 Plan.

Incentive Stock Options. An option holder will not realize taxable income upon the grant of an incentive stock option under the Amended 2004 Plan. In addition, an option holder generally will not realize taxable income upon the exercise of an incentive stock option. An option holder's alternative minimum taxable income, however, will be increased by the amount by which the aggregate fair market value of the shares underlying the option, which is generally determined as of the date of exercise, exceeds the aggregate exercise price of the option. Further, except in the case of an option holder's death or disability, if an option is exercised more than three months after the option holder's termination of employment, the option will cease to be treated as an incentive stock option and will be subject to taxation under the rules applicable to non-qualified stock options, as summarized below.

If an option holder sells the option shares acquired upon exercise of an incentive stock option, the tax consequences of the disposition will depend upon whether the disposition is "qualifying" or "disqualifying." The disposition of the option shares will be a qualifying deposition if it is made at least two years after the date on which the incentive stock option was granted and at least one year after the date on which the incentive stock option was exercised. If the disposition of the option shares is qualifying, any excess of the sale price of the option shares over the exercise price of the option will be treated as long-term capital gain taxable to the option holder at the time of the sale. If the disposition is a disqualifying disposition, the excess of the fair market value of the option shares on the date of disposition over the exercise price will be taxable income to the option holder at the time of the disposition. Of that income, the amount up to the excess of the fair market value of the shares at the time the option was exercised over the exercise price will be ordinary income for income tax purposes and the balance, if any, will be long-term or short-term capital gain, depending upon whether or not the shares were sold more than one year after the option was exercised.

Unless an option holder engages in a disqualifying disposition, HP will not be entitled to a deduction with respect to an incentive stock option. If an option holder engages in a disqualifying disposition, HP will be entitled to a deduction equal to the amount of compensation income taxable to the option holder.

If an option holder pays the exercise price of an incentive stock option by tendering shares with a fair market value equal to part or all of the exercise price, the exchange of shares will be treated as a nontaxable exchange, except that this treatment will not apply if the option holder acquired the shares being tendered pursuant to the exercise of an incentive stock option and has not satisfied the special holding period requirements summarized above. The tax basis of the shares tendered to pay the exercise price will be treated as the substituted tax basis for an equivalent number of shares received, and the new shares will be treated as having been held for the same holding period as the holding period that expired with respect to the tendered shares.

Non-Qualified Stock Options. An option holder will not realize taxable income upon the grant of a non-qualified stock option. When an option holder exercises the option, however, the difference between the exercise price of the option and the fair market value of the shares subject to the option on the date of exercise will constitute compensation income taxable to the option holder. The Company will be entitled to a deduction equal to the amount of compensation income taxable to the option holder. If an option holder tenders shares in payment of part or all of the exercise price of a non-qualified stock option, no gain or loss will be recognized with respect to the shares tendered, even if the shares were acquired pursuant to the exercise of an incentive stock option. In such an event, the option holder will be treated as receiving an equivalent number of shares pursuant to the exercise of the option in a nontaxable exchange. The tax basis of the shares tendered will be treated as the substituted tax basis for an equivalent number of shares received, and the shares received will be treated as having been held for the same holding period as the holding period that expired with respect to the tendered shares. The difference between the aggregate exercise price and the aggregate fair market value of the shares received pursuant to the exercise of the option will be taxed as ordinary income, just as if the option holder had paid the exercise price in cash.

Restricted Stock. A grantee of restricted stock will not recognize any taxable income for federal income tax purposes in the year of the award if the common stock is subject to restrictions (that is, the restricted stock is nontransferable and subject to a substantial risk of forfeiture). The grantee, however, may elect under Section 83(b) of the Internal Revenue Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the shares on the date of the award, determined without regard to the restrictions. If the grantee does not make such a Section 83(b) election, the fair market value of the shares on the date on which the restrictions lapse will be treated as compensation income to the grantee and will be taxable in the year in which the restrictions lapse. The Company generally will be entitled to a deduction for compensation paid equal to the amount treated as compensation income to the grantee in the year in which the grantee is taxed on the income, if HP complies with applicable reporting requirements.

Restricted Stock Units. A grantee of restricted stock units does not recognize any taxable income for federal income tax purposes in the year of the award if the award is subject to restrictions. However, when the restricted stock units vest, the grantee generally recognizes ordinary income in an amount equal to the fair market value of the shares that are issued upon settlement of the restricted stock units. The Company generally will be entitled to a deduction for compensation paid equal to the amount treated as compensation income to the grantee in the year in which the grantee is taxed on the income, if HP complies with applicable reporting requirements.

Performance Awards. A distribution of common stock or a payment of cash in satisfaction performance awards will be taxable as ordinary income when the distribution or payment is actually or constructively received by the recipient. The amount taxable as ordinary income is the aggregate fair market value of the common stock determined as of the date it is received or the amount of the cash payment. The Company will be entitled to deduct the amount of such payments when such payments are taxable as compensation to the recipient if HP complies with applicable reporting requirements.

Stock Appreciation Rights. The grant of SARs will not result in taxable income to the participant or a deduction to HP. Upon exercise of a SAR, the holder will recognize ordinary income in an amount equal to the cash or the fair market value of the Common Stock received by the holder. The Company will be entitled to a deduction equal to the amount of any compensation income taxable to the grantee, and, as to SARs that are settled in shares of common stock, if HP complies with applicable reporting requirements.

Plan Benefits

The following table sets forth information on stock options, restricted stock, restricted stock units, performance-adjusted restricted stock units and stock appreciation rights granted under the Existing 2004 Plan since inception and includes awards subsequently forfeited, if any, as of December 31, 2021.

Name and Position	Stock Options(1)	Restricted Stock(2)	Restricted Stock Units(3)	Performance-Adjusted Restricted Stock Units	SARs	Total
Enrique J. Lores President and CEO	2,242,010	—	3,845,987	3,098,512	—	9,186,509
Marie Myers Chief Financial Officer	479,962	43,239	1,160,727	219,675	—	1,903,603
Christoph Schell Chief Commercial Officer	1,039,557	—	3,826,319	2,123,262	—	6,989,138
Alex Cho President, Personal Systems	567,393	—	1,367,146	999,674	—	2,934,213
Tuan Tran President, Print	646,331	9,728	1,340,158	588,098	—	2,584,314
All Current Executive Officers as a Group	5,274,881	52,967	13,630,960	7,138,305	—	26,097,113
Non-Employee Directors as a Group	305,819	—	1,737,354	—	—	2,043,173
All Employees (excluding Executive Officers as a Group)	406,555,918	16,667,512	563,350,567	101,380,557	—	1,087,954,553

(1) Includes all time-based and performance-contingent stock options granted under the Existing 2004 Plan.

(2) Includes all restricted stock and deferred stock granted under the Existing 2004 Plan.

(3) Includes all restricted stock units and deferred stock units granted under the Existing 2004 Plan.

New Plan Benefits

Grants of awards under the Amended 2004 Plan will be in the discretion of the Administrator. Accordingly, it is not possible as of the date of this proxy statement to determine the nature or amount of any awards under the Amended 2004 Plan that may be subject to future grants to employees, consultants, and non-employee directors of HP and its affiliates.

Equity Compensation Plan Information

The following table summarizes our equity compensation plan information as of October 31, 2021.

Plan Category	Common shares to be issued upon exercise of outstanding options, warrants and rights[1] (a)	Weighted-average exercise price of outstanding options, warrants and rights[2] (b)	Common shares available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by HP stockholders	35,114,139[3]	$16.3182	170,123,493[4]
Equity compensation plans not approved by HP stockholders	—	—	—
Total	35,114,139	$16.3182	170,123,493

(1) This column does not reflect awards of options and RSUs assumed in acquisitions where the plans governing the awards were not available for future awards as of October 31, 2021. As of October 31, 2021, there were no individual awards of options or RSUs outstanding pursuant to awards assumed in connection with acquisitions and granted under such plans.

(2) This column does not reflect the exercise price of shares underlying the assumed options referred to in footnote (1) to this table or the purchase price of shares to be purchased pursuant to the HP Inc. 2021 Employee Stock Purchase Plan (the "2021 ESPP") or the legacy HP Employee Stock Purchase Plan (the "Legacy ESPP"). In addition, the weighted-average exercise price does not take into account the shares issuable upon vesting of outstanding awards of RSUs and PARSUs, which have no exercise price.

(3) Includes awards of options and RSUs outstanding under the Existing 2004 Plan and the 2021 ESPP. Also includes awards of PARSUs representing 2,254,073 shares that may be issued under the Existing 2004 Plan. Each PARSU award reflects a target number of shares that may be issued to the award recipient. HP determines the actual number of shares the recipient receives at the end of a three-year performance period based on results achieved compared with Company performance goals and stockholder return relative to the market. The actual number of shares that a grant recipient receives at the end of the period may range from 0% to 300% of the target number of shares.

(4) Includes (i) 116,516,037 shares available for future issuance under the Existing 2004 Plan; (ii) 49,515,465 shares available for future issuance under the 2021 ESPP; (iii) 2,725,611 shares available for future issuances under the Legacy ESPP, a plan under which employee stock purchases are no longer made; and (iv) 1,366,380 shares are reserved for issuance under our Service Anniversary Stock Plan, a plan under which awards are no longer granted. Taking into account the enumerated unavailable shares from the Legacy ESPP and the Service Anniversary Stock Plan, a total of 170,123,493 shares were available for future grants as of October 31, 2021.

Ownership of Our Stock

Common Stock Ownership of Certain Beneficial Owners and Management

The following table sets forth information as of December 31, 2021 (or as of the date otherwise indicated below) concerning beneficial ownership by:

- holders of more than 5% of HP's outstanding shares of common stock;
- our Directors and nominees;
- each of the named executive officers listed in the Summary Compensation Table on page 62; and
- all of our Directors and executive officers as a group.

The information provided in the table is based on our records, information filed with the SEC and information provided to HP, except where otherwise noted.

The number of shares beneficially owned by each entity or individual is determined under SEC rules, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the entity or individual has sole or shared voting or investment power and also any shares that the entity or individual has the right to acquire as of March 1, 2022 (60 days after December 31, 2021) through the exercise of any stock options, through the vesting/settlement of RSUs payable in shares, or upon the exercise of other rights. Beneficial ownership excludes options or other rights vesting after March 1, 2022 and any RSUs vesting/ settling, as applicable, on or before March 1, 2022 that may be payable in cash or shares at HP's election. Unless otherwise indicated, each person has sole voting and investment power (or shares such power with his or her spouse) with respect to the shares set forth in the following table.

Beneficial Ownership Table

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Common Stock Outstanding
The Vanguard Group[(1)]	111,547,841	10.4%
Dodge & Cox[(2)]	104,175,937	9.7%
BlackRock, Inc.[(3)]	100,627,559	9.4%
State Street[(4)]	57,240,665	5.3%
Aida M. Alvarez	73,205	*
Shumeet Banerji	55,607	*
Robert R. Bennett	160,691	*
Charles "Chip" V. Bergh[(5)]	156,244	*
Bruce Broussard	5,213	*
Stacy Brown-Philpot	76,795	*
Stephanie A. Burns	86,481	*
Mary Anne Citrino[(6)]	200,079	*
Richard L. Clemmer	30,368	*
Judith ("Jami") Miscik	7,254	*
Kim K.W. Rucker	2,028	*
Subra Suresh	50,332	*
Alex Cho[(7)]	140,444	*
Enrique J. Lores[(8)]	1,022,666	*
Marie Myers[(9)]	115,057	*
Christoph Schell[(10)]	201,945	*
Tuan Tran[(11)]	158,792	*
All current Executive Officers and Directors as a Group (19 persons)[(12)]	2,355,134	*

* Represents holdings of less than 1% based on shares of our common stock outstanding as of December 31, 2021.

(1) Based on the most recently available Schedule 13G/A filed by the Vanguard Group on February 10, 2022. According to its Schedule 13G/A, the Vanguard Group reported having sole voting power over no shares, shared voting power over 1,921,324 shares, sole dispositive power over 106,681,290 shares, and shared dispositive power over 4,866,551 shares. The Schedule 13G/A contained information as of December 31, 2021 and may not reflect current holdings of HP's stock. The address for the Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

(2) Based on the most recently available Schedule 13G/A filed with the SEC on February 14, 2022 by Dodge & Cox. According to its Schedule 13G/A, Dodge & Cox reported having sole voting power over 99,253,397 shares, shared voting power over no shares, sole dispositive power over 104,175,937 shares and shared dispositive power over no shares. The securities reported on the Schedule 13G/A are beneficially owned by clients of Dodge & Cox, which clients may include investment companies registered under the Investment Company Act of 1940 and other managed accounts, and which clients have the right to receive or the power to direct the receipt of dividends from, and the proceeds from the sale of, HP's stock. Dodge & Cox Stock Fund, an investment company registered under the Investment Company Act of 1940, has an interest of 69,390,237 shares. The Schedule 13G/A contained information as of December 31, 2021 and may not reflect current holdings of HP's stock. The address of Dodge & Cox is 555 California Street, 40th Floor, San Francisco, CA 94104.

(3) Based on the most recently available Schedule 13G/A filed with the SEC on February 7, 2022 by BlackRock, Inc. According to its Schedule 13, BlackRock, Inc. reported having sole voting power over 86,172,633 shares, shared voting power over no shares, sole dispositive power over 100,627,559 shares and shared dispositive power over no shares. The Schedule 13 contained information as of December 31, 2021 and may not reflect current holdings of HP's stock. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

(4) Based on the most recently available Schedule 13G filed with the SEC on February 14, 2022 by State Street Corporation. According to its Schedule 13G, State Street Corporation reported having sole voting power over no shares, shared voting power over 50,267,423 shares, sole dispositive power over no shares and shared dispositive power over 56,955,964 shares. The Schedule 13G contained information as of December 31, 2021 and may not reflect current holdings of HP's stock. The address of State Street Corporation is State Street Financial Center, 1 Lincoln Street, Boston, MA 02111.

(5) Includes 146,148 shares that Mr. Bergh has the right to acquire by exercise of stock options.

(6) Includes 159,671 shares that Ms. Citrino has the right to acquire by exercise of stock options.

(7) Includes 86,568 shares that Mr. Cho has the right to acquire by exercise of stock options.

(8) Includes 369,462 shares that Mr. Lores has the right to acquire by exercise of stock options.

(9) Includes 62,959 shares that Ms. Myers has the right to acquire by exercise of stock options.

(10) Includes 102,308 shares that Mr. Schell has the right to acquire by exercise of stock options.

(11) Includes 86,568 shares that Mr. Tran has the right to acquire by exercise of stock options.

(12) Includes 911,376 shares that current executive officers and Directors have the right to acquire by exercise of stock options.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of HP's stock to file reports with the SEC regarding their ownership and changes in ownership of our securities. Based upon our examination of the copies of Forms 3, 4, and 5, and amendments thereto filed electronically with the SEC and the written representations of our directors, executive officers and 10% stockholders, we believe that, during fiscal 2021, our directors, executive officers and 10% stockholders complied with all Section 16(a) filing requirements, except that the Form 3 filing reporting the equity holdings for Barbara Barton Weiszhaar, our Acting Controller, was filed one day late due to processing delays. Additionally, in December 2021, a Form 4 to report a sale of common stock by Harvey Anderson was filed one day late due to an administrative oversight.

Stockholder Proposal

STOCKHOLDER PROPOSAL TO

Reduce the Ownership Threshold for Calling a Special Meeting of Stockholders

The Board recommends a vote **AGAINST** this proposal

This stockholder proposal has been submitted by John Chevedden, 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278 (the beneficial owner of 200 shares of HP Common Stock). The proponent has requested we include the proposal and supporting statement in this proxy statement, and, if properly presented, the proposal will be voted on at the annual meeting.

This proposal and supporting statement are quoted verbatim below and HP is not responsible for any inaccuracies contained in them.

The HP Board recommends a vote **AGAINST** this proposal and its opposition statement can be found below the proposal.

Proposal 5 – Special Shareholder Meeting Improvement

FOR *Shareholder Rights*

Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting.

It now theoretically takes 15% of shares to call for a special shareholder meeting. This theoretical 15% translates into 25% of shares that cast ballots at our annual meeting. It would be hopeless to expect that shares that do not have time to vote would have the time to go through the special procedural stops to call for a special shareholder meeting.

Plus there are 400-words in our bylaws that describe shares that are owned by shareholder but do not qualify to formally participate in the call for a special shareholder meeting. Hence a group shareholders could determine that when they combine shares to meet the 15% of shares to call a special meeting (that are not excluded by the 400-words in our bylaws) that they actually have an ownership right on 30% of shares outstanding.

It is also important to have a more reasonable stock ownership percentage to call for a special shareholder meeting to help make up for the fact that we do not have a right to act by written consent.

For instance in 2018 we gave 51%-support to a shareholder proposal for a right to act by written consent in spite of strong management resistance. After this 51%-support HPQ management in effect said that it was able, in a non-transparent way, to cherry-pick a group of shareholders who were less than 51% in support of the written consent proposal. So-called shareholder engagement was thus used to overturn an election with a 51%-vote.

Management seems to be dead set in not giving us a right to act by written consent (even though management lavishly praises its so-called shareholder engagement) and has spent deep pockets company money without shareholder approval in 2020 on advertising against a shareholder right to act by written consent in addition to its full-blown opposition statement in the annual meeting proxy. In spite of such heavy-handed management resistance we still gave 45% support to the 2020 shareholder proposal for a right to act by written consent.

This 45% support most likely represents a 51% of the shares that have access to independent proxy voting advice. Our management is thus getting a free ride on the back of small shareholders who have no access to independent proxy voting advice and are forced to rely on the biased view of management.

Since management is dead set in not giving us a right to act by written consent we need an improved right to call for a special shareholder meeting.

Please vote yes:
Special Shareholder Meeting Improvement - Proposal 5

Board Response and Recommendation

Your Board has carefully reviewed this proposal and recommends a vote AGAINST it for the following reasons:

- the existing right of HP stockholders to call a special meeting at a 15% ownership represents, in our view, the right balancing of a variety of investor views as to the appropriate threshold; and
- reducing the ownership threshold to call a special meeting to 10% increases the risk of unnecessary waste of corporate resources and disruption associated with a smaller minority of shares calling a special meeting on frivolous grounds or to advance narrowly supported interests.

Your Board recognizes the importance of giving stockholders a meaningful right to call special meetings in appropriate circumstances. In January 2019, we amended HP's Bylaws to lower the threshold requirement to call a special meeting from 25% to 15% of our outstanding shares. In making this decision, we carefully considered the appropriate threshold for stockholders to call a special meeting based on evolving governance practices and feedback from a substantial percentage of HP's largest stockholders. We determined that an ownership threshold of 15% for stockholders to call a special meeting was most appropriate and in the best interests of HP and its stockholders.

Your Board believes that a 10% threshold, as suggested by the proponent, increases the risk that a small minority of stockholders (currently as few as one) could call a special meeting solely to advance their own agenda, without regard to the interests of a broader representation of stockholders. Because calling and holding a special meeting requires considerable time, effort, and resources (particularly the time and expense required to print and distribute materials to and solicit proxies from a large number of stockholders), we believe that special meetings should only be held to cover extraordinary matters not typically handled at a regularly scheduled, annual meeting and proposed by stockholders representing a reasonable percentage of outstanding shares. We continue to believe that the current 15% ownership threshold preserves a reasonable and appropriate balance between providing stockholders with the right to call a special meeting while protecting against the unnecessary waste of corporate resources and disruption associated with convening a special meeting.

Your Board has considered special meetings practices across the S&P 500 and determined that HP's existing 15% ownership threshold continues to be consistent with, and in most cases lower than, the thresholds of other S&P 500 companies. As of January 2022, of the S&P 500 companies that permit stockholders to call a special meeting, approximately 69% of those companies have an ownership threshold greater than 15%, with the most prevalent ownership threshold set at 25%.

When viewed together with our commitment to good corporate governance and strong stockholder engagement program, we believe that our current 15% ownership threshold is appropriate and enhances stockholder rights while still ensuring that appropriate support among stockholders is required to call a special meeting. Therefore, the Board believes the adoption of this proposal is unnecessary and not in the best interests of all of our stockholders.

Vote Required

Approval of this stockholder proposal requires the affirmative vote of a majority of the shares of HP common stock present in person or represented by proxy and entitled to vote on the proposal at the annual meeting.

Other Matters

Questions and Answers

Proxy Materials

1. Why am I receiving these materials?

We have made these materials available to you or delivered paper copies to you by mail in connection with our annual meeting of stockholders, which will take place online on Tuesday, April 19, 2022. As a stockholder, you are invited to participate in the annual meeting via live audio webcast and vote on the business items described in this proxy statement. This proxy statement includes information that we are required to provide to you under the SEC rules and that is designed to assist you in voting your shares. The information in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, the Board and Board committees, the compensation of our Directors and certain executive officers for fiscal 2021 and other required information. See Questions 16 and 17 below for information regarding how you can vote your shares at the annual meeting or by proxy (without attending the annual meeting).

2. What is included in the proxy materials?

The proxy materials include:

- our proxy statement for the 2022 annual meeting of stockholders; and
- our 2021 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended October 31, 2021.

If you received a paper copy of these materials by mail, the proxy materials also include a proxy card or a voting instruction card for the annual meeting. If you received a notice of the Internet availability of the proxy materials instead of a paper copy of the proxy materials, see Questions 16 and 17 below for information regarding how you can vote your shares.

3. Why did I receive a notice in the mail regarding the Internet availability of the proxy materials instead of a paper copy of the full set of proxy materials?

This year, we are using the SEC rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to many of our stockholders a notice of the Internet availability of the proxy materials instead of a paper copy of the proxy materials. All stockholders receiving the notice will have the ability to access the proxy materials over the Internet and request to receive a paper copy of the proxy materials by mail, should they so desire. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found in the notice of the Internet availability of the proxy materials. In addition, the notice contains instructions on how you may request access to proxy materials in printed form by mail or electronically on an ongoing basis.

4. Why didn't I receive a notice in the mail about the Internet availability of the proxy materials?

We are providing some of our stockholders, including stockholders who have previously requested to receive paper copies of the proxy materials and some of our stockholders who are living outside of the United States, with paper copies of the proxy materials instead of a notice of the Internet availability of the proxy materials.

In addition, we are providing proxy materials or notice of the Internet availability of the proxy materials by e-mail to those stockholders who have previously elected delivery of the proxy materials or notice electronically. Those stockholders should receive an e-mail containing a link to the website where those materials are available and a link to the proxy voting website.

5. How can I access the proxy materials over the Internet?

Your notice of the Internet availability of the proxy materials, proxy card, or voting instruction card will contain instructions on how to:

- view our proxy materials for the annual meeting on the Internet; and
- instruct us to send our future proxy materials to you electronically by e-mail.

Our proxy materials are available at www.proxyvote.com/HP. Please have your 16-digit control number available to access them.

Our proxy materials are also publicly available on our dedicated annual meeting website at www.hpannualmeeting.com.

Your notice of the Internet availability of the proxy materials, proxy card, or voting instruction card will contain instructions on how you may request access to proxy materials electronically on an ongoing basis. Choosing to access your future proxy materials electronically will help us conserve natural resources and reduce the costs of distributing our proxy materials. If you choose to access future proxy materials electronically, you will receive an e-mail with instructions containing a link to the website where those materials are available and a link to the proxy voting website. Your election to access proxy materials by e-mail will remain in effect until you terminate it.

6. How may I obtain a paper copy of the proxy materials?

Stockholders receiving a notice of the Internet availability of the proxy materials will find instructions about how to obtain a paper copy of the proxy materials on their notice. Stockholders receiving notice of the Internet availability of the proxy materials by e-mail will find instructions about how to obtain a paper copy of the proxy materials as part of that e-mail. All stockholders who do not receive a notice or an e-mail will receive a paper copy of the proxy materials by mail.

7. I share an address with another stockholder, and we received only one paper copy of the proxy materials or notice of the Internet availability of the proxy materials. How may I obtain an additional copy?

If you share an address with another stockholder, you may receive only one paper copy of the proxy materials or notice of the Internet availability of the proxy materials, as applicable, unless you have provided contrary instructions. If you wish to receive a separate set of the proxy materials or notice of the Internet availability of the proxy materials now, please request the additional copy by contacting Broadridge Financial Solutions, Inc. ("Broadridge") at:

By Internet: www.proxyvote.com/HP
By telephone: 1-800-579-1639
By e-mail: sendmaterial@proxyvote.com

If you request a separate set of the proxy materials or notice of Internet availability of the proxy materials by e-mail, please be sure to include your control number in the subject line. A separate set of proxy materials or notice of the Internet availability of the proxy materials, as applicable, will be sent promptly following receipt of your request. If you are a beneficial owner and wish to receive a separate set of proxy materials or notice of the Internet availability of the proxy materials now, please request the additional copy by contacting your individual broker.

If you are a stockholder of record and wish to receive a separate set of proxy materials or notice of the Internet availability of the proxy materials, as applicable, in the future, please contact our transfer agent. See Question 21 below.

If you are the beneficial owner of shares held through a broker, trustee, or other nominee and you wish to receive a separate set of proxy materials or notice of the Internet availability of the proxy materials, as applicable, in the future, please call Broadridge at:

1-866-540-7095

All stockholders also may write to HP at the address below to request a separate set of proxy materials or notice of the Internet availability of the proxy materials, as applicable, and materials will be delivered promptly upon receiving your request:

HP Inc.
Investor Relations
1501 Page Mill Road
Palo Alto, CA 94304

8. I share an address with another stockholder, and we received more than one paper copy of the proxy materials or notice of the Internet availability of the proxy materials. How do we obtain a single copy in the future?

Stockholders of record sharing an address who are receiving multiple copies of the proxy materials or notice of the Internet availability of the proxy materials, as applicable, and who wish to receive a single copy of such materials in the future may contact our transfer agent. See Question 21 below.

Beneficial owners of shares held through a broker, trustee, or other nominee sharing an address who are receiving multiple copies of the proxy materials or notice of the Internet availability of the proxy materials, as applicable, and who wish to receive a single copy of such materials in the future may contact Broadridge at:

1-866-540-7095

9. What should I do if I receive more than one notice or e-mail about the Internet availability of the proxy materials or more than one paper copy of the proxy materials?

You may receive more than one notice, more than one e-mail, or more than one paper copy of the proxy materials, including multiple paper copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice, a separate e-mail, or a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you may receive more than one notice, more than one e-mail or more than one proxy card. To vote all of your shares by proxy, you must either vote by Internet or by telephone, or complete, sign, date, and return each proxy card and voting instruction card that you receive and/or vote over the Internet the shares represented by each notice and e-mail that you receive (unless you have requested and received a proxy card or voting instruction card for the shares represented by one or more of those notices or e-mails).

10. How may I obtain a copy of HP's 2021 Form 10-K and other financial information?

Stockholders may request a free copy of our combined 2021 Annual Report and 2022 Proxy Statement, which includes our 2021 Form 10-K and the financial statements and the financial statement schedules for the last completed fiscal year, from:

HP Inc.
Investor Relations
1501 Page Mill Road
Palo Alto, CA 94304
https://investor.hp.com/resources/information-request/default.aspx

Alternatively, stockholders can access the 2021 Annual Report on HP's Annual Meeting site:

www.hpannualmeeting.com

All of HP's filings, including the 2021 Form 10-K are also available on HP's Investor Relations site:

https://investor.hp.com

We also will furnish any exhibit to the 2021 Form 10-K if specifically requested.

Voting Information

11. What proposals will be voted on at the meeting? How does the Board recommend that I vote and what is the voting requirement for each of the proposals?

Proposals	Board Recommendation	Votes Required	Effect of Abstentions	Effect of Broker Non-Votes
Election of Directors	**FOR** EACH NOMINEE	Majority of votes cast	None	None
Ratification of Independent Registered Public Accounting Firm	**FOR**	Majority of the shares present, in person or represented by proxy, and entitled to vote on the proposal	Same as "AGAINST"	No Broker Non-Votes (Routine Matter)
Advisory Vote to Approve Executive Compensation ("Say on Pay" Vote)	**FOR**	Majority of the shares present, in person or represented by proxy, and entitled to vote on the proposal	Same as "AGAINST"	None
Approval of the Third Amended and Restated HP Inc. 2004 Stock Incentive Plan	**FOR**	Majority of the shares present, in person or represented by proxy, and entitled to vote on the proposal	Same as "AGAINST"	None
Stockholder Proposal to Reduce the Share Ownership Threshold For Calling A Special Meeting	**AGAINST**	Majority of the shares present, in person or represented by proxy, and entitled to vote on the proposal	Same as "AGAINST"	None

We also will consider any other business that properly comes before the annual meeting. See Question 28 below.

12. What are broker non-votes?

A broker non-vote occurs with respect to a proposal when a broker, trustee, or other nominee has discretionary authority to vote on one or more proposals to be voted on at a meeting of stockholders but is not permitted to vote on other proposals without instructions from the beneficial owner and the beneficial owner fails to provide the nominee with such instructions. Under the rules of the NYSE, brokers, trustees, or other nominees may generally vote on routine matters but cannot vote on non-routine matters. Only Proposal No. 2 (ratifying the appointment of the independent registered public accounting firm) is considered a routine matter. The other proposals are not considered routine matters, and without your instructions, your broker cannot vote your shares. In tabulating the voting results for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal.

If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items. If you vote by proxy card and sign the proxy card without giving specific instructions, your shares will be voted in accordance with the recommendations of the Board (FOR all of our nominees to the Board, FOR ratification of the appointment of our independent registered public accounting firm, FOR the approval of the compensation of our named executive officers ("say on pay" vote), FOR approval of the Third Amended and Restated HP Inc. 2004 Stock Incentive Plan, and AGAINST the stockholder proposal to reduce the ownership threshold for calling a special meeting).

For any shares you hold in the HP 401(k) Plan, if your voting instructions are not received by 11:59 p.m., Eastern Time, on April 13, 2022, your shares will be voted in proportion to the way the shares held by the other HP 401(k) Plan participants are voted, except as may be otherwise required by law.

13. Is cumulative voting permitted for the election of Directors?

No, you may not cumulate your votes in the election of Directors. At the 2016 Annual Meeting, our stockholders approved an amendment to the Certificate of Incorporation eliminating cumulative voting. Therefore, cumulative voting is no longer available to our stockholders.

14. What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most of our stockholders hold their shares through a broker, trustee, or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

- **Stockholder of Record**—If your shares are registered directly in your name with our transfer agent, you are considered, with respect to those shares, the "stockholder of record." As the stockholder of record, you have the right to grant your voting proxy directly to HP or to a third party, or to vote your shares during the annual meeting.
- **Beneficial Owner**—If your shares are held in a brokerage account, by a trustee, or by another nominee (that is, in "street name"), you are considered the "beneficial owner" of those shares. As the beneficial owner of those shares, you have the right to direct your broker, trustee, or nominee how to vote, or to vote your shares during the annual meeting (other than shares held in the HP 401(k) Plan, which must be voted prior to the annual meeting).

15. Who is entitled to vote and how many shares can I vote?

Each holder of shares of HP common stock issued and outstanding as of the close of business on February 18, 2022, the record date for the annual meeting, is entitled to cast one vote per share on all items being voted upon at the annual meeting. You may vote all shares owned by you as of this time, including (1) shares held directly in your name as the stockholder of record, including shares purchased through our dividend reinvestment program and employee stock purchase plans, and shares held through our Direct Registration Service; and (2) shares held for you as the beneficial owner through a broker, trustee, or other nominee.

On the record date, HP had approximately 1,053,365,800 shares of common stock issued and outstanding.

16. How can I vote my shares during the annual meeting?

This year's annual meeting will be held entirely online to allow greater participation. Stockholders may participate in the annual meeting by visiting either of the following websites:

www.hpannualmeeting.com *or*
www.virtualshareholdermeeting.com/HPQ2022

To participate in the annual meeting, you will need the 16-digit control number included on your notice of Internet availability of the proxy materials, on your proxy card or on the instructions that accompanied your proxy materials. If you have any questions about your control number, please contact the bank, broker or other nominee that holds your shares.

Shares held in your name as the stockholder of record may be voted electronically during the annual meeting. Shares for which you are the beneficial owner but not the stockholder of record may also be voted electronically during the annual meeting, except that shares held in the HP 401(k) Plan cannot be voted electronically during the annual meeting. If you hold shares in the HP 401(k) Plan, your voting instructions must be received by 11:59 p.m., Eastern Time, on April 13, 2022 for the trustee to vote your shares. However, holders of shares in the HP 401(k) Plan will still be able to view the annual meeting webcast and ask questions during the annual meeting. Even if you plan to participate in the annual meeting online, we recommend that you also vote by proxy as described below so that your vote will be counted if you later decide not to participate in the annual meeting.

17. How can I vote my shares without participating in the annual meeting?

Whether you hold shares directly as the stockholder of record or through a broker, trustee, or other nominee as the beneficial owner, you may direct how your shares are voted without participating in the annual meeting. There are three ways to vote by proxy:

- **VIA THE INTERNET**: Stockholders who have received a notice of the Internet availability of the proxy materials by mail may submit proxies over the Internet by following the instructions on the notice. Stockholders who have received notice of the Internet availability of the proxy materials by e-mail may submit proxies over the Internet by following the instructions included in the e-mail. Stockholders who have received a paper copy of a proxy card or voting instruction card by mail may submit proxies over the Internet by following the instructions on the proxy card or voting instruction card.

- **VIA TELEPHONE:** Stockholders of record who live in the United States or Canada may submit proxies by telephone by calling 1-800-690-6903 and following the instructions. Stockholders of record who have received a notice of the Internet availability of the proxy materials by mail must have the control number that appears on their notice available when voting. Stockholders of record who received notice of the Internet availability of the proxy materials by e-mail must have the control number included in the e-mail available when voting. Stockholders of record who have received a proxy card by mail must have the control number that appears on their proxy card available when voting. Most stockholders who are beneficial owners of their shares living in the United States or Canada and who have received a voting instruction card by mail may vote by phone by calling the number specified on the voting instruction card provided by their broker, trustee, or nominee. Those stockholders should check the voting instruction card for telephone voting availability.
- **VIA MAIL:** Stockholders who have received a paper copy of a proxy card or voting instruction card by mail may submit proxies by completing, signing and dating their proxy card or voting instruction card and mailing it in the accompanying pre-addressed envelope.

18. What is the deadline for voting my shares?

If you hold shares as the stockholder of record, your vote by proxy must be received before the polls close during the annual meeting.

If you hold shares in the HP 401(k) Plan, your voting instructions must be received by 11:59 p.m., Eastern Time, on April 13, 2022 for the trustee to vote your shares. If you are the beneficial owner of shares held through a broker, trustee, or other nominee (including any shares held as a result of your participation in HP's 2011 Employee Stock Purchase Plan (the "ESPP")), please follow the voting instructions provided by your broker, trustee or nominee. The deadline to provide voting instructions for shares you hold as a beneficial owner may be earlier than the deadline provided above.

19. May I change my vote or revoke my proxy?

You may change your vote or revoke your proxy at any time prior to the vote during the annual meeting, except that any change to your voting instructions for shares held in the HP 401(k) Plan must be provided by 11:59 p.m., Eastern Time, on April 13, 2022 as described above.

If you are the stockholder of record, you may change your vote by: (1) granting a new proxy bearing a later date (which automatically revokes the earlier proxy); (2) providing a written notice of revocation to the Corporate Secretary at the address below in Question 32 prior to your shares being voted; or (3) participating in the meeting and voting your shares electronically during the annual meeting. Participation in the annual meeting will not cause your previously granted proxy to be revoked unless you specifically make that request. For shares you hold beneficially in the name of a broker, trustee, or other nominee, you may change your vote by submitting new voting instructions to your broker, trustee, or nominee, or by participating in the meeting and electronically voting your shares during the meeting (except that shares held in the HP 401(k) Plan cannot be voted electronically at the annual meeting).

20. Is my vote confidential?

Proxy instructions, ballots and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed, either within HP or to third parties, except: (1) as necessary to meet applicable legal requirements; (2) to allow for the tabulation of votes and certification of the votes; and (3) to facilitate a successful proxy solicitation. Occasionally, stockholders provide on their proxy card written comments, which are then forwarded to management.

21. What if I have questions for our transfer agent?

Please contact our transfer agent, at the phone number or address listed below, with questions concerning stock certificates, dividend checks, transfer of ownership, or other matters pertaining to your stock account.

EQ Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120-4100
1-800-286-5977 (U.S. and Canada)
1-651-450-4064 (International)

A dividend reinvestment and stock purchase program is also available through our transfer agent. For information about this program, please contact our EQ Shareowner Services transfer agent as follows:

EQ Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120-4100
1-800-286-5977 (U.S. and Canada)
1-651-450-4064 (International)

22. How can I attend the annual meeting?

This year's annual meeting will be a completely virtual meeting of stockholders, which will be conducted through an audio webcast. You are entitled to participate in the annual meeting only if you were an HP stockholder or joint holder as of the close of business on February 18, 2022 or if you hold a valid proxy for the annual meeting.

You will be able to attend the annual meeting of stockholders online and submit your questions before and during the meeting by visiting www.hpannualmeeting.com or www.virtualshareholdermeeting.com/HPQ2022. You also will be able to vote your shares electronically at the annual meeting (other than shares held through the HP 401(k) Plan, which must be voted prior to the meeting).

To participate in the annual meeting, you will need the 16-digit control number included on your notice of Internet availability of the proxy materials, on your proxy card or on the instructions that accompanied your proxy materials. If you have any questions about your control number, please contact the bank, broker, or other nominee that holds your shares.

The meeting webcast will begin promptly at 2:00 p.m., Pacific Time. We encourage you to access the meeting prior to the start time. Online access to the meeting will open at 1:30 p.m., Pacific Time, and you should allow ample time to log in to the meeting webcast and test your computer audio system.

Information as to how to obtain the list of stockholders entitled to vote at the annual meeting will be available during the ten days preceding the annual meeting at www.hpannualmeeting.com, and the list will also be available on www.hpannualmeeting.com during the entirety of the annual meeting.

23. What is the pre-meeting forum and how can I access it?

The online format for the annual meeting allows us to communicate more effectively with you. Our pre-meeting forum, where you can submit questions in advance of the annual meeting, can be entered by visiting our dedicated annual meeting website www.hpannualmeeting.com or by visiting www.proxyvote.com/HP. We respond to all stockholder submissions received through the forum in writing on our investor relations website. The annual meeting website also contains the contents of this proxy statement in a user-friendly format and has complete PDF copies of our proxy statement and annual report available for download.

24. Why a virtual meeting?

We are excited to embrace the latest technology to provide expanded access, improved communication, and cost savings for our stockholders and the Company. Hosting a virtual meeting enables increased stockholder attendance and participation since stockholders can participate from any location around the world.

You will be able to attend the annual meeting of stockholders online and submit your questions during the meeting by visiting www.hpannualmeeting.com or www.virtualshareholdermeeting.com/HPQ2022. You also will be able to vote your shares electronically at the annual meeting (other than shares held through the HP 401(k) Plan, which must be voted prior to the meeting).

25. What if during the check-in time or during the meeting I have technical difficulties or trouble accessing the virtual meeting website?

We will have technicians ready to assist you with any technical difficulties you may have accessing the virtual meeting. If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call:

1-855-449-0991 (Toll-free)
1-720-378-5962 (Toll line)

26. How many shares must be present or represented to conduct business at the annual meeting?

The quorum requirement for holding the annual meeting and transacting business is that holders of a majority of shares of HP common stock entitled to vote must be present in person or represented by proxy. Both abstentions and broker non-votes described previously in Question 12 above are counted for the purpose of determining the presence of a quorum.

27. What if a quorum is not present at the annual meeting?

If a quorum is not present at the scheduled time of the annual meeting, then either the chairman of the annual meeting or the stockholders by vote of the holders of a majority of the stock present in person or represented by proxy at the annual meeting are authorized by our Bylaws to adjourn the annual meeting until a quorum is present or represented.

28. What happens if additional matters are presented at the annual meeting?

Other than the five items of business described in this proxy statement, we are not aware of any other business to be acted upon at the annual meeting. If you grant a proxy, the persons named as proxy holders, Enrique Lores and Harvey Anderson, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. In the event that any nominee should become unavailable, the proxy holders, Enrique Lores and Harvey Anderson, will vote for a substitute nominee or nominees designated by the Board, unless the Board decides to decrease the size of the Board. If any substitute nominees are so designated, we will file an amended proxy statement or additional soliciting material that, as applicable, identifies the substitute nominees, discloses that such nominees have consented to being named in the amended proxy statement or additional soliciting material and to serve as directors if elected, and includes certain biographical and other information about such nominees required by the applicable SEC rules.

29. Who will serve as inspector of elections?

The inspector of elections will be a representative from an independent firm, Broadridge.

30. Where can I find the voting results of the annual meeting?

We intend to announce preliminary voting results at the annual meeting and publish final results in a Current Report on Form 8-K to be filed with the SEC within four business days of the annual meeting.

31. Who will bear the cost for the solicitation of proxies by HP?

HP is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing, and distributing the notices and these proxy materials and soliciting votes. In addition to the mailing of the notices and these proxy materials, the solicitation of proxies or votes may be made in person, by telephone, or by electronic communication by certain of our Directors, officers, and employees, who will not receive any additional compensation for such solicitation activities.

We have hired Innisfree M&A Incorporated ("Innisfree") to assist us in the solicitation of votes described above. We will pay Innisfree a base fee of $20,000 plus customary costs and expenses for these services. We have agreed to indemnify Innisfree against certain liabilities arising out of or in connection with these services. We also will reimburse brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy and solicitation materials to stockholders.

32. What is the deadline to propose actions (other than Director nominations) for consideration at next year's annual meeting of stockholders?

You may submit proposals for consideration at future stockholder meetings. For a stockholder proposal to be considered for inclusion in our proxy statement for the annual meeting next year, the Corporate Secretary must receive the written proposal at our principal executive offices no later than October 26, 2022. Such proposals also must comply with SEC regulations under Rule 14a-8 regarding the inclusion of stockholder proposals in Company-sponsored proxy materials. Proposals should be addressed to our Corporate Secretary at HP Inc., 1501 Page Mill Road, Palo Alto, California 94304.

For a stockholder proposal that is not intended to be included in our proxy statement for next year's annual meeting under Rule 14a-8, the stockholder must provide the information required by our Bylaws and give timely notice to the Corporate Secretary in accordance with our Bylaws, which, in general, require that the notice be received by the Corporate Secretary:

- not earlier than the close of business on December 20, 2022; and
- not later than the close of business on January 19, 2023.

If the date of the stockholder meeting is moved more than 30 days before or 60 days after the anniversary of our annual meeting for the prior year, then notice of a stockholder proposal that is not intended to be included in our proxy statement under Rule 14a-8 must be received no earlier than the close of business 120 days prior to the meeting and not later than the close of business on the later of the following two dates:

- 90 days prior to the meeting; and
- 10 days after public announcement of the meeting date.

Deadlines for the nomination of Director candidates are discussed in Question 34 below.

33. How may I recommend individuals to serve as Directors and what is the deadline for a Director recommendation?

You may recommend Director candidates for consideration by the NGSR Committee. Any such recommendations should include verification of the stockholder status of the person submitting the recommendation and the nominee's name and qualifications for Board membership and should be directed to the Corporate Secretary at the address of our principal executive offices set forth in Question 32 above. See "—Identifying and Evaluating Candidates for Directors" above for more information regarding our Board membership criteria.

A stockholder may send a recommended Director candidate's name and information to the Board at any time. Generally, such proposed candidates are considered at the first or second Board meeting prior to the issuance of the proxy statement for our annual meeting.

34. How may I nominate individuals to serve as Directors and what are the deadlines for a Director nomination?

Our Bylaws permit stockholders to nominate Directors for consideration at an annual meeting. To nominate a Director for consideration at an annual meeting, a nominating stockholder must provide the information required by our Bylaws and give timely notice of the nomination to the Corporate Secretary in accordance with our Bylaws, and each nominee must meet the qualifications required by our Bylaws. To nominate a Director for consideration at next year's annual meeting (but not for inclusion in our annual proxy statement), the notice must be received by the Corporate Secretary between the close of business on December 20, 2022 and the close of business on January 19, 2023, unless the annual meeting is moved by more than 30 days before or 60 days after the anniversary of the prior year's annual meeting, in which case the deadline will be as described in Question 32 above.

In addition, our Bylaws provide that under certain circumstances, a stockholder or group of stockholders may include Director candidates that they have nominated in our annual meeting proxy statement. These proxy access provisions of our Bylaws provide, among other things, that a stockholder or group of up to 20 stockholders seeking to include Director candidates in our annual meeting proxy statement must own 3% or more of HP's outstanding common stock continuously for at least the previous three years. The number of stockholder-nominated candidates appearing in any annual meeting proxy statement cannot exceed 20% of the number of Directors in office as of the last day on which a request to include a stockholder-nominated candidate may be delivered in accordance with our Bylaws. If 20% is not a whole number, the maximum number of stockholder-nominated candidates would be the closest whole number below 20%. Nominees submitted under the proxy access procedures that are later withdrawn or are included in the proxy materials as Board-nominated candidates will be counted in determining whether the 20% maximum has been reached. If the number of stockholder-nominated candidates exceeds 20%, each nominating stockholder or group of stockholders may select one nominee for inclusion in our proxy materials until the maximum number is reached. The order of selection would be determined by the amount (largest to smallest) of shares of HP common stock held by each nominating stockholder or group of stockholders. The nominating stockholder or group of stockholders also must deliver the information required by our Bylaws, and each nominee must meet the qualifications required by our Bylaws. Requests to include stockholder-nominated candidates in our proxy materials for next year's annual meeting must be received by the Corporate Secretary:

- not earlier than the close of business on November 20, 2022; and
- not later than the close of business on December 20, 2022.

In addition, for next year's annual meeting of stockholders, we will be required under new SEC Rule 14a-19 to include on our proxy card all nominees for director for whom we have received notice under the rule, which must be received no later than 60 calendar days prior to the anniversary of the previous year's annual meeting. For any such director nominee to be included on our proxy card for next year's annual meeting, the Corporate Secretary must receive notice under SEC Rule 14a-19 no later than February 18, 2023. Please note that the notice requirement under SEC Rule 14a-19 is in addition to the applicable notice requirements under the advance notice provisions of our Bylaws described above.

35. How may I obtain a copy of the provisions of our Bylaws regarding stockholder proposals and Director nominations?

You may contact the Corporate Secretary at our principal executive offices for a copy of the relevant Bylaws provisions regarding the requirements for making stockholder proposals and nominating Director candidates. Our Bylaws are also available on our investor relations website at https://investor.hp.com.

36. Who can help answer my questions?

If you have any questions about the annual meeting or how to vote or revoke your proxy, you should contact our proxy solicitor:

Innisfree M&A Incorporated
Stockholders: (877) 750-5838 (Toll-free from the U.S. and Canada)
(412) 232-3651 (International)
Banks and brokers (call collect):
(212) 750-5833

Forward-Looking Statements

This proxy statement contains forward-looking statements based on current expectations and assumptions that involve risks and uncertainties. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of HP and its consolidated subsidiaries may differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to, any statements regarding the potential impact of the COVID-19 pandemic and the actions by governments, businesses and individuals in response to the situation; projections of net revenue, margins, expenses, effective tax rates, net earnings, net earnings per share, cash flows, benefit plan funding, deferred taxes, share repurchases, foreign currency exchange rates or other financial items; any projections of the amount, timing or impact of cost savings or restructuring and other charges, planned structural cost reductions and productivity initiatives; any statements of the plans, strategies and objectives of management for future operations, including, but not limited to, our business model and transformation, our sustainability goals, our go-to-market strategy, the execution of restructuring plans and any resulting cost savings, net revenue or profitability improvements or other financial impacts; any statements concerning the expected development, demand, performance, market share or competitive performance relating to products or services; any statements concerning potential supply constraints, component shortages, manufacturing disruptions or logistics challenges; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on HP and its financial performance; any statements regarding pending investigations, claims, disputes or other litigation matters; any statements of expectation or belief, including with respect to the timing and expected benefits of acquisitions and other business combination and investment transactions; and any statements of assumptions underlying any of the foregoing. Forward-looking statements can also generally be identified by words such as “future,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “will,” “would,” “could,” “can,” “may,” and similar terms. Risks, uncertainties and assumptions include the factors discussed in “Risk Factors” in Item 1A of Part I of HP’s Annual Report on Form 10-K for the fiscal year ended October 31, 2021 and that are otherwise described or updated from time to time in HP’s other filings with the SEC. The forward-looking statements in this report are made as of the date of this filing and HP assumes no obligation and does not intend to update these forward-looking statements.

Forward-looking and other statements in this report may also address our corporate responsibility progress, plans, and goals (including environmental matters), and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in HP’s filings with the SEC. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

Reconciliation of GAAP Measures to Non-GAAP Measures

In this proxy statement, HP discloses the following non-GAAP financial measures:

- **Non-GAAP operating profit:** Non-GAAP operating profit is a non-GAAP measure that is defined as GAAP operating profit, exclusive of costs related to restructuring and other charges, acquisition-related charges, and amortization of intangible assets. Management uses non-GAAP operating profit to evaluate and forecast our performance before gains, losses, or other charges that are considered by management to be outside of our core business segment operating results. We believe that presenting non-GAAP operating profit provides investors with greater visibility with respect to the information used by management in its financial and operational decision making. We further believe that providing this additional non-GAAP information helps investors understand our operating performance and evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance. This additional non-GAAP information is not intended to be considered in isolation or as a substitute for GAAP operating profit.
- **Non-GAAP diluted net EPS:** Non-GAAP diluted net EPS is a non-GAAP measure that is defined as GAAP diluted net EPS, exclusive of costs related to restructuring and other charges, acquisition-related charges, amortization of intangible assets, debt extinguishment costs, Oracle litigation proceeds, defined benefit plan settlement (gains) charges, and non-operating retirement-related credits. Management uses non-GAAP diluted net EPS to evaluate and forecast our performance before gains, losses, or other charges that are considered by management to be outside of our core business segment operating results. We believe that presenting non-GAAP diluted net EPS provides investors with greater visibility with respect to the information used by management in its financial and operational decision making. We further believe that providing this additional non-GAAP information helps investors understand our operating performance and evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance. This additional non-GAAP information is not intended to be considered in isolation or as a substitute for GAAP diluted net EPS.
- **Non-GAAP free cash flow:** Non-GAAP free cash flow is a non-GAAP measure that is defined as net cash provided by operating activities adjusted for net investments in leases and net investments in property, plant and equipment and one-time Oracle litigation proceeds received during the fourth quarter of fiscal 2021. HP's management uses non-GAAP free cash flow for the purpose of determining the amount of cash available for investment in HP's businesses, repurchasing stock and other purposes. HP's management also uses non-GAAP free cash flow to evaluate HP's historical and prospective liquidity. This additional non-GAAP information is not intended to be considered in isolation or as a substitute for net cash provided by operating activities.

	Twelve months ended	
(in millions)	**October 31, 2021**	**October 31, 2016**
GAAP operating profit	$5,302	$3,549
Non-GAAP adjustments:		
Restructuring and other charges	245	205
Acquisition-related charges	68	7
Amortization of intangible assets	154	16
Non-operating retirement-related credits[1]	—	(146)
Defined benefit plan settlement charges[1]	—	179
Non-GAAP operating profit	$5,769	$3,810

(1) Pursuant to adoption of Accounting Standards Update ("ASU") 2017-07, "Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Post-retirement Benefit Cost", in the first quarter of fiscal year 2019, HP now reclassifies all components (excluding service cost component) of net periodic benefit cost from Selling, general and administrative expenses to Interest and other, net.

	Twelve months ended			
	October 31, 2021		October 31, 2016	
(in millions, except per share amounts)	Amounts	Diluted net EPS	Amounts	Diluted net EPS
GAAP net earnings	$ 6,503	$ 5.33	$2,666	$ 1.53
Non-GAAP adjustments:				
Restructuring and other charges	245	0.20	205	0.12
Acquisition-related charges	68	0.06	7	—
Amortization of intangible assets	154	0.13	16	0.01
Debt extinguishment costs	16	0.01	—	—
Oracle litigation proceeds	(2,304)	(1.89)	—	—
Defined benefit plan settlement (gains) charges	(37)	(0.03)	179	0.10
Non-operating retirement-related credits	(153)	(0.13)	(146)	(0.08)
Tax adjustments[a]	128	0.11	332	0.19
Tax indemnification credits	—	—	(472)	(0.27)
Non-GAAP net earnings	$ 4,620	$ 3.79	$2,787	$ 1.60

[a] Includes tax impact on non-GAAP adjustments.

	Twelve months ended	
(in millions)	October 31, 2021	October 31, 2016
GAAP net cash provided by operating activities	$6,409	$3,230
Non-GAAP adjustments:		
Net investments in property, plant and equipment	(582)	(427)
Net investments in leases	(111)	—
Net Oracle litigation proceeds	(1,771)	—
Non-GAAP free cash flow	$4,167	$2,803

Annex A:
Third Amended and Restated HP Inc. 2004 Stock Incentive Plan

1. **Purposes of the Plan.**

The purpose of this Plan is to encourage ownership in the Company by key personnel whose long-term employment is considered essential to the Company's continued progress and, thereby, encourage recipients to act in the shareholders' interest and share in the Company's success and to provide an opportunity for cash awards to incentivize or reward employees.

2. **Definitions.**

As used herein, the following definitions shall apply:

(a) "**Administrator**" means the Board, any Committee or such delegates as shall be administering the Plan in accordance with Section 4 of the Plan.

(b) "**Affiliate**" means any entity that is directly or indirectly controlled by the Company or any entity in which the Company has a significant ownership interest as determined by the Administrator provided that the entity is one with respect to which Common Stock will qualify as "service recipient stock" under Section 409A of the Code to the extent necessary to exempt an Award from the application of Section 409A of the Code. For the sake of clarity, the term "Affiliate" shall include a Subsidiary.

(c) "**Annual Equity Retainer**" shall mean the amount which a Non-Employee Director will be entitled to receive in the form of equity for serving as a director in a relevant Director Plan Year, but shall not include reimbursement for expenses, fees associated with service on any committee of the Board, any cash compensation (whether or not payable in Shares at the election of the Non-Employee Director), or fees with respect to any other services to be provided to HP or the Board, including but not limited to Board leadership services.

(d) "**Applicable Laws**" means the requirements relating to the administration of equity compensation plans under U.S. federal and state laws, any stock exchange or quotation system on which the Company has listed or submitted for quotation the Common Stock to the extent provided under the terms of the Company's agreement with such exchange or quotation system and, with respect to Awards subject to the laws of any foreign jurisdiction where Awards are, or will be, granted under the Plan, the laws of such jurisdiction.

(e) "**Award**" means a Cash Award, Stock Award, Stock Appreciation Right, or Option granted in accordance with the terms of the Plan.

(f) "**Awardee**" means an individual who has been granted an Award under the Plan.

(g) "**Award Agreement**" means a Cash Award Agreement, Stock Award Agreement, SAR Agreement and/or Option Agreement, which may be in written or electronic format, in such form and with such terms as may be specified by the Administrator, evidencing the terms and conditions of an individual Award. Each Award Agreement is subject to the terms and conditions of the Plan. An Award Agreement may be in the form of either (i) an agreement to be either executed by both the Awardee and the Company or offered and accepted electronically as the Administrator shall determine or (ii) certificates, notices or similar instruments as approved by the Administrator.

(h) "**Board**" means the Board of Directors of the Company.

(i) "**Cash Award**" means a bonus opportunity awarded under Section 12 pursuant to which a Participant may become entitled to receive an amount based on the satisfaction of such Performance Criteria as are specified in the agreement or other documents evidencing the Award (the "**Cash Award Agreement**").

(j) "**Cause**" shall mean, unless otherwise defined in an agreement to which the Participant is a party with the Company or an Affiliate, the occurrence of any of the following: (i) the Participant's conviction of, or plea of guilty or nolo contendere to, a felony under Applicable Law; (ii) the Participant's willful and deliberate failure in the performance of the Participant's duties in any material respect; (iii) the Participant's willful misconduct that results in material harm to the Company or an Affiliate; or (iv) the Participant's material violation of the Company's ethics and compliance program, code of conduct or other material policy of the Company.

(k) "**Change in Control**" means any of the following, unless the Administrator provides otherwise:

  i. any merger or consolidation (other than a merger or consolidation in which 50% of the voting power of the voting securities of the surviving entity is controlled by the shareholders of the Company immediately prior to the transaction) in which the Company shall not be the surviving entity (or survives only as a subsidiary of another entity whose shareholders did not own all or substantially all of the Common Stock in substantially the same proportions as immediately prior to such transaction),

  ii. the sale of all or substantially all of the Company's assets to any other person or entity (other than a wholly-owned subsidiary),

  iii. the acquisition of beneficial ownership of a controlling interest (including, without limitation, power to vote) the outstanding shares of Common Stock by any person or entity (including a "group" as defined by or under Section 13(d)(3) of the Exchange Act),

  iv. the dissolution or liquidation of the Company, or

v. a contested election of Directors, as a result of which or in connection with which the persons who were Directors before such election or their nominees cease to constitute a majority of the Board.

A transaction shall not constitute a Change in Control if it is effected for the purpose of changing the place of incorporation or form of organization of the ultimate parent entity (including where the Company is succeeded by an issuer incorporated under the laws of another state, country or foreign government for such purpose and whether or not the Company remains in existence following such transaction) where all or substantially all of the persons or group that beneficially own all or substantially all of the combined voting power of the Company's voting securities immediately prior to the transaction beneficially own all or substantially all of the combined voting power of the Company in substantially the same proportions of their ownership after the transaction.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or any portion of an Award) that provides for the deferral of compensation that is subject to Section 409A of the Code, to the extent required to avoid the imposition of additional taxes under Section 409A of the Code, the transaction or event described in this Section 2(j) with respect to such Award (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

(l) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(m) "**Committee**" means a committee of Directors appointed by the Board in accordance with Section 4 of the Plan. The HR and Compensation Committee of the Board shall be deemed a "Committee" for purposes of the Plan.

(n) "**Common Stock**" means the common stock of the Company.

(o) "**Company**" or "**HP**" means HP Inc., a Delaware corporation, or its successor.

(p) "**Conversion Award**" has the meaning set forth in Section 4(b)(xi) of the Plan.

(q) "**Director**" means a member of the Board.

(r) "**Director Option Award**" has the meaning set forth in Section 13(b) of the Plan.

(s) "**Director Plan Year**" shall mean the year beginning the day after HP's annual meeting and ending on the day of HP's next annual meeting, as the case may be, for any relevant year.

(t) "**Director RSU Award**" has the meaning set forth in Section 13(b) of the Plan.

(u) "**Dividend Equivalent Right**" means a right to receive the equivalent value of dividends paid on the Common Stock with respect to the Shares underlying an Award that is a Full-Value Award prior to settlement of the Award in accordance with the provision of Section 14(c).

(v) "**Employee**" means a regular, active employee of the Company or any Affiliate, including an Officer and/or Director. The Administrator shall determine whether or not the chairman of the Board qualifies as an "Employee." Within the limitations of Applicable Law, the Administrator shall have the discretion to determine the effect upon an Award and upon an individual's status as an Employee in the case of (i) any individual who is classified by the Company or an Affiliate as leased from or otherwise employed by a third party or as intermittent or temporary, even if any such classification is changed retroactively as a result of an audit, litigation or otherwise, (ii) any leave of absence approved by the Company or an Affiliate, (iii) any transfer between locations of employment with the Company or an Affiliate or between the Company and any Affiliate, or between any Affiliates, (iv) any change in the Awardee's status from an employee to a consultant or Director, and (v) at the request of the Company or an Affiliate, an employee becomes employed by any partnership, joint venture or corporation not meeting the requirements of an Affiliate in which the Company or an Affiliate is a party.

(w) "**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

(x) "**Fair Market Value**" means, unless the Administrator determines otherwise, as of any date, the closing sales price for such Common Stock on the New York Stock Exchange (the "**NYSE**") as of such date (or if no sales were reported on such date, the closing sales price on the last preceding day on which a sale was made), as reported in such source as the Administrator shall determine.

(y) "**Full-Value Award**" means any Award under the Plan other than a Cash Award, an Option or a Stock Appreciation Right. For avoidance of doubt, Stock Awards settled in cash are not Full-Value Awards.

(z) "**Grant Date**" means the date upon which an Award is granted to an Awardee pursuant to this Plan or such later date as specified in advance by the Administrator.

(aa) "**Incentive Stock Option**" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(bb) "**Non-Employee Director**" shall mean each member of the Board who is not an employee of HP or any of its Subsidiaries or Affiliates and who is eligible only for Awards granted pursuant to Section 13 of the Plan.

(cc) "**Nonstatutory Stock Option**" means an Option not intended to qualify as an Incentive Stock Option.

(dd) "**Officer**" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(ee) "**Option**" means a right granted under Section 8 to purchase a number of Shares at such exercise price, at such times, and on such other terms and conditions as are specified in the agreement or other documents evidencing the Award (the "**Option Agreement**"). Both Options intended to qualify as Incentive Stock Options and Nonstatutory Stock Options may be granted under the Plan.

(ff) "**Participant**" means an individual who has been granted an Award or any person (including any estate) to whom an Award has been assigned or transferred as permitted hereunder.

(gg) "**Performance Criteria**" shall have the meaning set forth in Section 13(b) of the Plan.

(hh) "**Plan**" means this Third Amended and Restated HP Inc. 2004 Stock Incentive Plan, as may be amended from time to time.

(ii) "**Share**" means a share of the Common Stock, as adjusted in accordance with Section 15 of the Plan.

(jj) "**Stock Appreciation Right**" or "**SAR**" means a right granted under Section 8 which entitles the recipient to receive an amount equal to the excess of the Fair Market Value of a Share on the date of exercise of the Stock Appreciation Right over the exercise price thereof on such terms and conditions as are specified in the agreement or other documents evidencing the Award (the "**SAR Agreement**"). The Administrator shall determine whether a Stock Appreciation Right shall be settled in cash, Shares or a combination of cash and Shares. Stock Appreciation Rights may be granted in tandem with another Award or freestanding and unrelated to another Award.

(kk) "**Stock Award**" means an award or issuance of Shares or Stock Units made under Section 11 of the Plan, the grant, issuance, retention, vesting and/or transferability of which is subject during specified periods of time to such conditions (including continued employment or performance conditions) and terms as are expressed in the agreement or other documents evidencing the Award (the "**Stock Award Agreement**").

(ll) "**Stock Unit**" means a bookkeeping entry representing an amount equivalent to the value of one Share, payable in cash, property or Shares. Stock Units represent an unfunded and unsecured obligation of the Company, except as otherwise provided for by the Administrator.

(mm) "**Subsidiary**" means any company (other than the Company) in an unbroken chain of companies beginning with the Company, provided each company in the unbroken chain (other than the Company) owns, at the time of determination, stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other companies in such chain.

(nn) "**Tax-Related Items**" means any U.S. federal, state, and/or local taxes and any taxes imposed by a jurisdiction outside of the U.S. (including, without limitation, income tax, social insurance and similar contributions, payroll tax, fringe benefits tax, payment on account, employment tax, stamp tax and any other taxes related to participation in the Plan and legally applicable to a Participant, including any employer liability for which the Participant is liable pursuant to Applicable Laws or the applicable Award Agreement).

(oo) "**Termination of Employment**" shall mean ceasing to be an Employee. However, for Incentive Stock Option purposes, Termination of Employment will occur when the Awardee ceases to be an employee (as determined in accordance with Section 3401(c) of the Code and the regulations promulgated thereunder) of the Company or one of its Subsidiaries. The Administrator shall determine whether any corporate transaction, such as a sale or spin-off of a division or business unit, or a joint venture, shall be deemed to result in a Termination of Employment.

(pp) "**Total and Permanent Disability**" shall have the meaning set forth in Section 22(e)(3) of the Code.

3. **Stock Subject to the Plan.**

(a) *Aggregate Limits.* Subject to the provisions of Section 15 of the Plan, the aggregate number of Shares that may be issued pursuant to Awards granted under the Plan is 623,111,733[1] Shares. The Shares subject to the Plan may be either Shares reacquired by the Company, including Shares purchased in the open market, or authorized but unissued Shares. Shares issued in respect of any Full-Value Award granted under the Plan after March 20, 2013 shall be counted against the share limit set forth in the foregoing sentence as 2.32 Shares for every single Share actually issued in connection with such Award.

(b) *Issuance of Shares.* For purposes of Section 3(a), the aggregate number of Shares issued under the Plan at any time shall equal only the number of Shares actually issued upon exercise or settlement of an Award. If any Shares subject to an Award granted under the Plan are forfeited or such Award is settled in cash or otherwise terminates without the delivery of such Shares, the Shares subject to such Award, to the extent of any such forfeiture, settlement or termination, shall again be available for grant under the Plan. Any Shares that become available for the grant of Awards pursuant to the foregoing sentence shall be added back in accordance with the following: (i) if the Shares were subject to Options or Stock Appreciation Rights, Shares will be added back as one (1) Share for every Share subject to the Options or Stock Appreciation Rights; (ii) if the Shares were subject to Stock Awards, Shares will be added back as 2.32 Shares for every single Share subject to the Stock Award. Notwithstanding the foregoing, Shares subject to an Award under the Plan may not again be made available for issuance under the Plan if such Shares are: (i) Shares delivered to or withheld by the Company to pay the exercise price of an Option, (ii) Shares delivered to or withheld by the Company to pay the withholding Tax-Related Items, or (iii) Shares repurchased by the Company on the open market with the proceeds of an Award paid to the Company by or on behalf of the Participant. For the avoidance of doubt, when SARs are exercised and settled in Shares the full number of Shares exercised will no longer be available for issuance under the Plan.

(c) *Share Limits.* Subject to the provisions of Section 15 of the Plan, the aggregate number of Shares subject to Awards granted under this Plan during any calendar year to any one Awardee shall not exceed 4,000,000, except that in connection with the Participant's initial service, an Awardee may be granted Awards covering up to an additional 4,000,000 Shares. Subject to the provisions of Section 15 of the Plan, the aggregate number of Shares that may be subject to all Incentive Stock Options granted under the Plan is 623,111,733 Shares. Notwithstanding anything to the contrary in the Plan, the limitations set forth in this Section 3(c) shall be subject to adjustment under Section 15(a) of the Plan only to the extent that such adjustment will not affect the ability to grant or the qualification of Incentive Stock Options under the Plan.

[1] 180,000,000 shares originally approved at the annual meeting March 17, 2004; 65,000,000 additional shares approved at the annual meeting March 17, 2010; 172,500,000 additional shares approved at the annual meeting in 2013; 30,000,000 additional shares approved at the annual meeting April 19, 2022. The Aggregate Limit also reflects an adjustment increasing the share reserve by 2.161989 shares for each share that was available for issuance as of the date of the adjustment to give effect to the stock dividend that was issued by the Company on November 1, 2015 in connection with the Company's spin-off of Hewlett Packard Enterprises. The Aggregate Limit was reduced by 80,000,000 shares, effective as of January 29, 2018.

4. Administration of The Plan.

(a) *Procedure.*

i. *Multiple Administrative Bodies.* The Plan shall be administered by the Board, one or more Committees and/or their delegates.

ii. *Rule 16b-3.* To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3 promulgated under the Exchange Act ("**Rule 16b-3**"), Awards to Officers and Directors shall be made by the entire Board or a Committee of two or more "non-employee directors" within the meaning of Rule 16b-3.

iii. *Other Administration.* Subject to applicable law, the Board or a Committee may delegate to an authorized officer or officers of the Company the power to approve Awards to persons eligible to receive Awards under the Plan who are not subject to Section 16 of the Exchange Act.

iv. *Delegation of Authority for the Day-to-Day Administration of the Plan.* Except to the extent prohibited by Applicable Law, the Administrator may delegate to one or more individuals the day-to-day administration of the Plan and any of the functions assigned to it in this Plan. Such delegation may be revoked at any time.

(b) *Powers of the Administrator.* Subject to the provisions of the Plan and, in the case of a Committee or delegates acting as the Administrator, subject to the specific duties delegated to such Committee or delegates, the Administrator shall have the authority, in its discretion:

i. to select the Awardees to whom Awards are to be granted hereunder;

ii. to determine the number of shares of Common Stock to be covered by each Award granted hereunder;

iii. to determine the type of Award to be granted to the selected Awardees;

iv. to approve forms of Award Agreements for use under the Plan;

v. to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise and/or purchase price, the time or times when an Award may be exercised or settled (which may or may not be based on Performance Criteria), the vesting schedule, any vesting and/or exercisability acceleration or waiver of forfeiture restrictions, the acceptable forms of consideration, the term, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine and may be established at the time an Award is granted or thereafter;

vi. to suspend the right to exercise Awards during any blackout period that is necessary or desirable to comply with the requirements of Applicable Laws and/or to extend the Award exercise period for an equal period of time in a manner consistent with Applicable Law;

vii. to correct defects and supply omissions in the Plan and any Award Agreement and to correct administrative errors;

viii. to construe and interpret the terms of the Plan (including sub-plans and Plan addenda) and Awards granted pursuant to the Plan;

ix. to establish, adopt or revise rules and regulations and procedures relating to the operation and administration of the Plan to facilitate compliance with non-U.S. laws and procedures, facilitate administration of the Plan and/or take advantage of tax-favorable treatment for Awards granted to Participants outside the U.S., in each case, as it may deem necessary or advisable by the Administrator. Without limiting the generality of the foregoing, the Administrator is specifically authorized (A) to adopt the rules and procedures regarding the conversion of local currency, withholding procedures and handling of stock certificates which vary with local requirements and (B) to adopt sub-plans and Plan addenda as the Administrator deems desirable, to accommodate the foregoing;

x. to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans and Plan addenda;

xi. to modify or amend each Award, including, but not limited to, the acceleration of vesting and/or exercisability, provided, however, that any such amendment is subject to Section 15 of the Plan and may not materially impair any outstanding Award unless agreed to in writing by the Participant or if the Administrator deems such amendments are necessary or desirable to facilitate compliance with Applicable Laws;

xii. to allow Participants to satisfy withholding of Tax-Related Items by electing to have the Company withhold from the Shares to be issued upon exercise of an Option or SAR, or vesting or settlement of a Stock Award that number of Shares. The value of the Shares to be withheld shall be determined in such manner and on such date that the Administrator shall determine or, in the absence of provision otherwise, on the date that the amount of Tax-Related Items to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may provide;

xiii. to authorize conversion or substitution under the Plan of any or all stock options, stock appreciation rights or other stock awards held by service providers of an entity acquired by the Company (the "**Conversion Awards**"). Any conversion or substitution shall be effective as of the close of the merger or acquisition. The Conversion Awards may be Nonstatutory Stock Options or Incentive Stock Options, as determined by the Administrator, with respect to options granted by the acquired entity. Unless otherwise determined by the Administrator at the time of conversion or substitution, all Conversion Awards shall have the same terms and conditions as Awards generally granted by the Company under the Plan;

xiv. to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

xv. to impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by a Participant or other subsequent transfers by the Participant of any Shares issued as a result of or under an Award, including without limitation, (A) restrictions under an insider trading policy and (B) restrictions as to the use of a specified brokerage firm for such resales or other transfers;

xvi. to provide, either at the time an Award is granted or by subsequent action, that an Award shall contain as a term thereof, a right, either in tandem with the other rights under the Award or as an alternative thereto, of the Participant to receive, without payment to the Company, a number of Shares, cash or a combination thereof, the amount of which is determined by reference to the value of the Award; and

xvii. to make all other determinations deemed necessary or advisable for administering the Plan and any Award granted hereunder.

(c) *Effect of Administrator's Decision.* All decisions, determinations and interpretations by the Administrator regarding the Plan, any rules and regulations under the Plan and the terms and conditions of any Award granted hereunder, shall be final and binding on all Participants or other persons claiming rights under the Plan or any Award. The Administrator shall consider such factors as it deems relevant, in its sole and absolute discretion, to making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any officer or other employee of the Company and such attorneys, consultants and accountants as it may select.

5. Eligibility.

Awards may be granted to Directors and/or Employees; provided that Non-Employee Directors are eligible only for awards granted under Section 13 of the Plan.

6. Term of Plan.

The Plan shall become effective upon its approval by shareholders of the Company. It shall continue in effect for a term of ten (10) years from the later of the date the Plan or any amendment to add shares to the Plan is approved by shareholders of the Company unless terminated earlier under Section 15 of the Plan; provided, however, that Incentive Stock Options shall not be granted following the later of the date the Plan or any amendment to add shares to the Plan is approved the Board to the extent this date is earlier than the date approved by shareholder of the Company.

7. Term of Award.

The term of each Award shall be determined by the Administrator and stated in the Award Agreement. In the case of an Option or SAR, the term shall be ten (10) years from the Grant Date or such shorter term as may be provided in the Award Agreement.

8. Options and Stock Appreciation Rights.

The Administrator may grant an Option or SAR, or provide for the grant of an Option or SAR, either from time to time in the discretion of the Administrator or automatically upon the occurrence of specified events, including, without limitation, the achievement of performance goals, the satisfaction of an event or condition whether or not within the control of the Awardee.

(a) *Option or SAR Agreement.* Each Option or SAR Agreement shall contain provisions regarding (i) the number of Shares that may be issued upon exercise of the Option or SAR, (ii) the type of Option, (iii) the exercise price of the Shares and the means of payment for the Shares, (iv) the term of the Option or SAR, (v) such terms and conditions on the vesting and/or exercisability of an Option or SAR as may be determined from time to time by the Administrator, (vi) restrictions on the transfer of the Option or SAR and forfeiture provisions and (vii) such further terms and conditions, in each case not inconsistent with this Plan as may be determined from time to time by the Administrator.

(b) *Exercise Price.* The per share exercise price for the Shares to be issued pursuant to exercise of an Option or SAR shall be determined by the Administrator, subject to the following:

i. The per Share exercise price of an Option or SAR shall be no less than 100% of the Fair Market Value per Share on the Grant Date.

ii. Notwithstanding the foregoing, at the Administrator's discretion, Conversion Awards may be granted in substitution and/or conversion of options or stock appreciation rights of an acquired entity, with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of such substitution and/or conversion if such exercise price is based on a formula set forth in the terms of such options/stock appreciation rights or in the terms of the agreement providing for such acquisition.

(c) *No Option or SAR Repricings.* Other than in connection with a change in the Company's capitalization (as described in Section 15(a) of the Plan), the exercise price of an Option or SAR may not be reduced without shareholder approval (including canceling previously awarded Options or SARs in exchange for cash, other Awards, Options or SARs with an exercise price that is less than the exercise price of the original Option or SAR).

(d) *Vesting Period and Exercise Dates.* Options or SARs granted under this Plan shall vest and/or be exercisable at such time and in such installments during the period prior to the expiration of the Option's or SAR's term as determined by the Administrator. The Administrator shall have the right to make the timing of the ability to exercise any Option or SAR granted under this Plan subject to continued employment, the passage of time and/or such performance requirements as deemed appropriate by the Administrator. At any time after the grant of an Option or SAR, the Administrator may reduce or eliminate any restrictions surrounding any Participant's right to exercise all or part of the Option or SAR.

(e) *Form of Consideration for Exercising an Option.* The Administrator shall determine the acceptable form of consideration for exercising an Option, including the method of payment, either through the terms of the Option Agreement or at the time of exercise of an Option. Acceptable forms of consideration may include:

i. cash;

ii. check or wire transfer (denominated in U.S. Dollars);

iii. subject to any conditions or limitations established by the Administrator, withholding of Shares deliverable upon exercise, which have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised;

iv. consideration received by the Company under a broker-assisted sale and remittance program acceptable to the Administrator;

v. such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or

vi. any combination of the foregoing methods of payment.

9. Incentive Stock Option Limitations/Terms.

(a) *Eligibility.* Only employees (as determined in accordance with Section 3401(c) of the Code and the regulations promulgated thereunder) of the Company or any of its Subsidiaries may be granted Incentive Stock Options.

(b) *$100,000 Limitation.* Notwithstanding the designation "Incentive Stock Option" in an Option Agreement, if and to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Awardee during any calendar year (under all plans of the Company and any of its Subsidiaries) exceeds U.S. $100,000, such Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 9(b), Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the Grant Date.

(c) *Effect of Termination of Employment on Incentive Stock Options.* Generally. Unless otherwise provided for by the Administrator, upon an Awardee's Termination of Employment, any outstanding Incentive Stock Option granted to such Awardee, whether vested or unvested, to the extent not theretofore exercised, shall terminate immediately upon the Awardee's Termination of Employment.

(d) *Leave of Absence.* For purposes of Incentive Stock Options, no leave of absence may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company or a Subsidiary is not so guaranteed, an Awardee's employment with the Company shall be deemed terminated on the ninety-first (91st) day of such leave for Incentive Stock Option purposes and any Incentive Stock Option granted to the Awardee shall cease to be treated as an Incentive Stock Option and shall terminate upon the expiration of the three month period following the date the employment relationship is deemed terminated.

(e) *Transferability.* The Option Agreement must provide that an Incentive Stock Option cannot be transferable by the Awardee otherwise than by will or the laws of descent and distribution, and, during the lifetime of such Awardee, must not be exercisable by any other person. If the terms of an Incentive Stock Option are amended to permit transferability, the Option will be treated for tax purposes as a Nonstatutory Stock Option.

(f) *Other Terms.* Option Agreements evidencing Incentive Stock Options shall contain such other terms and conditions as may be necessary to qualify, to the extent determined desirable by the Administrator, with the applicable provisions of Section 422 of the Code.

10. Exercise of Option or SAR.

(a) *Procedure for Exercise; Rights as a Shareholder.*

i. Any Option or SAR granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the respective Award Agreement. Unless the Administrator provides otherwise: (A) no Option or SAR may be exercised during any leave of absence other than an approved personal or medical leave with an employment guarantee upon return, (B) an Option or SAR shall continue to vest during any authorized leave of absence and such Option or SAR may be exercised to the extent vested and exercisable upon the Awardee's return to active employment status.

ii. An Option or SAR shall be deemed exercised when the Company receives (A) written or electronic notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option or SAR; (B) full payment for the Shares with respect to which the related Option is exercised; and (C) with respect to Nonstatutory Stock Options or SARs, satisfaction of all applicable withholding of Tax-Related Items.

iii. Shares issued upon exercise of an Option or SAR shall be issued in the name of the Participant. Unless provided otherwise by the Administrator or pursuant to this Plan, until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares subject to an Option or SAR, notwithstanding the exercise of the Option or SAR. No dividend equivalents may accrue with respect to Options.

iv. The Company shall issue (or cause to be issued) such Shares as soon as administratively practicable after the Option or SAR is exercised. An Option or SAR may not be exercised for a fraction of a Share.

(b) *Effect of Termination of Employment on Nonstatutory Stock Options or SARs.* Unless otherwise provided for by the Administrator prior to the Awardee's Termination of Employment, upon an Awardee's Termination of Employment, any outstanding Nonstatutory Stock Option or SAR granted to such Awardee, whether vested or unvested, to the extent not theretofore exercised, shall terminate immediately upon the Awardee's Termination of Employment.

11. Stock Awards.

(a) *Stock Award Agreement.* Each Stock Award Agreement shall contain provisions regarding (i) the number of Shares subject to such Stock Award or a formula for determining such number, (ii) the purchase price of the Shares, if any, and the means of payment for the Shares, (iii) the Performance Criteria, if any, and level of achievement versus these criteria that shall determine the number of Shares granted, issued, retainable and/or vested, (iv) such terms and conditions on the grant, issuance, vesting and/or forfeiture of the Shares as may be determined from time to time by the Administrator, (v) restrictions on the transferability of the Stock Award and (vi) such further terms and conditions in each case not inconsistent with this Plan as may be determined from time to time by the Administrator.

(b) *Restrictions and Performance Criteria.* The grant, issuance, retention and/or vesting of each Stock Award may be subject to such Performance Criteria and level of achievement versus these criteria as the Administrator shall determine.

(c) *Forfeiture.* Unless otherwise provided for by the Administrator prior to the Awardee's Termination of Employment, upon the Awardee's Termination of Employment, the Stock Award and the Shares subject thereto shall be forfeited, provided that to the extent that the Awardee purchased any Shares, the Company shall have a right to repurchase the unvested Shares at the original price paid by the Awardee.

(d) *Rights as a Shareholder.* Unless otherwise provided by the Administrator, the Participant shall have the rights equivalent to those of a shareholder and shall be a shareholder only after Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) to the Participant. The Administrator may, in its sole discretion, grant Dividend Equivalent Rights, payable in cash, Shares, other securities, or other property, with respect to Stock Units, on such terms and conditions as may be determined by the Administrator, in its sole discretion. Any dividend or Dividend Equivalent Right otherwise payable in respect of any Stock Award that remains subject to vesting conditions at the time of payment of such dividend shall not be paid to the Participant to the extent the underlying Award does not vest.

12. Cash Awards.

Each Cash Award will confer upon the Awardee the opportunity to earn a future payment tied to the level of achievement with respect to one or more Performance Criteria established for a performance period of not less than one (1) year.

(a) *Cash Award.* Each Cash Award shall contain provisions regarding (i) the target and maximum amount payable to the Awardee as a Cash Award, (ii) the Performance Criteria and level of achievement versus these criteria which shall determine the amount of such payment, (iii) the period as to which performance shall be measured for establishing the amount of any payment, (iv) the timing of any payment earned by virtue of performance, (v) restrictions on the alienation or transfer of the Cash Award prior to actual payment, (vi) forfeiture provisions, and (vii) such further terms and conditions, in each case not inconsistent with the Plan, as may be determined from time to time by the Administrator. The maximum amount payable as a Cash Award that is settled for cash may be a multiple of the target amount payable. To the extent that any Cash Award is granted under the Company's 2005 Pay-for-Results Plan, the terms and conditions of this Section 12 shall prevail over the terms and conditions of the 2005 Pay-for-Results Plan.

(b) *Performance Criteria.* The Administrator shall establish the Performance Criteria and level of achievement versus these criteria which shall determine the target and the minimum and maximum amount payable under a Cash Award, which criteria may be based on financial performance and /or personal performance evaluations.

(c) *Timing and Form of Payment.* The Administrator shall determine the timing of payment of any Cash Award. The Administrator may provide for or, subject to such terms and conditions as the Administrator may specify, may permit an Awardee to elect (in a manner consistent with Section 409A of the Code) for the payment of any Cash Award to be deferred to a specified date or event. The Administrator may specify the form of payment of Cash Awards, which may be cash or other property, or may provide for an Awardee to have the option for the Participant's Cash Award, or such portion thereof as the Administrator may specify, to be paid in whole or in part in cash or other property.

(d) *Termination of Employment.* Unless otherwise provided for by the Administrator prior to the Awardee's Termination of Employment, upon the Awardee's Termination of Employment, any Cash Awards issued hereunder shall be forfeited,

13. Non-Employee Director Awards.

(a) *Eligibility.* Each member of the Board who is a Non-Employee Director and who is providing service to HP as a member of the Board at the beginning of the Director Plan Year shall be eligible to receive an Annual Equity Retainer (as defined in Section 2 above) under the Plan. The value of the Annual Equity Retainer granted to a Non-Employee Director for any Director Plan Year (which shall be converted into a number of shares subject to a Director RSU Award (as provided in Section 13(b)(ii)) or Director Option Award (as provided in Section 13(b)(iii)) shall not exceed $550,000.

Any member of the Board who enters service after the beginning of the Director Plan Year (as defined in Section 2 above) may be eligible to receive a prorated Annual Equity Retainer under the Plan as the Board or the Committee determines in its discretion.

(b) *Terms and Conditions.*

i. *Compensation Alternatives.* Within such period as may be designated by the Committee (i) prior to the beginning of the Director Plan Year, or (ii) if the Non-Employee Director elects to defer Director RSU Awards (as defined below), in the calendar year preceding the first day of the Director Plan Year, each Non-Employee Director may elect to receive his Annual Equity Retainer in the form of restricted stock units (a "**Director RSU Award**") or in the form of an option to purchase shares of Common Stock (a "**Director Option Award**"). If any Non-Employee

Director fails to make such an election, then he shall be deemed to have elected a Director RSU Award for the value of his Annual Equity Retainer. Each Non-Employee Director may also elect, in the calendar year preceding the first day of the Director Plan Year, to receive any cash portion of his Non-Employee Director compensation in the form of a Director RSU Award. Any such election, or any modification or termination of such an election, shall be filed with HP on a form prescribed by HP for this purpose. If a Non-Employee Director does not elect to defer his or her Director RSU Awards and does not select his or her means of payment within the prescribed time, then such Non-Employee Director shall not be permitted to defer Director RSU Awards for the applicable Director Plan Year. Notwithstanding anything herein to the contrary, any individual who first becomes a Non-Employee Director after the start of a calendar year and has not otherwise been eligible to participate in a non-qualified deferred compensation plan maintained by the Company, may elect within 30 days of becoming a Non-Employee Director to defer his Annual Equity Retainer (to the extent such Non-Employee Director also elects to receive such Annual Equity Retainer in the form of Director RSU Awards), and any cash portion of his Non-Employee Director compensation that the Non-Employee Director elects to receive in the form of a Director RSU Award, that is earned with respect to service as a Non-Employee Director subsequent to the date the deferral election becomes effective. Such election shall be irrevocable and effective no later than the end of such 30-day period.

ii. *Director RSU Award.*

A. *Date of Grant.* The Director RSU Award shall be granted automatically on the date of the annual shareholders meeting (the "**Director Grant Date**").

B. *Number of Shares Subject to a Director RSU Award.* The total number of shares of Common Stock included in each Director RSU Award shall be determined by dividing the amount of the Annual Equity Retainer that is to be paid in RSUs by the Fair Market Value of a share of Common Stock on the Director Grant Date. It shall be rounded up to the largest number of whole shares.

C. *Vesting Period for Director RSU Award.* The vesting applicable to the Director RSU Award for a Director Plan Year shall be determined by the Committee and set forth in the applicable Award Agreement. Unless deferred, Shares subject to Director RSU Awards shall be delivered promptly upon satisfaction of the vesting conditions, but no later than March 15 of the calendar year following the calendar year in which the vesting conditions are satisfied.

iii. *Director Option Award.* Subject to Section 13(b)(i) above, each Non-Employee Director may specify the amount of his Annual Equity Retainer to be received in the form of a Nonstatutory Stock Option. Each Director Option Award granted under this Plan shall comply with and be subject to the terms of the Plan and the following terms and conditions including such additional terms and conditions as may be determined by the Board or Committee:

A. *Date of Grant.* The Director Option Award shall be granted automatically on the Director Grant Date.

B. *Number of Shares Subject to Director Option Award.* The number of shares to be subject to any Director Option Award shall be an amount necessary to make such option equal in value, using a modified Black-Scholes option valuation model, to that portion of the Annual Equity Retainer that the Non-Employee Director elected to receive in the form of an option. The value of the option will be calculated by assuming that the value of an option to purchase one share of Common Stock equals the product of (i) a fraction determined by dividing 1 by the Multiplier, as defined below, and (ii) the Fair Market Value of a share of Common Stock on the Director Grant Date.

The number of shares represented by a Director Option Award shall be determined by multiplying the number of shares determined above by a multiplier determined using a modified Black-Scholes option valuation method (the "**Multiplier**"). The Board or the Committee shall determine the Multiplier prior to the beginning of the Director Plan Year by considering the following factors: (i) the Fair Market Value of the Common Stock on the date the Multiplier is determined; (ii) the average length of time that Company stock options are held by optionees prior to exercise; (iii) the risk-free rate of return based on the term determined in (ii) above and U.S. government securities rates; (iv) the annual dividend yield for the Common Stock; and (v) the volatility of the Common Stock over the previous ten-year period. The number of shares to be subject to the option shall be rounded up to the largest number of whole shares determined as follows:

$$\frac{\text{Amount of Annual Equity Retainer to be paid as options}}{\text{Fair Market Value on the Director Grant Date}} \times \text{Multiplier} = \text{Number of Shares}$$

C. *Price of Options.* The exercise price of the Director Option Award will be the Fair Market Value of the Common Stock on the Director Grant Date.

D. *Period of Director Option Award.* The vesting and exercisability applicable to a Director Option Award shall be determined by the Committee and set forth in the applicable Award Agreement. If the Committee does not expressly exercise its discretion to change the exercisability (including the vesting schedule and/or the term of an option) of the Director Option Award for a Director Plan Year, then the exercisability of such options shall be the same as the last Director Plan Year in which the Committee expressly exercised its discretion to determine the exercisability of Shares subject to the Director Option Award.

iv. *Termination.* Any Non-Employee Director who terminates service prior to the end of the Director Plan Year may have his Annual Equity Retainer prorated, including a forfeiture of options, restricted stock units or cash payment, if any, as the Board or the Committee determines in its discretion.

14. Other Provisions Applicable to Awards.

(a) *Non-Transferability of Awards.* Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by beneficiary designation, will or by the laws of descent or distribution. The Administrator may make an Award transferable to an Awardee's "family member" (as such term is defined in Section 1(a)(5) of the General Instructions to Form S-8 under the Securities Act of 1933, as amended), to trusts solely for the benefit of such family members and to partnerships in which such family members and/or trusts are the only partners. If the Administrator makes an Award transferable, either at the time of grant or thereafter, such Award shall contain such additional terms and conditions as the Administrator deems appropriate, and any transferee shall be deemed to be bound by such terms upon acceptance of such transfer.

(b) *Performance Criteria.* For purposes of this Plan, the term "Performance Criteria" shall mean any performance criteria selected by the Administrator, including, but not limited to, one or more of the following performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit, Affiliate or business segment, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Administrator in the Award: (i) cash flow (including operating cash flow or free cash flow) or cash conversion cycle; (ii) earnings (including gross margin, earnings before interest and taxes, earnings before taxes, and net earnings); (iii) earnings per share; (iv) growth in: earnings or earnings per share, cash flow, revenue, gross margin, operating expense or operating expense as a percentage of revenue; (v) stock price; (vi) return on equity or average shareholder equity; (vii) total shareholder return; (viii) return on capital; (ix) return on assets or net assets; (x) return on investment; (xi) revenue (on an absolute basis or adjusted for currency effects); (xii) net profit or net profit before annual bonus; (xiii) income or net income; (xiv) operating income or net operating income; (xv) operating profit, net operating profit or controllable operating profit; (xvi) operating margin or operating expense or operating expense as a percentage of revenue; (xvii) return on operating revenue; (xviii) market share or customer indicators; (xix) contract awards or backlog; (xx) overhead or other expense reduction; (xxi) growth in shareholder value relative to the moving average of the S&P 500 Index or a peer group index or another index; (xxii) credit rating; (xxiii) strategic plan development and implementation, attainment of research and development milestones or new product invention or innovation; (xxiv) succession plan development and implementation; (xxv) improvement in productivity or workforce diversity, (xxvi) attainment of objective operating goals and employee metrics; (xxvii) economic value added; and (xxviii) any other environmental, social, and corporate governance goals and objectives. The Administrator may appropriately adjust any evaluation of performance under a Performance Criteria to exclude any of the following events (or any other event specified in the Award Agreement) that occurs during a performance period: (A) asset write-downs; (B) litigation or claim judgments or settlements; (C) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results; (D) accruals for reorganization and restructuring programs; and (E) any items that are unusual in nature and infrequently occurring pursuant to Accounting Standards Update 2015-01 and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to shareholders for the applicable year.

(c) *Tax-Related Items.* The Company or any Affiliate, as applicable, shall have the authority to require a Participant to remit to the Company or an Affiliate, an amount sufficient to satisfy the withholding obligations for Tax-Related Items or to take such other action as may be necessary or appropriate in the opinion of the Company or an Affiliate, as applicable, to satisfy withholding obligations for Tax-Related Items, including one or a combination of the following: (a) withholding from the Participant's wages or other cash compensation payable to the Participant by the Company or an Affiliate; (b) withholding from the proceeds of the sale of Shares acquired pursuant to an Award, either through a voluntary sale or a mandatory sale arranged by the Company on the Participant's behalf, without need of further authorization; or (c) in the Committee's sole discretion, by withholding Shares otherwise issuable under an Award (or allowing the return of Shares) sufficient, as determined by the Committee in its sole discretion, to satisfy such Tax-Related Items. No Shares shall be delivered pursuant to an Award to any Participant or other person until the Participant or such other person has made arrangements acceptable to the Committee to satisfy the withholding obligations for Tax-Related Items.

(d) *No Representations or Warranties Regarding Tax Affect.* Notwithstanding any provision of the Plan to the contrary, the Company, its Affiliates, the Board, and the Committee neither represent nor warrant the tax treatment under any federal, state, local, or foreign laws and regulations thereunder (individually and collectively referred to as the "Tax Laws") of any Award granted or any amounts paid to any Participant under the Plan including, but not limited to, when and to what extent such Awards or amounts may be subject to tax, penalties, and interest under the Tax Laws.

(e) *Clawback/Recovery.* All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy adopted by the Company providing for the recovery of Awards, shares, proceeds, or payments to Participants in the event of fraud or as required by Applicable Laws or governance considerations or in other similar circumstances.

(f) *Section 409A of the Code.* Notwithstanding anything in the Plan to the contrary, to the extent applicable, it is intended that the Plan and all Awards hereunder (and any Award Agreement related thereto) shall either comply with or be exempt from the provisions of Section 409A of the Code, and the Plan and all applicable Awards (and related Award Agreements) not otherwise exempt from Section 409A be construed and applied in a manner consistent with such intent. In furtherance thereof, any amount constituting a "deferral of compensation" under Treasury Regulation Section 1.409A-1(b) that is payable to an Awardee upon a separation from service of the Awardee (within the meaning of Treasury Regulation Section 1.409A-1(h)) (other than due to the Awardee's death), occurring while the Awardee shall be a "specified employee" (within the meaning of Treasury Regulation Section 1.409A-1(i)) of the Company, shall not be paid until the earlier of (i) the date that is the first day of the seventh month following such separation from service, or (ii) the date of the Awardee's death following such separation from service. Each Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of such Participant in connection with the Plan (including any taxes and penalties under Section 409A of the Code), and neither the Service Recipient nor any other member of the Company Group shall have any obligation to indemnify or otherwise hold such Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

15. Adjustments upon Changes in Capitalization, Dissolution, Merger or Asset Sale.

(a) *Changes in Capitalization.* Subject to any required action by the shareholders of the Company, (i) the number and kind of Shares available for issuance under the Plan and/or covered by each outstanding Award, (ii) the price per Share subject to each such outstanding Award and (iii) the Share limitations set forth in Section 3 of the Plan, shall be proportionately adjusted for any increase or decrease in the number or kind of issued shares resulting from a stock split, spin-off, reverse stock split, dividend or other distribution (whether in the form of cash, Shares, other securities or other property (other than regular, cash dividends)), combination or reclassification of the Common Stock, or any other increase (or new issuance of securities of the Company or any Affiliate) or decrease in the number of issued shares of Common Stock or other securities effected without receipt of consideration by the Company or any other similar event or other change related to a corporate effect affecting the Share or the price of Shares; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Award.

(b) *Dissolution or Liquidation.* In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Participant as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion may provide at any time for an Option to be fully vested and exercisable until ten (10) days prior to such transaction. In addition, the Administrator may provide that any restrictions on any Award shall lapse prior to the transaction, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed transaction.

(c) *Change in Control.* In the event there is a Change in Control of the Company, as determined by the Board or a Committee, Awards under this Plan shall be treated as set forth in this Section 15(c).

i. *Change in Control in which Awards are Assumed:* Unless otherwise provided by the Board or a Committee in an Award Agreement or any other agreement with a Participant, in connection with a Change in Control in which Awards are being assumed, continued, or substituted for, the following provisions shall apply to such Award, to the extent assumed, continued, or substituted for:

A. The Plan and the Awards theretofore granted under the Plan shall continue in the manner and under the terms so provided in the event of a Change in Control to the extent that provision is made in writing in connection with such Change in Control for the assumption or continuation of such Awards, or for the substitution for such Awards of new cash awards, stock units, stock appreciation rights, stock options, and other equity-based awards relating to the stock of a successor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number of shares (disregarding any consideration that is not common stock) and option and appreciation rights exercise prices; and

B. In the event a Participant's Awards are assumed, continued, or substituted upon the consummation of any Change in Control and the Participant's employment is terminated without Cause within twenty-four (24) months following the consummation of such Change in Control, then such Awards shall be treated as follows subject to the Participant's execution and non-revocation of a release of claims in a form determined by the Board or a Committee prior to the Change in Control:

(i) each outstanding Award that is not subject to the achievement of performance criteria shall become fully vested and, if applicable, exercisable, and each outstanding Award that is subject to the achievement of performance criteria shall be deemed earned as follows: (x) the number of Shares earned with respect to an Award for which the performance period has ended on or prior to the date of the Participant's termination of employment shall be determined by the Board or a Committee based on the actual achievement of the applicable performance metrics with respect to such performance period and (y) the number of Shares earned with respect to an Award for which the performance period has not ended on or prior to the date of the Participant's termination of employment shall be determined assuming achievement of the applicable performance metrics at 100% of target levels.

(ii) each outstanding Award described in the immediately preceding clause (i) shall vest and settle or become exercisable as follows: (x) each Stock Appreciation Right and Stock Option shall become vested and exercisable on the seventy-fifth (75th) calendar day following the Participant's termination of employment and shall remain vested and exercisable until the earlier of twelve (12) months following the Participant's termination of employment or the expiration of the term of such Stock Appreciation Right or Option and (y) each Cash Award and Stock Award shall vest and settle on the seventy-fifth (75th) calendar day following the Participant's termination of employment (or such other date as may be required under Section 409A of the Code to avoid the imposition of additional taxes or other adverse tax consequences thereunder).

ii. *Change in Control in which Awards are not Assumed.* Unless otherwise provided by the Board or a Committee in an Award Agreement or any other agreement with a Participant, in connection with a Change in Control in which Awards are not being assumed, continued, or substituted for, the following provisions shall apply to such Award, to the extent not assumed, continued, or substituted for:

A. each outstanding Award that is not subject to the achievement of performance criteria shall become fully vested, and each outstanding Award that is subject to the achievement of performance criteria shall be deemed earned as follows: (x) the number of Shares earned with respect to an Award for which the performance period has ended on or prior to the date of the Change in Control shall be determined by the Board or a Committee based on the actual achievement of the applicable performance metrics with respect to such performance period and (y) the number of Shares earned with respect to an Award for which the performance period has not ended on or prior to the date of the Change in Control shall be determined assuming achievement of the applicable performance metrics at 100% of target levels; and

B. with respect to each outstanding Award described in the immediately preceding (A), the Board or a Committee shall provide for the cancellation of such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights under the vested portion of such Award, as applicable; *provided* that, if the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then the Award may be terminated without payment; *provided*, that any amount payable to the Participant shall be paid within thirty (30) calendar days following the Change in Control (or such other date as may be required under Section 409A of the Code).

16. Amendment and Termination of the Plan.

(a) *Amendment and Termination.* The Administrator may amend, alter or discontinue the Plan or any Award Agreement, but any such amendment shall be subject to approval of the shareholders of the Company in the manner and to the extent required by Applicable Law. In addition, without limiting the foregoing, unless approved by the shareholders of the Company, no such amendment shall be made that would:

i. increase the maximum number of Shares for which Awards may be granted under the Plan, other than an increase pursuant to Section 15 of the Plan;

ii. reduce the minimum exercise price for Options or SARs granted under the Plan;

iii. reduce the exercise price of outstanding Options or SARs; or

iv. materially expand the class of persons eligible to receive Awards under the Plan.

(b) *Effect of Amendment or Termination.* No amendment, suspension or termination of the Plan shall impair the rights of any Award, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company or unless such actions are necessary or desirable to facilitate compliance with Applicable Law, as determined in the sole discretion of the Administrator. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(c) *Effect of the Plan on Other Arrangements.* Neither the adoption of the Plan by the Board or a Committee nor the submission of the Plan to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board or any Committee to adopt such other incentive arrangements as it or they may deem desirable, including without limitation, the granting of awards otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

17. Designation of Beneficiary.

(a) To the extent permitted under the terms of an Award Agreement, an Awardee may file a written designation of a beneficiary who is to receive the Awardee's rights pursuant to Awardee's Award or the Awardee may include the Participant's Awards in an omnibus beneficiary designation for all benefits under the Plan pursuant to terms and conditions permitted by the Administrator. To the extent that Awardee has completed a designation of beneficiary while employed with HP Inc., such beneficiary designation shall remain in effect with respect to any Award hereunder until changed by the Awardee to the extent enforceable under Applicable Law.

(b) Such designation of beneficiary may be changed by the Awardee at any time by written notice. In the event of the death of an Awardee and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Awardee's death, the Company shall allow the executor or administrator of the estate of the Awardee to exercise the Award, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may allow the spouse or one or more dependents or relatives of the Awardee to exercise the Award to the extent permissible under Applicable Law.

18. No Right to Awards or to Employment.

No person shall have any claim or right to be granted an Award and the grant of any Award shall not be construed as giving an Awardee the right to continue in the employ of the Company or its Affiliates. Further, the Company and its Affiliates expressly reserve the right, at any time, to dismiss any Employee or Awardee at any time without liability or any claim under the Plan, except as provided herein or in any Award Agreement entered into hereunder.

19. Legal Compliance.

Shares shall not be issued pursuant to the exercise of an Option, Stock Appreciation Right or Stock Award unless the exercise of such Option, Stock Appreciation Right or Stock Award and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

20. Inability to Obtain Authority.

To the extent the Company is unable to or the Administrator deems it infeasible to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, the Company shall be relieved of any liability with respect to the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

21. Reservation of Shares.

The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

22. Notice.

Any written notice to the Company required by any provisions of this Plan shall be addressed to the Secretary of the Company and shall be effective when received.

23. Governing Law; Interpretation of Plan and Awards.

(a) This Plan and all determinations made and actions taken pursuant hereto shall be governed by the substantive laws, but not the choice of law rules, of the state of Delaware.

(b) In the event that any provision of the Plan or any Award granted under the Plan is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of the terms of the Plan and/or Award shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

(c) The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of the Plan, nor shall they affect its meaning, construction or effect.

(d) The terms of the Plan and any Award shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

(e) All questions arising under the Plan or under any Award shall be decided by the Administrator in its total and absolute discretion. In the event the Participant believes that a decision by the Administrator with respect to such person was arbitrary or capricious, the Participant may request arbitration with respect to such decision. The review by the arbitrator shall be limited to determining whether the Administrator's decision was arbitrary or capricious. This arbitration shall be the sole and exclusive review permitted of the Administrator's decision, and the Awardee shall as a condition to the receipt of an Award be deemed to explicitly waive any right to judicial review.

(f) Notice of demand for arbitration shall be made in writing to the Administrator within thirty (30) days after the applicable decision by the Administrator. The arbitrator shall be selected by the Administrator. The arbitrator shall be an individual who is an attorney licensed to practice law in the State of Delaware. Such arbitrator shall be neutral within the meaning of the Commercial Rules of Dispute Resolution of the American Arbitration Association; provided, however, that the arbitration shall not be administered by the American Arbitration Association. Any challenge to the neutrality of the arbitrator shall be resolved by the arbitrator whose decision shall be final and conclusive. The arbitration shall be administered and conducted by the arbitrator pursuant to the Commercial Rules of Dispute Resolution of the American Arbitration Association. The decision of the arbitrator on the issue(s) presented for arbitration shall be final and conclusive and may be enforced in any court of competent jurisdiction.

24. Limitation on Liability.

The Company and any Affiliate which is in existence or hereafter comes into existence shall not be liable to a Participant, an Employee, an Awardee or any other persons as to:

(a) *The Non-Issuance of Shares.* The non-issuance or sale of Shares as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares hereunder; and

(b) *Tax Consequences.* Any tax consequence expected, but not realized, by any Participant, Employee, Awardee or other person due to the receipt, exercise or settlement of any Option or other Award granted hereunder.

25. Indemnification.

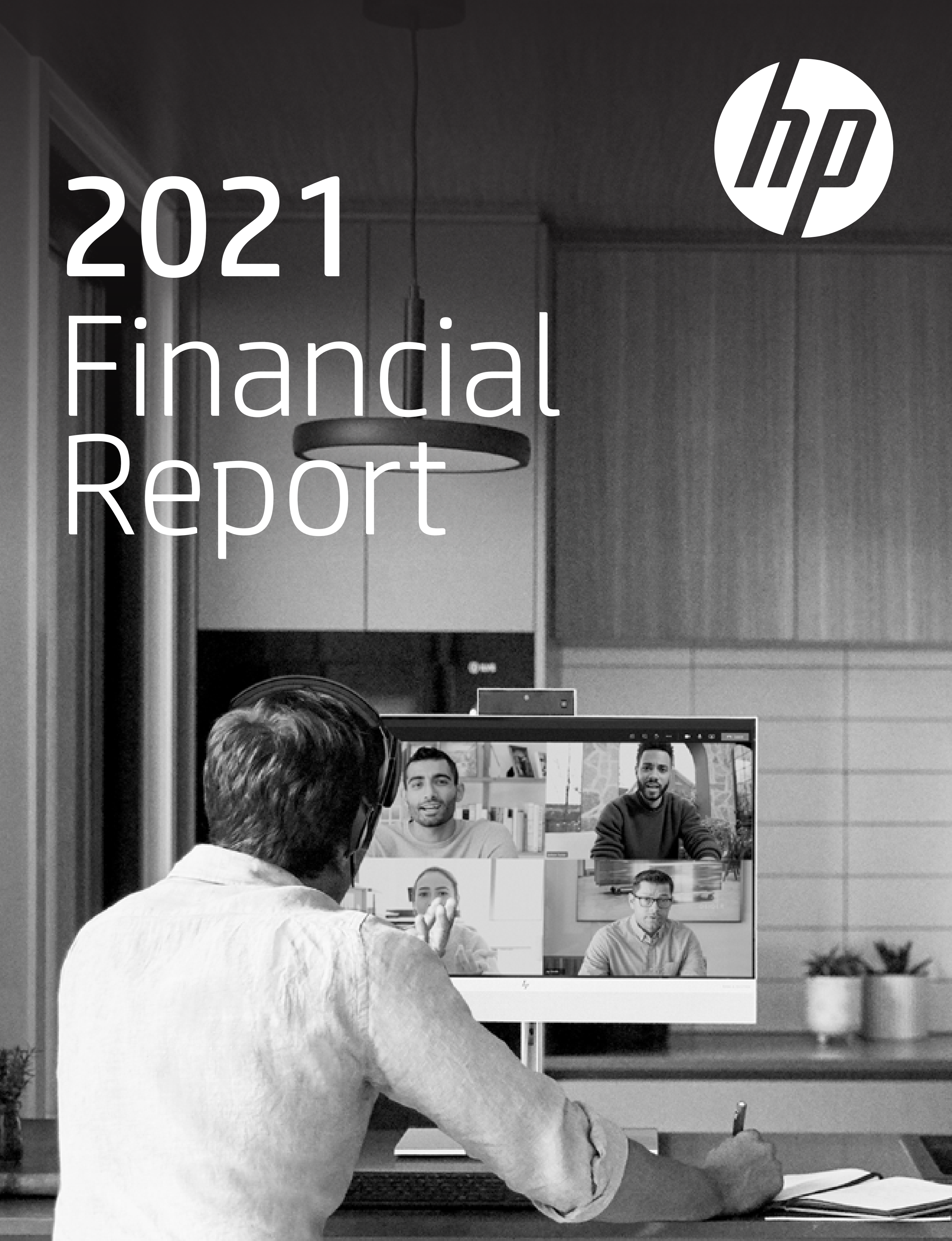
Subject to requirements of Applicable Law, each individual who is or shall have been a member of the Board, or a Committee appointed by the Board, or an officer of the Company to whom authority was delegated in accordance with Section 4 (each an "**Indemnified Individual**"), shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by the Indemnified Individual in connection with or resulting from any claim, action, suit, or proceeding to which the Indemnified Individual may be a party or in which the Indemnified Individual may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by the Indemnified Individual in settlement thereof, with the Company's approval, or paid by Indemnified Individual in satisfaction of any judgment in any such action, suit, or proceeding against the Indemnified Individual, provided the Indemnified Individual shall give the Company an opportunity, at its own expense, to handle and defend the same before the Indemnified Individual undertakes to handle and defend it on the Indemnified Individual's own behalf, unless such loss, cost, liability, or expense is a result of the Indemnified Individual's own willful misconduct or except as expressly provided by statute.

The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such Indemnified Individuals may be entitled under the Company's Certificate of Incorporation or By-laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

26. Unfunded Plan.

Insofar as it provides for Awards, the Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Awardees who are granted Stock Awards under this Plan, any such accounts will be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets which may at any time be represented by Awards, nor shall this Plan be construed as providing for such segregation, nor shall the Company or the Administrator be deemed to be a trustee of stock or cash to be awarded under the Plan. Any liability of the Company to any Participant with respect to an Award shall be based solely upon any contractual obligations which may be created by the Plan; no such obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company nor the Administrator shall be required to give any security or bond for the performance of any obligation which may be created by this Plan.

2021 Financial Report



UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended October 31, 2021

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-4423

HP INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-1081436**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
1501 Page Mill Road **Palo Alto, California**	**94304**
(Address of principal executive offices)	(Zip code)

(650) 857-1501
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	**HPQ**	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock held by non-affiliates was $40,931,733,492 based on the last sale price of common stock on April 30, 2021.

The number of shares of HP Inc. common stock outstanding as of November 30, 2021 was 1,082,722,559 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Document Description	10-K Part
Portions of the Registrant's definitive proxy statement related to its 2022 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A within 120 days after Registrant's fiscal year end of October 31, 2021 are incorporated by reference into Part III of this Report.	III

HP Inc. and Subsidiaries
Form 10-K
For the Fiscal Year ended October 31, 2021
Table of Contents

In this report on Form 10-K, for all periods presented, "we", "us", "our", the "company", the "Company", "HP" and "HP Inc." refer to HP Inc. (formerly Hewlett-Packard Company) and its consolidated subsidiaries.

Forward-Looking Statements

This Annual Report on Form 10-K, including "Business" in Item 1 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7, contains forward-looking statements based on current expectations and assumptions that involve risks and uncertainties. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of HP Inc. and its consolidated subsidiaries ("HP") may differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to, any statements regarding the potential impact of the COVID-19 pandemic and the actions by governments, businesses and individuals in response to the situation; projections of net revenue, margins, expenses, effective tax rates, net earnings, net earnings per share, cash flows, benefit plan funding, deferred taxes, share repurchases, foreign currency exchange rates or other financial items; any projections of the amount, timing or impact of cost savings or restructuring and other charges, planned structural cost reductions and productivity initiatives; any statements of the plans, strategies and objectives of management for future operations, including, but not limited to, our business model and transformation, our sustainability goals, our go-to-market strategy, the execution of restructuring plans and any resulting cost savings, net revenue or profitability improvements or other financial impacts; any statements concerning the expected development, demand, performance, market share or competitive performance relating to products or services; any statements concerning potential supply constraints, component shortages, manufacturing disruptions or logistics challenges; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on HP and its financial performance; any statements regarding pending investigations, claims, disputes or other litigation matters; any statements of expectation or belief, including with respect to the timing and expected benefits of acquisitions and other business combination and investment transactions; and any statements of assumptions underlying any of the foregoing. Forward-looking statements can also generally be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects," "will," "would," "could," "can," "may," and similar terms. Risks, uncertainties and assumptions include factors relating to the effects of the COVID-19 pandemic and the actions by governments, businesses and individuals in response to the situation, the effects of which may give rise to or amplify the risks associated with many of these factors listed here; the need to manage (and reliance on) third-party suppliers, including with respect to component shortages, and the need to manage HP's global, multi-tier distribution network, limit potential misuse of pricing programs by HP's channel partners, adapt to new or changing marketplaces and effectively deliver HP's services; HP's ability to execute on its strategic plan, including the previously announced initiatives, business model changes and transformation; execution of planned structural cost reductions and productivity initiatives; HP's ability to complete any contemplated share repurchases, other capital return programs or other strategic transactions; the competitive pressures faced by HP's businesses; risks associated with executing HP's strategy and business model changes and transformation; successfully innovating, developing and executing HP's go-to-market strategy, including online, omnichannel and contractual sales, in an evolving distribution, reseller and customer landscape; the development and transition of new products and services and the enhancement of existing products and services to meet evolving customer needs and respond to emerging technological trends; successfully competing and maintaining the value proposition of HP's products, including supplies; challenges to HP's ability to accurately forecast inventories, demand and pricing, which may be due to HP's multi-tiered channel, sales of HP's products to unauthorized resellers or unauthorized resale of HP's products or our uneven sales cycle; integration and other risks associated with business combination and investment transactions; the results of the restructuring plans, including estimates and assumptions related to the cost (including any possible disruption of HP's business) and the anticipated benefits of the restructuring plans; the protection of HP's intellectual property assets, including intellectual property licensed from third parties; the hiring and retention of key employees; the impact of macroeconomic and geopolitical trends and events, including the effects of inflation; risks associated with HP's international operations; the execution and performance of contracts by HP and its suppliers, customers, clients and partners, including logistical challenges with respect to such execution and performance; changes in estimates and assumptions HP makes in connection with the preparation of its financial statements; disruptions in operations from system security risks, data protection breaches, cyberattacks, extreme weather conditions or other effects of climate change, medical epidemics or pandemics such as the COVID-19 pandemic, and other natural or manmade disasters or catastrophic events; the impact of changes to federal, state, local and foreign laws and regulations, including environmental regulations and tax laws; potential impacts, liabilities and costs from pending or potential investigations, claims and disputes; and other risks that are described herein, including but not limited to the items discussed in "Risk Factors" in Item 1A of Part I of this report and that are otherwise described or updated from time to time in HP's other filings with the Securities and Exchange Commission (the "SEC"). The forward-looking statements in this report are made as of the date of this filing and HP assumes no obligation and does not intend to update these forward-looking statements.

Forward-looking and other statements in this report may also address our corporate responsibility progress, plans, and goals (including environmental matters), and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in HP's filings with the SEC. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

PART I

ITEM 1. Business.

Business Overview

We are a leading global provider of personal computing and other access devices, imaging and printing products, and related technologies, solutions and services. We sell to individual consumers, small- and medium-sized businesses ("SMBs") and large enterprises, including customers in the government, health and education sectors.

As part of the separation of Hewlett Packard Enterprise Company ("Hewlett Packard Enterprise"), Hewlett-Packard Company's former enterprise technology infrastructure, software, services and financing businesses (the "Separation"), on November 1, 2015, HP and Hewlett Packard Enterprise entered into a separation and distribution agreement and various other agreements that provide a framework for the relationships between the parties following the Separation.

HP Products and Services; Segment Information

We have three reportable segments: Personal Systems, Printing and Corporate Investments. The Personal Systems segment offers commercial and consumer desktop and notebook personal computers ("PCs"), workstations, thin clients, commercial mobility devices, retail point-of-sale ("POS") systems, displays and peripherals, software, support and services. The Printing segment provides consumer and commercial printer hardware, supplies, services and solutions. Corporate Investments includes HP Labs and certain business incubation and investment projects.

Personal Systems

Personal Systems offers commercial and consumer desktop and notebook PCs, workstations, thin clients, commercial mobility devices, retail POS systems, displays and peripherals, software, support and services. We group commercial notebooks, commercial desktops, commercial services, commercial mobility devices, commercial detachables and convertibles, workstations, retail POS systems and thin clients into commercial PCs and consumer notebooks, consumer desktops, consumer services and consumer detachables into consumer PCs when describing performance in these markets. Both commercial and consumer PCs maintain multi-operating system, multi-architecture strategies using Microsoft Windows and Google Chrome operating systems, and predominantly use processors from Intel Corporation ("Intel") and Advanced Micro Devices, Inc. ("AMD").

Commercial PCs are optimized for use by enterprise, public sector which includes education, and SMB customers, with a focus on robust design, security, serviceability, connectivity, reliability and manageability in the customer's environment and working remotely. Commercial PCs include the HP ProBook and HP EliteBook lines of notebooks, convertibles, and detachables, the HP Pro and HP Elite lines of business desktops and all-in-ones, retail POS systems, HP Thin Clients, HP Pro Tablet PCs and the HP notebook, desktop and Chromebook systems. Commercial PCs also include workstations that are designed and optimized for high-performance and demanding application environments including Z desktop workstations, Z all-in-ones and Z mobile workstations. Additionally, we offer a range of services and solutions to enterprise, public sector which includes education and SMB customers to help them manage the lifecycle of their PC and mobility installed base.

Consumer PCs are optimized for consumer usage, focusing on gaming, learning and working remotely, consuming multi-media for entertainment, managing personal life activities, staying connected, sharing information, getting things done for work including creating content, and staying informed and secure. These systems include HP Spectre, HP Envy, HP Pavilion, HP Chromebook, HP Stream, Omen by HP lines of notebooks, desktops and hybrids, HP Envy, HP Pavilion desktops and all-in-one lines.

Personal Systems groups its global business capabilities into the following business units when reporting business performance:

— *Notebooks* consists of consumer notebooks, commercial notebooks, mobile workstations, peripherals, and commercial mobility devices;
— *Desktops* includes consumer desktops, commercial desktops, thin clients, displays, peripherals, and retail POS systems;
— *Workstations* consists of desktop workstations, displays and peripherals; and
— *Other* consists of consumer and commercial services as well as other Personal Systems capabilities.

Printing

Printing provides consumer and commercial printer hardware, supplies, services and solutions. Printing is also focused on Graphics and 3D imaging solutions in the commercial and industrial markets. Our global business capabilities within Printing are described below:

Office Printing Solutions delivers HP's office printers, supplies, services, and solutions to SMBs and large enterprises. It also includes Original Equipment Manufacturer ("OEM") hardware and solutions, and some Samsung-branded supplies.

*Home Printing Solution*s delivers innovative printing products, supplies, services and solutions for the home, home business and micro business customers utilizing both HP's Ink and Laser technologies. It also includes some Samsung-branded supplies.

Graphics Solutions delivers large-format, commercial and industrial solutions and supplies to print service providers and packaging converters through a wide portfolio of printers and presses (HP DesignJet, HP Latex, HP Indigo and HP PageWide Web Presses).

3D Printing and Digital Manufacturing offers a portfolio of additive manufacturing solutions and supplies to help customers succeed in their additive and digital manufacturing journey. HP offers complete solutions in collaboration with an ecosystem of partners.

Printing groups its global business capabilities into the following business units when reporting business performance:

- *Commercial* consists of office printing solutions, graphics solutions and 3D printing and digital manufacturing, excluding supplies;
- *Consumer* consists of home printing solutions, excluding supplies; and
- *Supplies* comprises a set of highly innovative consumable products, ranging from ink and laser cartridges to media, graphics supplies and 3D printing and digital manufacturing supplies, for recurring use in consumer and commercial hardware.

Corporate Investments

Corporate Investments includes HP Labs and certain business incubation and investment projects.

Sales, Marketing and Distribution

We manage our business and report our financial results based on the business segments described above. Our customers are organized by consumer and commercial groups, and purchases of HP products, solutions and services may be fulfilled directly by HP or indirectly through a variety of partners, utilizing their own physical or internet stores or an omnichannel combination of the two, including:

- retailers that sell our products to the public focusing on consumers and small- and medium-sized businesses;
- resellers that sell our products and services, frequently with their own value-added products or services, to targeted customer groups;
- distribution partners that supply our products and solutions to resellers; and
- system integrators and other business intermediaries that provide various levels of services, including systems integration work and as-a-service solutions, and typically partner with us on client solutions that require our products and services.

The mix of our business conducted by direct sales or channel sales differs by business and geographic market. We believe that customer buying patterns and different geographic market conditions require us to tailor our sales, marketing and distribution efforts to the geographic market and sub-geographic specificities for each of our businesses. We are focused on driving the depth and breadth of our market coverage while identifying efficiencies and productivity gains in both our direct and indirect routes to market. Our businesses collaborate to accomplish strategic and process alignment where appropriate. For example, we typically assign an account manager to manage relationships across our business with large enterprise customers. The account manager is supported by a team of specialists with product and services expertise and drives both direct and indirect sales to their assigned customers. For other customers and for consumers, we typically manage both direct online sales as well as channel relationships with retailers mainly targeting consumers and SMBs and commercial resellers mainly targeting SMBs and mid-market accounts.

Manufacturing and Materials

We utilize a significant number of outsourced manufacturers ("OMs") around the world to manufacture HP-designed products. The use of OMs is intended to generate cost efficiencies and reduce time to market for HP-designed products. We use multiple OMs to maintain flexibility in our supply chain and manufacturing processes. In some circumstances, third-party suppliers produce products that we purchase and resell under the HP brand. Additionally, we manufacture finished products from components and sub-assemblies that we acquire from a wide range of vendors.

We utilize two primary methods of fulfilling demand for products: building products to order and configuring products to order. We build products to order to maximize manufacturing and logistics efficiencies by producing high volumes of basic product configurations. Alternatively, configuring products to order enables units to match a customer's hardware and software customization requirements. Our inventory management and distribution practices in both building products to order and configuring products to order seek to minimize inventory holding periods by taking delivery of the inventory and manufacturing shortly before the sale or distribution of products to our customers.

We purchase materials, supplies and product sub-assemblies from a substantial number of vendors. For most of our products, we have existing or readily available alternate sources of supply. However, we have relied on sole sources for some laser printer engines, LaserJet supplies, certain customized parts and parts for products with short life cycles (although some of these sources have operations in multiple locations, mitigating the effect of a disruption). For instance, we source the majority of our A4 and a portion of A3 portfolio laser printer engines and laser toner cartridges from Canon. Any decision by either party not to renew our agreement with Canon or to limit or reduce the scope of the agreement could adversely affect our net revenue from LaserJet products; however, we have a long-standing business relationship with Canon and anticipate renewal of this agreement.

We are dependent upon Intel and AMD as suppliers of x86 processors and Microsoft and Google for various software products. We believe that disruptions with these suppliers would have industry-wide ramifications, and therefore would not disproportionately disadvantage us relative to our competitors. See "Risk Factors—We are heavily dependent on third-party suppliers and supply chain issues have adversely affected, and could continue to adversely affect, our financial results" in Item 1A, which is incorporated herein by reference.

Like other participants in the information technology ("IT") industry, we ordinarily acquire materials and components through a combination of blanket and scheduled purchase orders to support our demand requirements for periods averaging 90 to 120 days. From time to time, we may experience significant price volatility or supply constraints for certain components that are not available from multiple sources. We also may acquire component inventory in anticipation of supply constraints or enter into longer-term pricing commitments with vendors to improve the priority, price and availability of supplies. See "Risk Factors—We are heavily dependent on third-party suppliers and supply chain issues have adversely affected, and could continue to adversely affect, our financial results" in Item 1A, which is incorporated herein by reference.

Sustainability also plays an important role in the manufacturing and sourcing of materials and components for our products. We strive to make our products in an ethical and sustainable manner. We have committed to building an efficient, resilient and sustainable supplier network, and we collaborate with our suppliers to improve their labor practices and working conditions, and to reduce the environmental impact of their operations. These actions, together with our broader sustainability program, help us in our effort to meet customer sustainability requirements and comply with regulations, such as supplier labor practices and conflict minerals disclosures. For more information on our sustainability goals, programs, and performance, we refer you to our annual sustainability report, available on our website (which is not incorporated by reference herein).

International

Our products and services are available worldwide. We believe this geographic diversity allows us to meet both consumer and enterprise customers' demand on a worldwide basis and draws on business and technical expertise from a worldwide workforce. This provides stability to our operations, provides revenue streams that may offset geographic economic trends and offers us an opportunity to access new markets for maturing products. We believe that our broad geographic presence as well as our focus on diversity and inclusion, gives us a solid base on which to build future growth.

Research and Development

Innovation across products, services, business models and processes is a key element of our culture and success. Our development efforts are focused on designing and developing products, services and solutions that anticipate customers' changing needs and desires, and emerging technological trends. Our efforts also are focused on identifying the areas where we believe we can make a unique contribution and the areas where partnering with other leading technology companies will leverage our cost structure and maximize our customers' experiences.

HP Labs, together with the various research and development groups within our business segments, is responsible for our research and development efforts. HP Labs is part of our Corporate Investments segment.

We anticipate that we will continue to have significant research and development expenditures in the future to support the design and development of innovative, high-quality products and services to maintain and enhance our competitive position.

For a discussion of risks attendant to our research and development activities, see "Risk Factors—If we cannot successfully execute our strategy and continue to develop, manufacture and market innovative products, services and solutions, our business and financial performance may suffer" in Item 1A, which is incorporated herein by reference.

Patents

Our general policy has been to seek patent protection for those inventions likely to be incorporated into our products and services or where obtaining such proprietary rights will improve our competitive position. At October 31, 2021, our worldwide patent portfolio included over 28,000 patents.

Patents generally have a term of twenty years from the date they are filed. As our patent portfolio has been built over time, the remaining terms of the individual patents across our patent portfolio vary. We believe that our patents and patent applications are important for maintaining the competitive differentiation of our products and services, enhancing our freedom of action to sell our products and services in markets in which we choose to participate, and maximizing our return on research and development investments. No single patent is essential to HP as a whole or to any of HP's business segments.

In addition to developing our patent portfolio, we license intellectual property ("IP") from third parties as we deem appropriate. We have also granted and continue to grant to others licenses, and other rights, under our patents when we consider these arrangements to be in our interest. These license arrangements include a number of cross-licenses with third parties.

For a discussion of risks attendant to IP rights, see "Risk Factors—Our financial performance may suffer if we cannot develop, obtain, license or enforce the intellectual property rights on which our businesses depend", "Risk Factors—Our products and services depend in part on IP and technology licensed from third parties" and "Risk Factors—Third-party claims of IP infringement are commonplace in our industry and may limit or disrupt our ability to sell our products and services" in Item 1A, which is incorporated herein by reference.

Seasonality

General economic conditions have an impact on our business and financial results. From time to time, the markets in which we sell our products and services experience weak economic conditions that may negatively affect sales. We experience some seasonal trends in the sale of our products and services. For example, European sales are often weaker in the summer months and consumer sales are often stronger in the fourth calendar quarter. Demand during the spring and early summer months also may be adversely impacted by market anticipation of seasonal trends. Historical seasonal patterns may not continue in the future and have been impacted by increasing supply constraints, shifts in customer behavior and the evolving impacts of the COVID-19 pandemic. See "Risk Factors—Our uneven sales cycle makes planning and inventory management difficult and future financial results less predictable," in Item 1A, which is incorporated herein by reference.

Competition

We encounter strong competition in all areas of our business activity. We compete on the basis of technology, innovation, performance, price, quality, reliability, brand, reputation, distribution, range of products and services, ease of use of our products, account relationships, customer training, service, support and solutions including subscription-based offerings and financing, security, availability of application software, and our sustainability performance.

The markets for each of our key business segments are characterized by strong competition among major corporations with long-established positions and a large number of new and rapidly growing firms. Most product life cycles are short, and to remain competitive we must develop new products and services, periodically enhance our existing products and services and compete effectively on the basis of the factors listed above. In addition, we compete with many of our current and potential partners, including OEMs that design, manufacture and often market their products under their own brand names. Our successful management of these competitive partner relationships will be critical to our future success. Moreover, we anticipate that we will have to continue to adjust prices on many of our products and services to stay competitive.

We have a broad technology portfolio spanning personal computing and other access devices, imaging and printing-related products and services. We are the leader or among the leaders in each of our key business segments.

The competitive environment in which each key segment operates is described below:

Personal Systems. The markets in which Personal Systems operates are highly competitive and are characterized by price competition and introduction of new products and solutions. Our primary competitors are Lenovo Group Limited, Dell Inc., Huawei Technologies Co., Ltd., Acer Inc., ASUSTeK Computer Inc., Apple Inc., Toshiba Corporation, Microsoft Corporation, and Samsung Electronics Co., Ltd. In particular geographies, we also experience competition from local companies and from generically-branded or "white box" manufacturers. Our competitive advantages include our broad product portfolio, our innovation, and research and development capabilities including security features, our innovative design work, our brand and procurement leverage, our ability to cross-sell our portfolio of offerings, our extensive service and support offerings and the accessibility of our products through a broad-based distribution strategy from retail and commercial channels to direct sales.

Printing. The markets for printer hardware and associated supplies are highly competitive. Printing's key customer segments each face competitive market pressures in pricing and the introduction of new products. Our primary competitors include Canon Inc., Lexmark International, Inc., Xerox Corporation Ltd., Seiko Epson Corporation, The Ricoh Company Ltd. and Brother Industries, Ltd. In addition, independent suppliers offer non-original supplies (including imitation, refill and remanufactured alternatives), which are often available for lower prices but which can also offer lower print quality and reliability compared to HP original inkjet and toner supplies. These and other competing products are often sold alongside our products through online or omnichannel resellers or distributors, or such resellers and distributors may highlight the availability of lower cost non-original supplies. Our competitive advantages include our comprehensive high-quality solutions for the home, office and publishing environments, our innovation, and research and development capabilities including security features, sustainability, our brand, and the accessibility of our products through a broad-based distribution strategy from retail and commercial channels to direct sales.

For a discussion of risks attendant to these competitive factors, see “Risk Factors—We operate in an intensely competitive industry and competitive pressures could harm our business and financial performance,” in Item 1A, which is incorporated herein by reference.

Sustainability

At HP, we believe how we do things is just as important as what we do, and so efforts to make a sustainable impact on people, the planet and our communities are integrated into HP’s business strategy and operations.

Through our Sustainable Impact agenda, HP is tackling some key issues: Climate Action, Human Rights, and Digital Equity. Our ambition is to become the world’s most sustainable and just technology company by 2030, and our strategy is designed to propel us forward. It stays true to HP’s values, supports the United Nations Sustainable Development Goals, and prioritizes efforts where our technology, talent, and ecosystem can have the greatest impact.

Climate Action: Drive toward a net zero carbon, fully regenerative economy while engineering the industry’s most sustainable portfolio of products and solutions. Among our goals:

— Achieve net zero greenhouse gas (“GHG”) emissions across HP’s value chain (scope 1, 2 and 3) by 2040, with a 50% reduction in absolute value chain GHG emissions by 2030 compared to 2019;
— Reach 75% circularity for products and packaging by 2030;
— Maintain zero deforestation for HP paper and paper-based packaging and counteract deforestation for non-HP paper used in our products and print services;

Human Rights: Create a powerful culture of diversity, equity, and inclusion. Advance human rights, social justice, and racial and gender equality across our ecosystem, raising the bar for all. Among our goals:

— Achieve 50/50 gender equality in HP leadership by 2030;
— Achieve greater than 30% technical women and women in engineering roles by 2030;
— Meet or exceed labor market representation for racial and ethnic minorities in the U.S. by 2030;
— Reach one million workers through worker empowerment programs by 2030;

Digital Equity: Lead in activating and innovating holistic solutions that break down the digital divide that prevents many from accessing the education, jobs, and healthcare needed to thrive. Drive digital inclusion to transform lives and communities. Among our goals:

— Accelerate digital equity for 150 million people by 2030;
— Enable better learning outcomes for 100 million people by 2025, since the beginning of 2015;
— Enroll 1 million HP LIFE (Learning Initiative for Entrepreneurs) users between 2016 and 2025;

For more information on our Sustainable Impact strategy, programs, and a complete list of goals and performance, we refer you to our annual Sustainable Impact Report, available on our website (which is not incorporated by reference herein).

Environment

Our operations are subject to regulation under various federal, state, local and foreign laws concerning the environment, including laws addressing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, and the cleanup of contaminated sites. We could incur substantial costs, including cleanup costs, fines and civil or criminal sanctions, and third-party damage or personal injury claims, if we were to violate or become liable under environmental laws.

Many of our products are subject to various federal, state, local and foreign laws governing chemical substances in products and their safe use, including laws regulating the manufacture and distribution of chemical substances and laws restricting the presence of certain substances in electronics products. Most of our products also are subject to requirements applicable to their energy consumption. In addition, we face increasing complexity in our product design and procurement operations as we adjust to new and future requirements relating to the chemical and materials composition of our products, and their safe use.

We proactively evaluate and at times replace materials in our products and supply chain, taking into account, among other things, published lists of substances of concern, new and upcoming legal requirements, customer preferences and scientific analysis that indicates a potential impact to human health or the environment.

We are also subject to legislation in an increasing number of jurisdictions that makes producers of electrical goods, including computers and printers, financially responsible for specified collection, recycling, treatment and disposal of past and future covered products (sometimes referred to as "product take-back legislation"). We are also subject to standards set by public and private entities related to sustainability issues such as energy consumption, carbon emissions, reusing or recycling. We intend for our products to be easily reused and recycled, and we provide many of our customers with reuse and recycling programs.

In the event our products become non-compliant with these laws or standards, our products could be restricted from entering certain jurisdictions or from being procured by certain governments or private companies, and we could face other sanctions, including fines.

Our operations, supply chain and our products are expected to become increasingly subject to federal, state, local and foreign laws, regulations and international treaties relating to climate change, such as climate disclosure, carbon pricing or product energy efficiency requirements, requiring us to comply or potentially face market access limitations or other sanctions including fines. We strive to continually improve the energy and carbon efficiency of our operations, supply chain and product portfolio and deliver more cost-effective and lower carbon technology solutions to our customers. We believe that technology will be fundamental to finding solutions to achieve compliance with and manage those requirements, and we are collaborating with industry, business groups and governments to find and promote ways that HP technology can be used to address climate change and to facilitate compliance with related laws, regulations and treaties.

We are committed to complying with all environmental laws applicable to our operations, products and services and to reducing our environmental impact across all aspects of our business. This commitment is reflected and outlined in our sustainability policy, our comprehensive environmental, health and safety policy, strict environmental management of our operations and worldwide environmental programs and services.

A liability for environmental remediation and other environmental costs is accrued when we consider it probable that a liability has been incurred and the amount of loss can be reasonably estimated. Environmental costs and accruals are presently not material to our operations, cash flows or financial position. Although there is no assurance that existing or future environmental laws applicable to our operations or products will not have a material adverse effect on our operations, cash flows or financial condition, we do not currently anticipate material capital expenditures for environmental control facilities.

For a discussion of risks attendant to these environmental factors, see "Risk Factors—Our business is subject to various federal, state, local and foreign laws and regulations that could result in costs or other sanctions that adversely affect our business and results of operations and cash flows" in Item 1A, which is incorporated herein by reference. In addition, for a discussion of our environmental contingencies see Note 14, "Litigation and Contingencies" to the Consolidated Financial Statements in Item 8, which is also incorporated herein by reference.

Human Capital

Approximately 51,000 employees worldwide power HP's innovation, contributing unique perspectives and a growth mindset to create breakthrough technologies and transformative solutions. We are committed to fostering a diverse, equitable, and inclusive workplace that attracts, retains, and advances exceptional talent. Through ongoing employee development, comprehensive compensation and benefits, and a focus on health, safety, and employee wellbeing, we strive to support our employees in all aspects of their lives so they can do their best work—while learning, growing, and feeling engaged.

Diversity, Equity, and Inclusion (DEI)

Innovation at HP comes from the diverse perspectives, backgrounds, knowledge, and unique experiences of our employees. We strive to create an inclusive workplace where people bring their authentic selves to work and can reach their full potential.

Our commitment to DEI starts at the top with a highly knowledgeable, skilled and diverse board of directors. We are among the top technology companies for women in executive positions. Women represent 32.5% of HP's full-time executive positions globally. We are committed to improving representation of women at HP overall, with an intentional focus on leadership and technical roles globally.

In fiscal year 2021, 44.8% of our U.S. hires were ethnically diverse. We continue to work on removing barriers for underrepresented employees by creating equitable programs, training and development opportunities to grow and promote our employees.

To ensure leadership embeds a strong focus on DEI, each executive leader has individual performance goals under the Management by Objectives ("MBOs") program tied to DEI. The board has ongoing oversight of these programs.

Pay Equity

We believe people should be paid equitably for what they do and how they do it, regardless of their gender, race, or other personal characteristics. To deliver on that commitment, we benchmark and set pay ranges based on relevant market data and consider factors such as an employee's role and experience, and their performance. We also regularly review our compensation practices, both in terms of our overall workforce and individual employees, to make sure our pay is fair and equitable.

For the past five years, HP has reviewed employees' compensation with the support of independent third-party experts to ensure consistent pay practices.

HP expanded its annual pay equity assessment in fiscal year 2021 - evaluating the nine countries with our largest employee populations, representing 72% of our global workforce. The independent analysis determined there were no systemic issues. Any areas of potential concern, considering what we would expect employees to be paid when evaluating their skills, qualifications, and experience were reviewed and addressed as part of our off-cycle compensation process.

Employee Engagement

We regularly collect feedback from employees to better understand and improve their experiences and identify opportunities to continually strengthen our culture. In fiscal year 2021, 95% of employees participated in our annual employee engagement survey. Employee engagement globally remained stable as compared to fiscal year 2020. Ethics and integrity as well as employees feeling that HP values diversity were both highly rated, at 96% and 94%, respectively. Our Inclusion Index reported 87% of employees experience an inclusive work environment at HP.

Talent and Learning

HP employees have access to a wide range of development opportunities, including virtual, social, and self-directed learning, as well as mentoring and coaching. We offer a variety of collaborative learning experiences, connection to a network of subject matter experts, and a social learning platform that enables employees to integrate development into their daily routines.

In fiscal year 2021, 99% of employees participated in learning and development activities, and we estimate that employees (on average) spent more than 30 hours participating in development activities through the year. The 2021 annual employee survey revealed that 84% of employees felt HP actively supported their learning and development.

Through fiscal year 2021 we accelerated our transition toward more holistic approaches of employee development, with additional trainings supporting employee wellbeing and remote working. More than 25,000 employees participated in new virtual business, professional, digital, and career development live trainings.

In addition to the above, we have key focus areas on leadership development and digital skills. Our priority leadership development programs included our new Hire EQ development program to improve our diversity hiring practices, and the Senior Leader Meeting Connect program to develop global business leadership insights and learn from external best practices. In fiscal year 2021, we continued our focus on the HP digital literacy campaign (Speak Digital) targeted to all employees to increase knowledge of digital technologies and emerging trends in customer experience and innovation.

Health, Safety, and Wellness

The physical health, financial wellbeing, life balance and mental health of our employees are vital to HP's success. Our environmental, health, and safety leadership team uses our global injury and illness reporting system to assess worldwide and regional trends as a part of quarterly reviews. Our manufacturing facilities continue to represent our most significant health and safety risks, due to higher potential exposure to chemicals and machinery related hazards. Reducing and effectively managing risks at these facilities remains a focus, and injury rates continue to be low.

We also sponsor a global wellness program designed to enhance physical, financial, and mental wellbeing for all our employees around the world. Throughout the year, we encourage healthy behaviors through regular communications, educational sessions, voluntary progress tracking, wellness challenges, and other incentives.

Throughout the COVID-19 pandemic, a top priority of HP's has been the health, safety, and wellbeing of employees and their families. Our cross-functional COVID-19 program management office meets regularly to review the latest data from HP business and site leaders, identify and address emerging risks, and formulate HP's response to actions taken by governments and public policy organizations. We've put in place global policies and protocols based on guidance from healthcare experts and public health leaders, and regularly review and update them to reflect the best, most current information available.

Hybrid Work Strategy

We are embracing hybrid ways of working across HP and introduced new flexible working guidelines in July 2021. Hybrid Work at HP balances more workplace flexibility with structured time together to collaborate and connect in person at our HP sites. Our goal is to provide the ability to work seamlessly across a diverse ecosystem of workplaces, enabled by enhanced tools and technology designed to optimize productivity and collaboration.

In summary, we aim to cultivate a healthy, supportive and inclusive environment that enables employees to do their best work, while developing themselves and reaching their full potential.

Information about our Executive Officers

The following are our current executive officers:

Harvey Anderson; age 58; Chief Legal Officer

Mr. Anderson has served as Chief Legal Officer since February 2021. Previously, he served as General Counsel from November 2019 to January 2021. Mr. Anderson joined HP in 2017 as deputy general counsel for the Personal Systems and 3D Printing business units. Prior to joining HP, he served as chief legal officer at AVG Technologies, a leading provider of software security solutions, from 2014 to 2019. He has also held senior legal roles at Mozilla Corporation, Seven Networks, and Netscape/AOL.

Alex Cho; age 49; President, Personal Systems

Mr. Cho has served as President, Personal Systems since June 2018. From 2014 to 2018, Mr. Cho served as Global Head and General Manager of Commercial Personal Systems. Prior to that role, Mr. Cho served as the Vice President and General Manager of the LaserJet Supplies team from 2010 to 2014.

Enrique Lores; age 56; President and Chief Executive Officer

Mr. Lores has served as President and Chief Executive Officer since November 2019. Throughout his over 30-year tenure with the company, Mr. Lores held leadership positions across the organization, most recently serving as President, Printing, Solutions and Services from November 2015 to November 2019, and prior to that role, leading the Separation Management Office for HP Inc. Previously, Mr. Lores was the Senior Vice President and General Manager for Business Personal Systems. Before his Business Personal Systems role, Mr. Lores was Senior Vice President of Customer Support and Services.

Kristen Ludgate; age 58; Chief People Officer

Ms. Ludgate has served as Chief People Officer since July 2021. Previously, Ms. Ludgate served as Executive Vice President and Chief Human Resources Officer at 3M, a global technology company, from June 2018 until July 2021. Ms. Ludgate held a wide range of leadership positions during her 17 years with 3M, leading global teams in human resources, legal, compliance, and communications.

Marie Myers; age 53; Chief Financial Officer

Ms. Myers has served as Chief Financial Officer since February 2021, previously serving as acting Chief Financial Officer from October 2020 to February 2021. She served as Chief Transformation Officer from June 2020 to May 2021 and as Chief Digital Officer from March 2020 to June 2020. Prior to rejoining HP, she was the Chief Financial Officer of UiPath, a robotic process automation company, from December 2018 to December 2019. Prior to UiPath, Ms. Myers served as Global Controller from December 2015 to December 2018 and finance lead during the separation of Hewlett-Packard Company into HP and Hewlett Packard Enterprise Company from October 2014 to August 2015, in addition to other finance-related roles at Hewlett-Packard Company.

Christoph Schell; age 50; Chief Commercial Officer

Mr. Schell has served as Chief Commercial Officer since November 2019. From November 2018 to October 2019, he served as the President of 3D Printing & Digital Manufacturing. Before that, he served as President of the Americas region from November 2015 to November 2018 and managed the Americas region for the HP Print and Personal Systems business from August 2014 to November 2015. Prior to rejoining HP in August 2014, Mr. Schell served as Executive Vice President of the Lighting business in Growth Markets at Philips. Prior to Philips, Mr. Schell held various roles at HP and Procter & Gamble.

Tuan Tran; age 54; President of Imaging, Printing and Solutions

Mr. Tran served as President of Imaging, Printing and Solutions since November 2019. Previously, he served as Global Head & General Manager of the Office Printing Solutions business from 2016 to November 2019, and Global Head & General Manager of the LaserJet and Enterprise Solutions business from 2014 to 2016.

Barb Barton Weiszhaar; age 58; Acting Global Controller

Ms. Weiszhaar has served as Acting Global Controller since June 2021. Previously, she served as the Chief of Staff for the Chief Financial Officer and Operations Lead, a position she had held since April 2020. Prior to April 2020, she served as HP's Chief Tax Officer from November 2015 to March 2020 and in other leadership roles, including Chief Operations Officer for Tax, prior to the November 2015 separation of Hewlett-Packard Company into HP and Hewlett Packard Enterprise Company. Ms. Weiszhaar joined Hewlett-Packard Company following its acquisition of EDS in 2008; at EDS she served as Tax Director.

Available Information

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on our website at http://investor.hp.com, as soon as reasonably practicable after HP electronically files such reports with, or furnishes those reports to, the Securities and Exchange Commission. HP's Corporate Governance Guidelines, Board of Directors' committee charters (including the charters of the Audit Committee, Finance, Investment and Technology Committee, HR and Compensation Committee, and Nominating, Governance and Social Responsibility Committee) and code of ethics entitled "Integrity at HP" (none of which are incorporated by reference herein) are also available at that same location on our website. If the Board grants any waivers from Integrity at HP to any of our directors or executive officers, or if we amend Integrity at HP, we will, if required, disclose these matters via updates to our website at http://investor.hp.com on a timely basis. We encourage investors to visit our website from time to time, as information is updated and new information is posted. The content of our website is not incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to our website are intended to be inactive textual references only.

Stockholders may request free copies of these documents from:

HP Inc.
Attention: Investor Relations
1501 Page Mill Road,
Palo Alto, CA 94304
http://investor.hp.com/resources/information-request/default.aspx

Additional Information

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ITEM 1A. Risk Factors.

The following discussion of risk factors contains forward-looking statements. These risk factors may be important for understanding any statement in this Form 10-K or elsewhere. The following information should be read in conjunction with Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and related notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Form 10-K.

Because of the following factors, as well as other variables affecting our results of operations, past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods.

Strategic and Operational Risks

Our business, results of operations and financial condition have been, and could continue to be, affected by the COVID-19 pandemic.

The COVID-19 pandemic and the actions taken by governments, businesses and individuals in response to the pandemic have resulted in, and are expected to continue to result in, a curtailment of business activities (including changes in demand for a broad variety of goods and services), weakened economic conditions, disruptions in supply, manufacturing and logistics, economic uncertainty and volatility in the financial markets, both in the United States and abroad.

The COVID-19 pandemic, including its resurgence in key markets, has impacted, and could adversely impact, our operations and financial performance. COVID-19 related restrictions impacted the demand for certain products and services as a result of temporary closures of offices and businesses, the shift to a hybrid work environment, and as people moved to spend more time at home, which negatively impacted sales for commercial products in both Personal Systems and Print. For as long as remote working and learning practices remain prevalent, whether due to restrictions implemented by governmental authorities or businesses allowing employees to continue to work remotely or adopting new workplace models, we expect decreased sales of products for in-office consumption in some markets and channels compared to pre-pandemic levels. While this decrease in demand for certain products has been partially offset by increased sales of other products for in-home consumption compared to pre-pandemic levels, we are unable to predict for how long or to what extent this elevated level of sales of products for in-home consumption will continue. Additionally, as the market continues to shift to hybrid, our financial performance will depend in part on our ability to remain competitive in products designed for hybrid consumption.

Moreover, our channel partners have experienced, and may continue to experience, disruptions in their operations due to restrictions implemented in response to COVID-19, which has caused, and may continue to cause, reduced, or cancelled orders and/or collection risks. This has further adversely impacted our results of operations and we expect it may continue to have a negative impact on our results of operations.

Additionally, as the COVID-19 pandemic continues and new variants of the virus emerge, we are seeing a resurgence of the pandemic in certain key markets. We have experienced temporary factory closures and other disruptions in supply, manufacturing and logistics as a result of COVID-19, and we may continue to experience such disruptions. For example, our manufacturing sites, including those in Asia, as well as those of our suppliers and outsourcing partners, were adversely impacted as a result of quarantines, facility closures, and travel and logistics challenges. These disruptions have resulted and may continue to result in supply shortages and delays impacting sales worldwide for both Personal Systems and Print, as well as incremental costs. We may experience further disruptions in the future, and any prolonged disruptions to our manufacturing operations, supply chain and/or distribution channels could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We are also facing increased operational challenges as we take measures to support and protect employee health and safety, including limiting employee travel, limiting access to facilities and offices, implementing remote work and flexible work policies and implementing a vaccine policy for employees. In particular, our remote work arrangements pose challenges for our employees and our IT systems and extended periods of remote work arrangements could strain our business continuity plans, introduce operational risk, including cybersecurity and IT systems management risks, and impair our ability to manage our business. In addition, complying with various customer or government vaccine, masking or testing requirements, could result in increased competition for skilled talent, and could adversely impact our ability to deliver services to our customers, which could in turn adversely impact our results of operations or financial performance.

The effects of COVID-19 may also limit the resources afforded to or delay the implementation of our strategic initiatives and make it more difficult to develop, manufacture and market innovative products and services. If our strategic initiatives are delayed or otherwise modified, such initiatives may not achieve some or all of the expected benefits, which could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

The ultimate impact of COVID-19 on our operations and financial performance depends on many factors that are not within our control, including: the duration, scope and severity of the pandemic, including the impact of variants and resurgences; the development, availability and public acceptance of effective treatments or vaccines; governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic; general economic uncertainty in global markets and financial market volatility; global economic conditions and levels of economic growth; and the pace of recovery when the COVID-19 pandemic subsides.

Further, COVID-19, and the volatile regional and global economic conditions stemming from the pandemic, could precipitate or aggravate the other risk factors that we identify in this report, any of which could materially adversely impact our business. We also face an increased risk of litigation and governmental and regulatory scrutiny as a result of the effects of COVID-19 on economic and market conditions. COVID-19 may also affect our business and financial results in ways that are not presently known to us or that we do not currently consider as significant risks to our operations.

We are heavily dependent on third-party suppliers and supply chain issues have adversely affected, and could continue to adversely affect, our financial results.

We are operating in a supply-constrained environment and are facing, and may continue to face, component shortages, logistics challenges and manufacturing disruptions that impact our revenues and profitability. We are heavily dependent on third-party suppliers and their ability to deliver sufficient quantities of key components, products and services at reasonable prices and in time for us to meet schedules for the delivery of our products and services. In addition, our operations depend on our ability to anticipate and our suppliers' ability to fulfill, our needs for sufficient quantities of key components, products and services (including sourcing matched sets). Given the wide variety of products and services we offer, the large and diverse distribution of our suppliers and contract manufacturers, and the long lead times required to manufacture, assemble and deliver certain components and products, problems have and could continue to arise in production, planning and inventory management, and regulatory compliance that could seriously harm our business. Third-party suppliers may have limited financial resources to withstand challenging business conditions, particularly as a result of increased interest rates or emerging market volatility, and our business could be negatively impacted if key suppliers are forced to cease or limit their operations. Due to the international nature of our third-party supplier network, our financial results may also be negatively impacted by increased trade barriers, increased tariffs and localization requirements, which could increase the cost or availability of certain components, products and services that we may not be able to offset. We also have experienced, and may experience in the future, gross margin declines in certain businesses, reflecting the effect of items such as competitive pricing pressures and increases in component and manufacturing costs resulting from higher labor and material costs borne by our manufacturers and suppliers that we are unable to pass on to our customers. In addition, our business may be disrupted if we are unable to obtain equipment, parts or components from our suppliers—and our suppliers from their suppliers—due to the insolvency of key suppliers or the inability of key suppliers to obtain credit, or if any of our distributors lack sufficient financial resources to withstand economic weakness. In addition, our ongoing efforts to optimize the efficiency of our supply chain could cause supply disruptions and be more expensive, time-consuming and resource-intensive than expected. Furthermore, certain of our suppliers and Outsourced Manufacturers ("OMs") may decide to discontinue business with us or limit the allocation of products to us, which could result in our inability to fill our supply needs, jeopardizing our ability to fulfill our contractual obligations, which could in turn, result in a decrease in sales and profitability, contract penalties or terminations, and damage to customer relationships. Other supplier problems that we could face include component shortages, excess supply, risks related to the terms of our contracts with suppliers, risks associated with contingent workers, risks related to supply chain working conditions, human rights and materials sourcing, and risks related to our relationships with single-source suppliers, each of which is described below.

— *Component shortages.* We have and may continue to experience a shortage of, or a delay in receiving, certain components as a result of strong demand, capacity constraints, supplier financial weaknesses, the inability of suppliers to borrow funds, disputes with suppliers (some of whom are also our customers), disruptions in the operations of component suppliers, other problems experienced by suppliers or problems we face during the transition to new suppliers. For example, we have experienced disruptions in our manufacturing and supply chain during the COVID-19 pandemic, which have resulted in temporary supply shortages that have negatively affected our ability to fulfill demand for Personal Systems and Printing products worldwide and resulted in increases in prices for certain components, and we expect such challenges to continue during 2022. For example, there is currently a market shortage of integrated circuits and panels and other component supply which has affected, and could continue to affect, lead times, the cost of that supply, and our ability to meet customer demand for our products if we cannot secure sufficient supply in a timely manner or on terms that are acceptable. Additionally, our Personal Systems business relies heavily upon OMs to manufacture our products and we are therefore dependent upon the continuing operations of those OMs to manufacture our products to fulfill demand. We represent a substantial portion of the business for certain OMs, and any changes to the nature or volume of our business transactions with a particular OM could adversely affect the operations and financial condition of the OM and lead to shortages or delays in receiving component products from that OM. If shortages or delays in component products persist, the price of certain components may increase further, we may be exposed to quality issues, or the components may not be available at all. We may not be able to secure enough components at reasonable prices or of acceptable quality to build products or provide services in a timely manner in the quantities needed or according to our specifications. Accordingly, our business, cash flows, results of operations and financial condition could suffer if we lose time-sensitive sales, incur additional freight costs or are unable to pass on price increases to our customers due to such component shortages or delays. If we cannot adequately address a component supply issue, we may have to re-engineer some product or service offerings, which could result in further costs and delays.

— *Excess supply.* In order to secure components for our products or services, we have and may continue to make advance payments to suppliers or enter into non-cancelable commitments with vendors. In addition, we have and may continue to strategically purchase components in advance of demand to take advantage of favorable pricing or to address concerns about future availability. If we fail to anticipate customer demand properly, a temporary oversupply could result in excess or obsolete components, which could adversely affect our business and financial performance.

— *Contractual terms.* As a result of binding long-term price or purchase commitments with vendors, we may be obligated to purchase components or services at prices that are higher than those available in the current market and may be limited in our ability to respond to changing market conditions. If we commit to purchasing components or services for prices in excess of the then-current market price, we may be at a disadvantage to competitors who have access to components or services at lower prices, our gross margin could suffer, and we could incur additional charges relating to inventory obsolescence. In addition, many of our competitors obtain products or components from the same OMs and suppliers that we utilize. Our competitors may obtain better pricing, more favorable contractual terms and conditions, or more favorable allocations of products and components during periods of limited supply, and our ability to engage in relationships with certain OMs and suppliers could be limited. The practice employed by our Personal Systems business of purchasing product components and transferring those components to OMs may create large supplier receivables with the OMs that, depending on the financial condition of the OMs, may create collectability risks. In addition, in order to secure components, we may accept contractual terms and conditions that are less favorable to us. Any of these developments could adversely affect our future cash flows, results of operations and financial condition.

— *Contingent workers.* We also rely on third-party suppliers for the provision of contingent workers, and our failure to effectively manage this workforce could adversely affect our results of operations. Our ability to manage the costs associated with engaging a contingent workforce may be impacted by evolving local labor rights laws.

— *Working conditions, human rights and materials sourcing.* Our brand perception, customer loyalty and legal compliance could be adversely impacted by a supplier's improper practices or failure to comply with our requirements for environmentally, socially or legally responsible practices and sourcing, including those in our Supplier Code of Conduct, General Specification for the Environment or other related provisions in our procurement contracts. These provisions include supplier audits, reporting of smelters, human rights due diligence, wood fiber certification and GHG emissions, water and waste data.

— *Single-source suppliers.* We obtain a significant number of components from a single source due to technology, availability, price, quality or other considerations. For example, we rely on Canon for certain laser printer engines and laser toner cartridges. We also rely on both Intel and AMD to provide us with a sufficient supply of processors for the majority of our PCs and workstations. Some of those processors may be customized for our products. New products that we introduce may utilize custom components obtained initially from only one source until we have determined whether there is a need for additional suppliers. Replacing a single-source supplier could delay production of some products as replacement suppliers may be subject to capacity constraints or other output limitations. For some components, alternative sources may not exist or may be unable to produce the quantities of those components necessary to satisfy our production requirements. In certain circumstances, we purchase components from single-source suppliers under short-term agreements that contain favorable pricing and other terms, but that may be unilaterally modified or terminated by the supplier with limited notice and with little or no penalty. The performance of single-source suppliers under those agreements (and the renewal or extension of those agreements upon similar terms) may affect the quality, quantity and price of our components. The loss of, deterioration of our relationship with, or limits in allocation by, a single-source supplier, or any unilateral modification to the contractual terms under which we are supplied components by a single-source supplier could adversely affect our business and financial performance.

If we cannot successfully execute our strategy and continue to develop, manufacture and market innovative products, services and solutions, our business and financial performance may suffer.

Our strategy is to strengthen our core businesses, innovate and develop new products, services and solutions, expand into adjacencies, and grow organically and inorganically. To execute our strategy, we must, among other things, optimize our cost structure, make long-term investments, develop or acquire and appropriately protect intellectual property, commit significant research and development and other resources, evolve our go-to-market strategy and Printing business model to meet changing market dynamics, forces and demand as well as innovate, develop and execute on evolutionary strategies in a rapidly changing and increasingly hybrid environment, seize on disruptive opportunities and effectively respond to secular trends and shifts in customer preferences. As the market continues to shift to hybrid, our financial performance will depend in part on our ability to remain competitive in offerings geared towards hybrid consumption. Any failure to successfully execute our strategy, including any failure to invest sufficiently (or prioritize research and development) in strategic growth areas, accurately predict technological or business trends and control costs of research and development, could adversely affect adoption of our products, services and solutions and our business, results of operations, cash flows and financial condition. Moreover, the process of developing new high-technology products, services and solutions and enhancing existing products, services and solutions is complex, costly and uncertain, and any failure by us to anticipate or respond to customers' changing needs (or the timing of those needs) and emerging technological trends accurately could affect our market share, cash flows, results of operations and financial condition. In addition, our ability to successfully offer our products, services and solutions in this rapidly evolving market requires an effective planning, forecasting, and management process to enable us to effectively calibrate and adjust our business and business models in response to fluctuating market opportunities and conditions. We could also be adversely affected if we have not appropriately prioritized and balanced our initiatives or if we are unable to effectively manage change throughout our organization. For example, we may adjust production levels in response to demand fluctuations and in order to improve the alignment of our resources to business conditions.

Our industry is subject to rapid and substantial innovation and technological change. Even if we successfully develop new products and technologies, future products and technologies, including those created by our competitors, may eventually supplant ours if we are unable to keep pace with technological advances and end-user requirements and preferences and timely enhancement of our existing products and technologies or develop new ones. As a result, we could fail to maintain market leadership in certain of our products, such as commercial PCs and notebooks, and any of our products and technologies may be rendered uneconomical or obsolete.

After we develop a product, we must be able to quickly manufacture appropriate volumes while also managing costs and preserving or improving margins. To accomplish this, we must accurately forecast volumes, mixes of products and configurations that meet customer requirements, and we may not succeed in doing so within a given product's lifecycle or at all. Any delay in the development, production or marketing of a new product, service or solution could result in us not being among the first to market, which could further harm our competitive position. Moreover, new products and services may not be profitable, and even if they are profitable, the operating margins may not be as high as the historical or anticipated margins.

We operate in an intensely competitive industry and competitive pressures could harm our business and financial performance.

We encounter aggressive competition from competitors in all areas of our business, and our competitors have targeted and are expected to continue targeting our key market segments. In addition, we are expanding into new disruptive and competitive businesses, such as services. We compete on the basis of our technology, innovation, performance, price, quality, reliability, brand, reputation, distribution, range of products and services, ease of use, account relationships, customer training, service and support, security, availability of application software and internet infrastructure offerings, and our sustainability performance. If our products, services, support and cost structure do not enable us to compete successfully, our results of operations, cash flows and business prospects could be affected.

We have a large portfolio of products and must allocate our financial, personnel and other resources across all of our products while competing with companies that have smaller portfolios or specialize in one or more of our product lines. As a result, we may invest less in certain areas of our business than our competitors, and our competitors may have greater financial, technical and marketing resources available for their products and services compared to the resources allocated to our competing products and services or greater economies of scale, which could in turn result in our inability to maintain market leadership in certain of our products, such as commercial PCs and notebooks.

Our alliance partners in certain areas may be or may become our competitors in others. In addition, these partners also may acquire or form alliances with our competitors, which could reduce their business with us. If we are unable to effectively manage these complicated relationships with alliance partners, our business and financial results could be adversely affected.

We have faced and may continue to face aggressive price competition and may have to lower the prices of many of our products and services to stay competitive, while at the same time trying to maintain or improve our revenue and gross margin. In addition, competitors who have a greater presence in some of the lower-cost markets in which we compete, or who can obtain better pricing, more favorable contractual terms and conditions, and/or more favorable allocations of products and components during periods of limited supply, may be able to offer lower prices than we are able to offer. Our cash flows, results of operations and financial condition may be adversely affected by these and other industry-wide pricing pressures.

Industry consolidation may also affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we operate. Additionally, our competitors may affect our business by entering into exclusive arrangements with our existing or potential customers or suppliers.

Because our business model is based on providing innovative and high-quality products and services, we may spend a proportionately greater percentage of our revenues on research and development than some of our competitors. If we cannot proportionately decrease our cost structure (apart from research and development expenses) on a timely basis in response to competitive price pressures, our gross margin and profitability could be adversely affected. In addition, if our pricing and other facets of our offerings are not sufficiently competitive, or if there is negative reception to our product decisions, we may lose market share in certain areas, which could adversely affect our financial performance and business prospects.

Even if we are able to maintain or increase market share for a particular product, the financial performance of that product could decline because the product is in a maturing industry or market segment or contains technology that is becoming obsolete. Financial performance could also decline due to increased competition from other types of products, services or solutions. For example, non-original supplies (including imitation, refill or remanufactured alternatives), which are often available at lower prices, compete with our Printing Supplies business and we may not be able to prevent the use of imitation print supplies with our printers using technological protection measures.

Customers are increasingly using online and omnichannel retailers, resellers and distributors to purchase our products. These retailers, resellers and distributors often sell our products alongside competing products, including non-original supplies, or they may highlight the availability of lower cost non-original supplies. We expect this competition will continue, and it may negatively impact our financial performance, particularly if large commercial customers purchase competing products instead of HP products.

If we cannot continue to produce high-quality and secure products and services, our reputation, business and financial performance may suffer.

In the course of conducting our business, we must address quality and security issues associated with our products and services, including potential defects in our engineering, design and manufacturing processes, unsatisfactory performance under service contracts, and unsatisfactory performance or malicious acts by third-party contractors or subcontractors. Our business is also exposed to the risk of defects in third-party components included in our products, including security vulnerabilities. In order to address quality and security issues, we work extensively with our customers and suppliers and engage in product testing to determine the causes of problems and to develop and implement effective solutions. However, the products and services that we offer are complex, and our regular testing and quality control efforts may not be completely effective in controlling or detecting all quality and security issues or errors, particularly with respect to undiscovered defects or security vulnerabilities in components manufactured by third parties.

If we are unable to determine the cause or find an effective solution to address quality or security issues with our products, we may delay shipment to customers, which would delay revenue recognition and receipt of customer payments and could adversely affect our net revenue, cash flows and profitability. We have and may again in the future write off some or all of the value of non-performing inventory. In addition, after products are delivered, quality and security issues may require us to repair or replace such products. Addressing these issues can be expensive and may result in additional warranty, repair, replacement and other costs, adversely affecting our financial performance. In the event of security vulnerabilities or other issues with third-party components, we may have to rely on third parties to provide mitigation such as firmware updates. Furthermore, these mitigation techniques may be ineffective or may result in adverse performance, system instability and data loss or corruption, and are not always available on a timely or cost effective basis, or at all. If new or existing customers have difficulty operating our products or are dissatisfied with our services, our results of operations and cash flows could be adversely affected, and we have faced and could potentially continue to face legal claims if we fail to meet our customers' expectations. In addition, quality and security issues, including those resulting from defects or security vulnerabilities in third-party components, can impair our relationships with new or existing customers and adversely affect our brand and reputation, which could, in turn, adversely affect our cash flows, results of operations and financial condition.

Our operating results have historically varied and may not be indicative of future results.

Our net revenue, gross margin, profit and cash flow generation vary among our portfolio of products and services, customer groups and geographic markets and therefore will likely continue to vary in future periods. Overall gross margins and profitability in any given period are dependent on the product, service, customer and geographic mix reflected in that period's net revenue, which in turn depends on the overall demand for our products and services. Delays or reductions in spending by our customers or potential customers could have a material adverse effect on demand for our products and services, which could result in a significant decline in net revenue. In addition, net revenue declines in some of our businesses may affect net revenue in our other businesses, as we may lose cross-selling opportunities. Competition, lawsuits, investigations, increases in component and manufacturing costs that we are unable to pass on to our customers, increased tariffs, component supply disruptions and other risks affecting our businesses may also have a significant impact on our overall gross margin, profitability and cash flow. In addition, newer geographic markets can be relatively less profitable due to our investments associated with entering those markets and local pricing pressures, as well as difficulty establishing and maintaining the operating infrastructure necessary to support the high growth rate associated with some of those markets. Market trends, industry shifts, competitive pressures, commoditization of products, increased component or shipping costs, increased tariffs, regulatory impacts and other factors may result in reductions in revenue or pressure on gross margins in a given period, which may lead to adjustments to our operations. For example, our supplies business has experienced declining revenues due to declines in installed base and usage. Our efforts to address the challenges facing our business could increase the level of variability in our financial results because the rate at which we are able to realize the benefits from those efforts may vary from period to period. These factors could also make it difficult to accurately forecast revenues and operating results and could negatively affect our ability to provide accurate forecasts to suppliers and manufacturers, manage our relationships and other expenses and to make decisions about future investments.

If we fail to manage the distribution of our products and services properly, our business and financial performance could suffer.

We use a variety of distribution methods to sell our products and services around the world, including third-party resellers and distributors and both direct and indirect sales to enterprise accounts and consumers. Successfully managing our global, multi-tier distribution network including the interaction of our direct sales and indirect channel sales efforts to reach potential customer segments for our products and services is a complex process. Moreover, since each distribution method has distinct risks and gross margins, any failure to implement the most advantageous balance in the delivery model for our products and services could adversely affect our net revenue and gross margins, and therefore, our profitability and cash flows.

Our financial results could be materially adversely affected due to distribution channel conflicts or if the financial conditions of our channel partners were to weaken. Our results of operations may be adversely affected by any conflicts that might arise between our various distribution channels, the loss or deterioration of any alliance or distribution arrangement or reduced assortments of our products, if we are not able to limit the potential misuse of pricing programs by our channel partners or we fail to optimize the use of our pricing programs. Moreover, some of our distributors may have insufficient financial resources and may not be able to withstand changes in business conditions, including economic weakness, industry consolidation and market trends. They may also have difficulty selling our products under new business models. Many of our significant distributors operate on narrow margins and have been negatively affected by business pressures in the past. Trade receivables that are not covered by collateral or credit insurance are outstanding with our distribution and retail channel partners. Net revenue from indirect sales could suffer, and we could experience disruptions in distribution, if our distributors' financial conditions, abilities to borrow funds or operations weaken or if our distributors cannot successfully compete in the online or omnichannel marketplace.

Our inventory management is complex, as we continue to sell a significant mix of products through distributors. We must manage both owned and channel inventory effectively, particularly with respect to sales to distributors, which involves forecasting demand and pricing challenges (and factoring in supply chain challenges and order cancellations resulting from any pricing increases). Our forecasts may not accurately predict demand, and distributors may increase orders during periods of product shortages, cancel orders if their inventory is too high or delay orders in anticipation of new products. Distributors also may adjust their orders in response to the supply of our products and the products of our competitors and seasonal fluctuations in end-user demand. Our reliance upon indirect distribution methods, including a multi-tiered channel, may reduce our visibility into inventories, demand and pricing trends and issues, and may therefore make forecasting and managing multi-tiered channel inventory more difficult.

If we were to expand direct distribution initiatives, channel and indirect distributors could consider such initiatives in conflict with their business interests and reduce their investment in the distribution and sale of our products, or cease all sales of our products. Sales of our products by channel partners to unauthorized resellers or unauthorized resale of our products has and could continue to make our forecasting and channel inventory management more difficult and impact pricing in the market. For example, in the past we have had channel partners sell products outside of their agreed territory, and misrepresent sales to unauthorized resellers as sales to end-users, frustrating our efforts to estimate channel inventory or maintain consistent pricing, and negatively impacting gross margins. Moreover, our use of indirect distribution channels may limit our willingness or ability to adjust prices quickly and otherwise to respond to pricing changes by competitors. In addition, factors in different markets may cause differential discounting between the geographies where our products are sold, which makes it difficult to achieve global consistency in pricing and creates the opportunity for grey marketing.

In addition, we depend on our global channel partners to comply with applicable legal and regulatory requirements. To the extent they fail to do so, such failure could have a material adverse effect on our business, operating results, cash flows and financial condition.

Our uneven sales cycle makes planning and inventory management difficult and future financial results less predictable.

Our quarterly sales often have reflected a pattern in which a disproportionate percentage of each quarter's total sales occurs towards the end of the quarter. This uneven sales pattern makes predicting net revenue, earnings, cash flow from operations and working capital for each financial period difficult, increases the risk of unanticipated variations in our quarterly results and financial condition, and places pressure on our inventory management and logistics systems. If predicted demand is substantially greater than orders, there may be excess inventory. Alternatively, if orders substantially exceed predicted demand, we may not be able to fulfill all of the orders received in each quarter and such orders may be canceled by the customer. Depending on when they occur in a quarter, developments such as a systems failure, component pricing movements, component shortages, supply disruptions or logistics challenges could adversely impact our inventory levels, our results of operations and cash flows in a manner that is disproportionate to the number of days in the quarter affected.

We experience seasonal trends in the sale of our products that may produce variations in our quarterly results and financial condition. For example, sales to governments (particularly, sales to the U.S. government) are often stronger in the third calendar quarter, and many customers whose fiscal year is the calendar year spend their remaining capital budget authorizations in the fourth calendar quarter. Consumer sales are often higher in the fourth calendar quarter due in part to seasonal holiday demand, and typically it has been our strongest quarter by revenues. European sales are often weaker during the summer months. Demand during the spring and early summer may also be adversely impacted by market anticipation of seasonal trends. However, historical seasonal patterns may not continue in the future and such patterns have been and may continue to be impacted by increasing supply constraints, shifts in customer behavior and the evolving impacts of the COVID-19 pandemic. Moreover, to the extent that we introduce new products in anticipation of seasonal demand trends, our discounting of existing products may adversely affect our gross margins. Many of the factors that create and affect seasonal trends are beyond our control.

We may not be able to execute acquisitions, divestitures and other significant transactions successfully.

As part of our business strategy, we may acquire companies or businesses, divest businesses or assets, enter into strategic alliances and joint ventures, and make investments to further our business. Risks associated with these transactions include the following, any of which could adversely affect our revenue, gross margin, profitability, cash flows and financial condition:

— We may not fully realize the anticipated benefits of any particular transaction, in the timeframe we expected or at all, such transaction may be less profitable than anticipated or unprofitable, we may not identify all factors to estimate accurately our costs, timing or other matters, and realizing the benefits of a particular transaction may depend upon competition, market trends, additional costs or investments and the actions of advisors, suppliers or other third parties.
— Certain transactions have resulted, and in the future may result, in significant costs and expenses, including those related to compensation and benefit costs, goodwill and impairment charges, charges from the elimination of duplicative facilities and contracts, inventory adjustments, assumed litigation and other liabilities, advisory fees, and required payments to executive officers and key employees under retention plans.
— Our due diligence process may fail to identify significant issues with the acquired company's product quality, financial disclosures, accounting practices or internal controls, including as a result of being dependent on the veracity and completeness of statements and disclosures made or actions taken by third parties.
— In order to finance a transaction, we may issue common stock (potentially creating dilution) or borrow additional debt.
— These transactions could adversely impact our effective tax rate.
— These transactions may lead to litigation.
— If we fail to identify, successfully complete and integrate transactions that further our strategic objectives, we may be required to expend resources to develop products, services and technology internally, which may put us at a competitive disadvantage

If there are future decreases in our stock price or significant changes in the business climate or results of operations of our reporting units, we may incur additional charges, which may include impairment charges.

As part of our business strategy, we regularly evaluate the potential disposition of assets and businesses that may no longer help us meet our objectives. When we decide to sell assets or a business, we may have difficulty finding buyers or alternative exit strategies on acceptable terms in a timely manner, which could delay the achievement of our strategic objectives. We may also dispose of a business at a price or on terms that are less desirable than we had anticipated. In addition, we may experience fewer synergies than expected, and the impact of the divestiture on our revenue growth may be larger than projected. After reaching an agreement for the acquisition or disposition of a business, we are subject to satisfaction of pre-closing conditions as well as necessary regulatory and governmental approvals on acceptable terms, which, if not satisfied or obtained, may prevent us from completing the transaction. Such regulatory and governmental approvals may be required in jurisdictions around the world, and any delays in the timing of such approvals could materially delay or prevent the transaction.

Integrating acquisitions may be difficult and time-consuming. Any failure by us to integrate acquired companies, products or services into our overall business in a timely manner could harm our financial results, business and prospects.

To pursue our strategy successfully, we have to identify candidates for and successfully complete business combination and investment transactions, some of which may be large or complex, and manage post-closing issues such as the integration of acquired businesses, products, services or employees. Integrations involve significant challenges and are often time-consuming and expensive and, without proper planning and implementation, could significantly disrupt our business and the acquired business. These challenges include successfully combining product and service offerings; entering or expanding into markets; retaining key employees; integrating employees, facilities, technology, products, processes, operations (including supply and manufacturing operations), sales and distribution channels, business models and business systems; and retaining customers and distributors.

We may not achieve some or all of the expected benefits of our restructuring plan and our restructuring may adversely affect our business.

We have undertaken and may undertake in the future restructuring plans in order to realign our cost structure due to the changing nature of our business and to achieve operating efficiencies that we expect to reduce costs. For example, we began implementing the 2020 restructuring plan in the fourth quarter of fiscal 2019 and expect to complete the restructuring by the end of fiscal 2022. Implementation of any restructuring plan may be costly and disruptive to our business, and we may not be able to obtain the estimated workforce reductions within the projected timing or at all, or obtain the cost savings and operational improvements that were initially anticipated. We currently plan to invest a portion of the savings from our 2020 restructuring plan across our businesses, including investing to build our digital capabilities. If we are unable to obtain the anticipated cost savings, our ability to make those investments, realize operational improvements and execute our strategy may be negatively impacted. Additionally, as a result of restructuring initiatives, we may experience a loss of continuity, loss of accumulated knowledge and/or inefficiency, loss of key employees and/or other retention issues during transitional periods. Restructuring can require a significant amount of time and focus, which may divert attention from operating and growing our business. If we fail to achieve some or all of the expected benefits of restructuring, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows. For more information about our 2020 restructuring plan, see Note 3 to our Consolidated Financial Statements in Item 8.

Our financial performance may suffer if we cannot develop, obtain, license or enforce the intellectual property rights on which our businesses depend.

We rely upon patent, copyright, trademark, trade secret and other intellectual property ("IP") laws in the United States, similar laws in other countries, and agreements with our employees, customers, suppliers and other parties, to establish and maintain IP rights in the products and services we sell, provide or otherwise use in our operations. However, our IP rights could be challenged, invalidated, infringed or circumvented, or such IP rights may not be sufficient to permit us to take advantage of current market trends or to otherwise provide competitive advantages, either of which could result in costly product redesign efforts, discontinuance of certain product offerings or other harm to our competitive position. For example, the enforcement of our IP rights for InkJet printer supplies against infringers may be successfully challenged or our IP rights may be successfully circumvented. In addition, we may choose to not apply for patent protection or may fail to apply for patent protection in a timely fashion. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States. Therefore, in certain jurisdictions we may be unable to protect our proprietary technology adequately against unauthorized third-party copying or use, which could adversely affect our ability to sell products or services and our competitive position.

In connection with the Separation, Hewlett-Packard Company allocated to each of Hewlett Packard Enterprise and HP the IP assets relevant to their respective businesses. The terms of the Separation also include cross-licenses and other arrangements to provide for certain ongoing use of IP in the existing operations of both businesses. As a result of the allocation of IP as part of the Separation, we no longer own IP allocated to Hewlett Packard Enterprise and our resulting IP ownership position could adversely affect our position and options relating to patent and trademark enforcement, patent licensing and cross-licensing, our ability to sell our products or services, our competitive position in the industry and our ability to enter new product markets.

Our products and services depend in part on IP and technology licensed from third parties.

Certain of our businesses and products rely on key technologies developed or licensed by third parties. We may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms, or such third parties may demand cross-licenses to our IP. Third-party components may become obsolete, defective or incompatible with future versions of our products, our relationship with the third party may deteriorate, or our agreements may expire or be terminated. We may face legal or business disputes with licensors that may threaten or lead to the disruption of inbound licensing relationships. In order to remain in compliance with the terms of our licenses, we must monitor and manage our use of third-party components, including both proprietary and open source license terms that may require the licensing or public disclosure of our IP without compensation or on undesirable terms. Additionally, some of these licenses may not be available to us in the future on terms that are acceptable or that allow our product offerings to remain competitive. Our inability to obtain licenses or rights on favorable terms could have a material effect on our business, including our financial condition, cash flows and results of operations. In addition, it is possible that as a consequence of a merger or acquisition, third parties may obtain licenses to some of our IP rights or our business may be subject to certain restrictions that were not in place prior to such transaction. Because the availability and cost of licenses from third parties depends upon the willingness of third parties to deal with us on the terms we request, there is a risk that third parties who license to our competitors will either refuse to license to us or refuse to license to us on terms equally favorable to those granted to our competitors. Consequently, we may lose a competitive advantage with respect to these IP rights or we may be required to enter into costly arrangements in order to terminate or limit these rights. Finally, we may rely on third parties to enforce certain IP rights.

Third-party claims of IP infringement are commonplace in our industry and may limit or disrupt our ability to sell our products and services.

Third parties have in the past claimed, and may in the future claim, that we or customers indemnified by us are infringing upon their IP rights. For example, patent assertion entities may purchase IP assets for the purpose of asserting claims of infringement and attempting to extract settlements and we have seen trends towards assertions of patents originally assigned to operating companies with significant R&D investments and patents asserted against standards-based technology. If we cannot or do not license allegedly infringed IP at all or on reasonable terms, or if we are required to substitute technology from another source, our operations could be adversely affected. Even if we believe that IP claims are without merit, they can be time-consuming and costly to defend against and may divert management's attention and resources away from our business. Claims of IP infringement also might require us to redesign affected products, enter into costly settlements or license agreements, pay damage awards, or face a temporary or permanent injunction prohibiting us from importing, marketing or selling certain products. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable or unwilling to fulfill its contractual obligations to us. Additionally, claims of IP infringement may adversely impact our brand and reputation and imperil new and existing customer relationships.

Our results of operations and cash flows have been and could continue to be affected by the imposition, accrual and payment of copyright levies or similar fees. In certain countries (primarily in Europe), proceedings are ongoing or have been concluded in which groups representing copyright owners seek to impose upon and collect from us levies upon IT equipment (such as PCs and printers) alleged to be copying devices under applicable laws. Other groups have also sought to modify existing levy schemes to increase the amount of the levies that can be collected from us. Some European countries are expected to implement legislation to introduce or extend existing levy schemes to digital devices. The total amount of the copyright levies will depend on the types of products determined to be subject to the levy, the number of units of those products sold during the period covered by the levy, and the per unit fee for each type of product, all of which are affected by several factors, including the outcome of ongoing litigation involving us and other industry participants and possible action by legislative bodies, and could be substantial. Consequently, the ultimate impact of these copyright levies or similar fees, and our ability to recover such amounts through increased prices, remains uncertain.

System security risks, data protection breaches, cyberattacks, system outages and systems integration issues could disrupt our internal operations or services provided to customers, and could reduce our revenue, increase our expenses, damage our reputation and adversely affect our cash flows and stock price.

We are exposed to attacks from individuals and organizations, including malicious computer programmers and hackers, state-sponsored organizations, nation-states or other bad actors, seeking to penetrate our network security and misappropriate or compromise our confidential information or that of third parties, create system disruptions or cause shutdowns. Such attacks may involve the deployment of viruses, worms, ransomware and other malicious software programs that attack our products or otherwise exploit security vulnerabilities, or attempt to fraudulently induce our employees, customers, or others to disclose passwords, other sensitive information or provide access to our systems or data. In addition, sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain defects or vulnerabilities in design or manufacture, including "bugs" that could unexpectedly interfere with the operation of the product. Breaches of our facilities, network, or data security could disrupt the security of our systems and business applications, impair our ability to provide services to our customers and protect the privacy of their data, result in product development delays, compromise confidential or technical business information, harm our reputation or competitive position, result in theft or misuse of our IP or other assets, require us to allocate more resources to improve technologies, or otherwise adversely affect our business. Additionally, the costs to combat cyber or other security threats can be significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede our sales, manufacturing, distribution or other critical functions. Media or other reports of perceived security vulnerabilities in our network security, regardless of their immediacy or accuracy, could adversely impact our brand and reputation and materially affect our business. While we have developed and implemented security measures and internal controls designed to protect against cyber and other security threats, such measures cannot provide absolute security and may not be successful in preventing future security breaches. Moreover, these threats are constantly evolving, thereby making it more difficult to successfully defend against them or to implement adequate preventative measures. We may not have the current capability to detect certain vulnerabilities, which may allow those vulnerabilities to persist in our systems over long periods of time. In the past, we have experienced data security incidents resulting from unauthorized access to or use of our systems or those of third parties, which to date, have not had a material impact on our operations; however, there is no assurance that such impact will not be material in the future. As a result of the COVID-19 pandemic, remote work and remote access to our systems has increased significantly, which also increases our cybersecurity attack surface. We have also seen an increase in cyberattack volume, frequency, and sophistication driven by the global enablement of remote workforces. Our products and services are potentially vulnerable to additional known or unknown threats.

Because we process proprietary information and sensitive or confidential data relating to our business and our customers, breaches of our security measures or accidental loss, inadvertent disclosure or unapproved dissemination of such data can expose us, our customers, or the individuals affected to a risk of loss, alteration or misuse of such information. A breach could also damage our brand and reputation or otherwise harm our business, and could result in government enforcement actions, litigation and potential liability for us. For example, the European Union's General Data Protection Regulation ("GDPR") imposes a data protection compliance regime with severe penalties and China has recently adopted new privacy and security laws. In the United States, California has adopted, and several other states are now considering adopting, laws and regulations imposing varying obligations regarding the handling of personal data, which could result in increased compliance costs. Additionally, we could lose existing or potential customers or incur significant expenses in connection with our customers' system failures or any actual or perceived security vulnerabilities in our products and services. In addition, the cost and operational consequences of implementing new data protection measures could be significant.

Portions of our IT infrastructure, including those provided by third parties, may experience interruptions, outages, delays or cessations of service or may produce errors in connection with systems integrations, migration work or other causes, which could result in business disruptions and the process of remediating them could be more expensive, time-consuming, disruptive and resource intensive than planned. Such disruptions could adversely impact our ability to fulfill orders and respond to customer requests and interrupt other processes. Delayed sales, lower margins or lost customers resulting from these disruptions could reduce our revenue, increase our expenses, damage our reputation and adversely affect our cash flows and stock price.

Our business and financial performance could suffer if we do not manage the risks associated with our services businesses properly.

The risks that accompany our services businesses differ from those of our other businesses. For example, the success of our services business (such as our managed print services, digital services and other workforce solutions in both Printing and Personal Systems) depends to a significant degree on attracting, retaining, and maintaining or increasing the level of revenues from our customers. Our standard services agreements are generally renewable at a customer's option and/or subject to cancellation rights, with or without penalties for early termination. We may not be able to retain or renew services contracts with our customers, or our customers may reduce the scope of the services they contract for. Factors that may influence contract termination, non-renewal or reduction include business downturns, dissatisfaction with our services or products, our retirement or lack of support for our services, our customers selecting alternative technologies, the cost of our services as compared to our competitors, general market conditions, or other reasons. We may not be able to replace the revenue and earnings from lost customers or reductions in services. While our services agreements may include penalties for early termination, these penalties may not fully cover our investments in these businesses. Our customers could also delay or terminate implementations or use of our services or choose not to invest in additional services from us in the future. In addition, the pricing and other terms of certain services agreements require us to make estimates and assumptions at the time we enter into these contracts that could differ from actual results. Any increased or unexpected costs or unanticipated delays in connection with the performance of these contracts, which may increase as services become more customized, could make these agreements less profitable or unprofitable, which could have an adverse effect on the product margin of our services business. As a result, we may not generate the revenues, profits or cash flows we may have anticipated from our services business within the expected timelines, if at all.

In order to be successful, we must attract, retain, train, motivate, develop and transition key employees, and failure to do so could seriously harm us.

In order to be successful, we must attract, hire, retain, train, motivate, develop, and deploy qualified executives, engineers, technical staff and other key employees. Identifying, developing internally or hiring externally, training and retaining qualified executives, engineers and qualified sales representatives are critical to our future, and competition for experienced employees in the technology industry can be intense. In order to attract and retain executives and key employees, we must provide competitive compensation, including cash- and equity-based compensation. Our equity-based incentive awards may contain conditions relating to our stock price performance and our long-term financial performance that make the future value of those awards uncertain. If we reduce, modify or eliminate our equity programs or fail to grant equity competitively or equitably or if the anticipated value of equity-based incentive awards do not materialize or equity-based compensation otherwise ceases to be viewed as a valuable benefit, we may have difficulty attracting and retaining top talent. There may also be a risk that we will be unable to achieve our diversity, equity and inclusion objectives, which could adversely impact our workplace culture and our ability to hire and retain talent, as well damage our reputation with stockholders, customers and other stakeholders. Additionally, changes in immigration policies may impair our ability to recruit and hire technical and professional talent globally. A failure to successfully hire or retain top talent could have a significant impact on our business continuity and operations. Further, changes in our management team may be disruptive to our business, and any failure to successfully transition and assimilate key new hires or promoted employees could adversely affect our business and results of operations. Moreover, as social and economic conditions evolve due to the COVID-19 pandemic, current and prospective employees may seek new or different opportunities based on factors such as benefits, mobility and flexibility that are different from what we offer, making it difficult to attract and retain talent.

Some anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Certain provisions in our certificate of incorporation and bylaws and the Delaware General Corporation Law may discourage, delay or prevent changes of control of HP judged as undesirable by our Board of Directors. These provisions include: authorizing blank check preferred stock, which we could issue with voting, liquidation, dividend and other rights superior to our common stock; limiting the liability of, and providing indemnification to, our directors and officers; specifying that our stockholders may take action only at a duly called annual or special meeting of stockholders and otherwise in accordance with our bylaws and limiting the ability of our stockholders to call special meetings; requiring advance notice of proposals by our stockholders for business to be conducted at stockholder meetings and for nominations of candidates for election to our Board of Directors; and controlling the procedures for our Board of Directors and stockholder meetings, and election, appointment and removal of our directors.

These provisions could deter or delay hostile takeovers, proxy contests and changes in control or our management or limit the opportunity for our stockholders to receive a premium for their shares of our stock.

Macroeconomic, Industry and Financial Risks

Global, regional and local economic weakness and uncertainty could adversely affect our business and financial performance.

Our business and financial performance depend on worldwide economic conditions and the demand for technology products and services in the markets in which we compete. Ongoing economic weakness, uncertainty in markets throughout the world and other adverse economic conditions, including inflation, have resulted, and may result in the future, in decreased net revenue, gross margin, earnings, growth rates or cash flows and in increased expenses and difficulty in managing inventory levels and accurately forecasting revenue, gross margin, cash flows and expenses. Ongoing U.S. federal government spending limits may continue to reduce demand for our products and services from organizations that receive funding from the U.S. government, and could negatively affect macroeconomic conditions in the United States, which could further reduce demand for our products and services. Political developments impacting international trade, trade disputes and increased tariffs, particularly between the United States and China, may negatively impact markets and cause weaker macroeconomic conditions or drive political or national sentiment, weakening demand for our products and services.

Prolonged or more severe economic weakness and uncertainty could also cause our expenses to vary materially from our expectations. Any financial turmoil affecting the banking system and financial markets or any significant financial services institution failures could negatively impact our treasury operations, as the financial condition of such parties may deteriorate rapidly and without notice. Poor financial performance of asset markets combined with lower interest rates and the adverse effects of fluctuating currency exchange rates could lead to higher pension and post-retirement benefit expenses. Interest and other expenses could vary materially from expectations depending on changes in interest rates, borrowing costs, currency exchange rates, costs of hedging activities and the fair value of derivative instruments. There is uncertainty regarding the timing of the discontinuation, modification or reform of LIBOR and other interest rate benchmarks and the implementation of alternative reference rates, including the secured overnight financing rate or SOFR. Any such discontinuation, modification or reform could result in an increase in our interest expense or make our interest expense more volatile. Economic downturns also may lead to future restructuring actions and associated expenses.

Due to the international nature of our business, political or economic changes, uncertainty or other factors could harm our business and financial performance.

Approximately 65% of our net revenue for fiscal year 2021 came from outside the United States. In addition, a portion of our business activity is being conducted in emerging markets. Our future business and financial performance could suffer due to a variety of international factors, including:

— ongoing instability or changes in a country's or region's economic, regulatory or political conditions, including inflation, recession, interest rate fluctuations, changes or uncertainty in fiscal or monetary policy, actual or anticipated military or political conflicts, health emergencies or pandemics (such as the COVID-19 pandemic) or Brexit and its impact;

— longer collection cycles and financial instability among customers;

— the imposition by governments of additional taxes, tariffs or other restrictions on foreign trade or changes in restrictions on trade between the United States and other countries, including China;

— trade and other policies, laws and regulations affecting production, shipping, pricing and marketing of products, including policies adopted by the United States or other countries that may champion or otherwise favor domestic companies and technologies over foreign competitors or other country localization requirements;

— political or nationalist sentiment impacting global trade, including the willingness of non-U.S. consumers to purchase goods or services from U.S. corporations;

- managing a geographically dispersed workforce and local labor conditions and regulations, including labor issues faced by specific suppliers and Original Equipment Manufacturers ("OEMs"), or changes to immigration and labor law which may adversely impact our access to technical and professional talent;
- changes or uncertainty in the international, national or local regulatory and legal environments, including tax laws and antitrust laws;
- differing technology standards, customer requirements or levels of protection of intellectual property;
- import, export or other business licensing requirements or requirements relating to making foreign direct investments, which could increase our cost of doing business in certain jurisdictions, prevent us from shipping products to particular countries or markets, affect our ability to obtain favorable terms for components, increase our operating costs or lead to penalties or restrictions;
- stringent privacy and data protection policies, such as the GDPR;
- compliance with the U.S. Foreign Corrupt Practices Act, U.S. export control and trade sanction laws, and similar anti-corruption and international trade laws, and adverse consequences, such as fines or other penalties, for any failure to comply; and
- fluctuations in freight costs, limitations on shipping and receiving capacity, and other disruptions in the transportation and shipping infrastructure at important geographic points for our products and shipments.

The factors described above also could disrupt our product and component manufacturing and key suppliers located outside of the United States and our supply chain. For example, we rely on manufacturers in Taiwan for the production of notebook computers and other suppliers in Asia for product assembly and manufacture.

We are exposed to fluctuations in foreign currency exchange rates, which could adversely impact our results.

Currencies other than the U.S. dollar, including the euro, the British pound, Chinese yuan (renminbi) and the Japanese yen, can have an impact on our results as expressed in U.S. dollars. Global economic events, including trade disputes, economic sanctions and emerging market volatility, and the resulting uncertainty, may cause currencies to fluctuate, which may contribute to variations in sales of our products and services in impacted jurisdictions. Because a majority of our revenues are generated outside the United States, fluctuations in foreign currency exchange rates could adversely affect our net revenue growth in future periods. In addition, currency variations can adversely affect margins on sales of our products in countries outside of the United States and products that include components obtained from suppliers located outside of the United States. From time to time, we may use forward contracts and/or options designated as cash flow hedges to protect against foreign currency exchange rate risks. Our hedging strategies may be ineffective or may not offset any or more than a portion of the adverse financial impact resulting from currency variations. Losses associated with hedging activities also may impact our revenue, financial condition, cash flows and, to a lesser extent, our cost of sales.

Business disruptions could seriously harm our future revenue, cash flows and financial condition and increase our costs and expenses.

Our worldwide operations could be disrupted by earthquakes, telecommunications failures, manufacturing equipment failures, cybersecurity incidents, power or water shortages, natural disasters, fires, extreme weather conditions (whether as a result of climate change or otherwise) such as those described in "Climate change may have a long-term impact on our business" below, medical epidemics or pandemics (such as COVID-19) and other natural or man-made disasters or catastrophic events, for which we are predominantly self-insured. Terrorist acts, conflicts or wars, for which we are predominantly uninsured, may also disrupt our worldwide operations. The occurrence of any of these business disruptions could result in significant losses, seriously harm our revenue, profitability, cash flows and financial condition, adversely affect our competitive position, increase our costs and expenses, require substantial expenditures and recovery time in order to fully resume operations, make it difficult or impossible to provide services or deliver products to our customers or to receive components from our suppliers, create delays and inefficiencies in our supply chain and/or result in the need to impose employee travel restrictions. Our corporate headquarters and a portion of our research and development activities are located in California, and other critical business operations and some of our suppliers are located in California and Asia, near major earthquake faults known for seismic activity. The manufacture of product components, the final assembly of our products and other critical operations are concentrated in certain geographic locations that may be vulnerable to such natural disasters. We also rely on major logistics hubs primarily in Asia to manufacture and distribute our products, and primarily in the southwestern United States to import products into North and South America. Our operations and those of our significant suppliers and distributors could be adversely affected if manufacturing, logistics, or other operations in these locations are disrupted for any reason, such as those described above or other economic, business, labor, environmental, public health, regulatory or political reasons. The ultimate impact on us, our significant suppliers, our distributors and our general infrastructure, which may be located near areas more vulnerable to the occurrence of the aforementioned business disruptions and which is consolidated in certain geographical areas, is unknown and remains uncertain. Even if our operations are unaffected or recover quickly, if our customers cannot timely resume their own operations due to a catastrophic event, they may reduce or cancel their orders, or these events could otherwise result in a decrease in demand for our products, which may adversely affect our financial performance.

Climate change may have a long-term impact on our business.

There are inherent climate-related risks wherever our business is conducted. Changes in market dynamics, stakeholder expectations, local, national and international climate change policies, and the frequency and intensity of extreme weather events on critical infrastructure in the United States and abroad, all have the potential to disrupt our business and operations. Such events could result in a significant increase in our costs and expenses and harm our future revenue, cash flows and financial performance. Global climate change is resulting, and may continue to result, in certain natural disasters and adverse weather, such as drought, wildfires, storms, sea-level rise, and flooding, occurring more frequently or with greater intensity, which could cause business disruptions and impact employees' abilities to commute or to work from home effectively. For example, the increasing intensity of droughts, wildfires or extreme weather conditions at our office locations increase the probability of planned power outages. Government failure to address climate change in line with the Paris Agreement could result in greater exposure to economic and other risks from climate change and impact our ability to achieve our climate goals. In addition, failure or perception of failure to achieve our goals (including as a result of governmental inaction) with respect to reducing our impact on the environment or perception of a failure to act responsibly with respect to the environment or to effectively respond to regulatory requirements concerning climate change could lead to adverse publicity, resulting in an adverse effect on our business or damage to our reputation.

Failure to maintain our credit ratings could adversely affect our liquidity, capital position, borrowing costs and access to capital markets.

Our credit risk is evaluated by the major independent rating agencies. Past downgrades of Hewlett-Packard Company's ratings increased the cost of borrowing under our credit facilities and reduced market capacity for our commercial paper. Future downgrades could have the same effect, and could also require the posting of additional collateral under some of our derivative contracts. We cannot be assured that we will be able to maintain our current credit ratings, and any additional actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, may impact us in a similar manner and may have a negative impact on our liquidity, capital position and access to capital markets.

Our debt obligations could adversely affect our business and financial condition.

In addition to our current total debt, we may also incur additional indebtedness in the future. Our debt level and related debt service obligations could have the effect, among other things, of reducing our flexibility to respond to changing business and economic conditions, and reducing funds available for working capital, capital expenditures, dividend repayments, acquisitions, and other general corporate purposes. Our indebtedness increases our vulnerability to general adverse economic and industry conditions. We may also be required to raise additional financing for working capital, capital expenditures, debt service obligations, debt refinancing, future acquisitions or for other general corporate purposes, which will depend on, among other factors, our financial position and performance, as well as prevailing market conditions and other factors beyond our control, and could be adversely impacted by our debt level. Consequently, we may not be able to obtain additional financing or refinancing on terms acceptable to us, or at all, which could adversely impact our ability to service our outstanding indebtedness or to repay our outstanding indebtedness as it becomes due and could adversely impact our business and financial condition.

We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long-term stockholder value.

We have adopted a share repurchase program under which we are authorized to repurchase our common stock. The repurchase program does not have an expiration date and we are not obligated to repurchase a specified number or dollar value of shares under our share repurchase program. Our repurchase program may be suspended or terminated at any time. Even if our share repurchase program is fully implemented, it may not enhance long-term stockholder value. Also, the amount, timing, and execution of our share repurchase program may fluctuate based on our priorities for the use of cash for other purposes and because of changes in cash flows, tax laws, and the market price of our common stock.

We make estimates and assumptions in connection with the preparation of our Consolidated Financial Statements, and any changes to those estimates and assumptions could adversely affect our results of operations.

In connection with the preparation of our Consolidated Financial Statements, we use certain estimates and assumptions based on historical experience and other factors. Our most critical accounting estimates are described in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this report. For example, we make significant estimates and assumptions when accounting for revenue recognition, taxes on earnings and restructuring and other charges. In addition, as discussed in Note 14 to the Consolidated Financial Statements, we make certain estimates, including decisions related to provisions for legal proceedings and other contingencies. We also estimate sales and marketing program incentives based on a number of factors including historical experience, expected customer behavior and market conditions. These estimates and assumptions are subject to significant uncertainties, some of which are beyond our control. Should any of these estimates and assumptions change or prove to have been incorrect, it could adversely affect our results of operations and financial condition.

Legal and Regulatory Risks

Our business is subject to various federal, state, local and foreign laws and regulations that could result in costs or other sanctions that adversely affect our business and results of operations and cash flows.

We are subject to various federal, state, local and foreign laws and regulations. There can be no assurance that such laws and regulations will not be changed in ways that will require us to modify our business models and objectives or affect our returns on investments by restricting existing activities and products, subjecting them to escalating costs or increased restrictions or prohibiting them outright. In particular, we face increasing complexity in our product design and procurement operations as we adjust to new and future requirements relating to the chemical and materials composition of our products, their safe use, the energy consumption associated with those products, climate change laws and regulations, and product repairability, reuse and take-back legislation. In addition, there are existing and proposed legislation related to environmental and social responsibility for our operations, supply chain partners, and our products and services. Noncompliance with these laws and regulations could result in substantial costs or other penalties, which may include restrictions on our products entering certain jurisdictions. We could also face significant compliance and operational burdens and incur significant costs in our efforts to comply with or rectify non-compliance with these laws or regulations, such as privacy regulations. In addition, these laws or regulations could result in loss of market access or limit offerings in those markets. Such burdens or costs may result in an adverse effect on our financial condition and results of operations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage, personal injury claims and clean-up costs. Further, liability under some environmental laws relating to contaminated sites can be imposed retroactively, on a joint and several basis, and without any finding of noncompliance or fault. The amount and timing of costs to comply with environmental laws are difficult to predict. Moreover, we are expected to become increasingly subject to laws, regulations and international treaties relating to climate change, such as carbon pricing or product energy efficiency requirements. As these new laws, regulations, treaties and similar initiatives and programs are adopted and implemented, we will be required to comply or potentially face market access limitations or other sanctions, including fines.

We are subject to risks associated with litigation and regulatory proceedings.

We face legal claims or regulatory matters involving stockholder, consumer, competition, commercial, IP, employment, and other issues on a global basis. There is an increasingly active litigation and regulatory environment, including but not limited to employment and patent-monetization claims in the United States and litigation and regulatory matters focused on consumer protection, privacy, and competition regulation globally. As described in Note 14, "Litigation and Contingencies" to the Consolidated Financial Statements in Item 8, we are engaged in a number of litigation and regulatory matters that may have a material adverse impact on our business, financial condition, cash flows or results of operations, if decided adversely to or settled by us. Litigation and regulatory proceedings are inherently uncertain, and adverse rulings have occurred and may occur, including awards of monetary damages, imposition of fines, issuance of injunctions or cease-and-desist orders directing us to cease engaging in certain business practices, cease manufacturing or selling certain products, requiring the compulsory licensing of patents, or requiring other remedies. An unfavorable outcome may result in a material adverse impact on our business, financial condition, cash flows or results of operations. In addition, regardless of the outcome, litigation and regulatory proceedings can be costly, time-consuming, disruptive to our operations, and distracting to management.

Failure to comply with our customer and partner contracts or government contracting regulations could adversely affect our business and financial performance.

Our contracts with our customers may include unique and specialized performance requirements. In particular, our contracts with federal, state, provincial and local governmental customers are subject to procurement regulations, contract provisions and other specific requirements relating to their formation, administration and performance. Any failure by us to comply with the specific provisions in our customer contracts or any violation of government contracting regulations could result in the imposition of civil and criminal penalties, which may include termination of contracts, forfeiture of profits, suspension of payments and, in the case of our government contracts, fines and suspension from future government contracting. Such failures could also cause reputational damage to our business and affect our ability to compete for new contracts. Additionally, some of our agreements with governmental customers may be subject to periodic funding approval. Funding reductions or delays could adversely impact public sector demand for our products and services. If our customer contracts are terminated, if we are suspended or disbarred from government work, or if our ability to compete for new contracts is adversely affected, our financial performance could suffer. Our partner contracts also contain terms relating to new partner business models and tools creation that could raise issues for which laws or regulations are currently changing or emerging. This could affect us in ways that are not currently fully known or measurable.

Changes in our tax provisions, adverse tax audits, the adoption of new tax legislation, or exposure to additional tax liabilities could have a material impact on our financial performance.

We are subject to income and other taxes in the United States and approximately 60 other countries, and we are subject to routine corporate income tax audits in many of these jurisdictions. We believe that the positions taken on our tax returns are fully supported, but tax authorities may challenge these positions, and our positions may not be fully sustained on examination by the relevant tax authorities. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision, and, we believe we have provided adequate reserves for all tax deficiencies or reductions in tax benefits that could reasonably result from an audit. Our accrual for uncertain tax positions is attributable primarily to uncertainties concerning the tax treatment of our domestic operations, including the allocation of income among different jurisdictions, intercompany transactions, pension and related interest. We adjust our uncertain tax positions to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular audit. Determining the appropriate provision for potential deficiencies or reductions in in tax benefits that could reasonably result from an audit requires management judgments and estimates, and income tax audits are inherently unpredictable. We may not accurately predict the outcomes of these audits, and the amounts ultimately paid upon resolution of audits could be materially different from the amounts previously included in our income tax provision and, therefore, could have a material impact on our income tax provision, net income and cash flows.

Our effective tax rate in the future could be adversely affected by changes to our operating structure, changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or in their interpretation or enforcement. In addition, changes in tax law and regulation in the U.S. or elsewhere could significantly impact our tax rate, the carrying value of deferred tax assets, or our deferred tax liabilities. For example, the U.S. Congress has advanced a variety of tax legislation proposals, and while the final form of any legislation is uncertain, the current proposals, if enacted, could have a material effect on the Company's effective tax rate. Our effective tax rate could also be materially affected by the Organization for Economic Co-operation and Development's, the European Commission's and other certain major jurisdictions' heightened interest in and taxation of large multi-national companies.

Risks Related to the Separation

We or Hewlett Packard Enterprise may fail to perform under the transaction agreements executed as part of the Separation.

In connection with the Separation, we and Hewlett Packard Enterprise entered a separation and distribution agreement and various other agreements. The separation and distribution agreement provides for cross-indemnities between HP and Hewlett Packard Enterprise for liabilities allocated to the respective party pursuant to the terms of such agreement. If Hewlett Packard Enterprise or its successor entities (including spun off businesses to which obligations have been transferred) are unable to satisfy their obligations under these agreements, we could incur operational difficulties or losses that could have a material adverse effect on our business, financial condition, cash flows and results of operations.

ITEM 1B. Unresolved Staff Comments.

None.

ITEM 2. Properties.

As of October 31, 2021, we owned or leased approximately 18.0 million square feet of space worldwide, a summary of which is provided below.

	Fiscal year ended October 31, 2021		
	Owned	Leased	Total
	(square feet in millions)		
Administration and support	2.0	6.3	8.3
(Percentage)	24%	76%	100%
Core data centers, manufacturing plants, research and development facilities and warehouse operations	2.3	5.8	8.1
(Percentage)	28%	72%	100%
Total[1]	4.3	12.1	16.4
(Percentage)	26%	74%	100%

(1) Excludes 1.6 million square feet of vacated space, of which 1.3 million square feet is leased to third parties.

We believe that our existing properties are in good condition and are suitable for the conduct of our business. Each of our segments Personal Systems, Printing and Corporate Investments uses each of the properties at least in part, and we retain the flexibility to use each of the properties in whole or in part for each of the segments.

Principal Executive Offices

Our principal executive offices, including our global headquarters, which we lease, are located at 1501 Page Mill Road, Palo Alto, California, United States.

Headquarters of Geographic Operations

The locations of our geographic headquarters are as follows:

Americas	***Europe, Middle East, Africa***	***Asia Pacific***
Palo Alto, United States	Geneva, Switzerland	Singapore

Product Development and Manufacturing

The locations of our major product development, manufacturing, data centers and HP Labs facilities are as follows:

Americas
United States—Corvallis, San Diego, Boise, Vancouver, Spring, Fort Collins, Fountain Valley, Aguadilla, Puerto Rico

Asia Pacific
China—Weihai, Chongqing, Shanghai
India—Bangalore
Malaysia—Penang
Singapore—Singapore
South Korea—Suwon
Taiwan—Taipei

Europe, Middle East, Africa
Israel—Kiryat-Gat, Rehovot, Netanya
Spain—Barcelona

Technology office (HP Labs)
United Kingdom—Bristol
United States—Palo Alto
United States—Corvallis

ITEM 3. Legal Proceedings.

Information with respect to this item may be found in Note 14, “Litigation and Contingencies” to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

ITEM 4. Mine Safety Disclosures.

Not applicable.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is traded on the New York Stock Exchange under the symbol HPQ.

For information about dividends, see "Consolidated Statements of Stockholders' Deficit" to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

As of November 30, 2021, there were approximately 53,907 stockholders of record.

Recent Sales of Unregistered Securities

There were no unregistered sales of equity securities in fiscal year 2021.

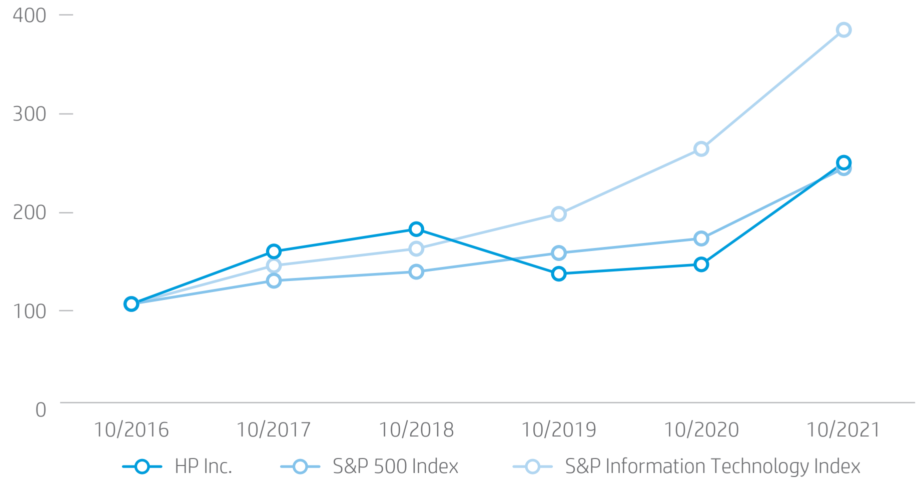
Issuer Purchases of Equity Securities

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased under the Plans or Programs
	In thousands, except per share amounts			
Period				
August 2021	17,388	$29.08	17,388	$ 7,680,048
September 2021	25,960	$28.68	25,960	$ 6,935,480
October 2021	17,667	$28.47	17,667	$ 6,432,546
Total	61,015		61,015	

The Company's share repurchase program, which does not have a specific expiration date, authorizes repurchases in the open market or in private transactions. On February 22, 2020, HP's Board of Directors increased HP's remaining share repurchase authorization to $15.0 billion in total. HP intends to repurchase shares opportunistically as part of a robust share repurchase program. HP intends to continue repurchase of shares at an elevated level of at least $4.0 billion in fiscal year 2022. All share repurchases settled in the fourth quarter of fiscal year 2021 were open market transactions. As of October 31, 2021, HP had approximately $6.4 billion remaining under the share repurchase authorizations.

Stock Performance Graph and Cumulative Total Return

The graph below shows the cumulative total stockholder return assuming the investment of $100 at the market close on October 31, 2016 (and the reinvestment of dividends thereafter) in each of HP common stock, the S&P 500 Index, and the S&P Information Technology Index. The comparisons in the graph below are based on historical data and are not indicative of, or intended to forecast, future performance of our common stock.



	10/16	10/17	10/18	10/19	10/20	10/21
HP Inc.	$100.00	$153.29	$175.88	$130.66	$140.13	$243.29
S&P 500 Index	$100.00	$123.62	$132.69	$151.69	$166.40	$237.77
S&P Information Technology Index	$100.00	$138.96	$156.05	$191.30	$257.25	$377.96

ITEM 6. [Reserved].

Data responsive to Item 6 have not been presented in accordance with amendments to Item 301 of Regulation S-K.

Management's Discussion and Analysis of Financial Condition and Results of Operations

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is organized as follows:

— *Overview.* A discussion of our business and other highlights affecting the company to provide context for the remainder of this MD&A.

— *Critical Accounting Policies and Estimates.* A discussion of accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results.

— *Results of Operations.* This section discusses the results of operations for the fiscal year ended October 31, 2021 compared to the fiscal year ended October 31, 2020. A discussion of the results of operations is followed by a more detailed discussion of the results of operations by segment. For a discussion of the fiscal year ended October 31, 2020 compared to the fiscal year ended October 31, 2019, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended October 31, 2020.

— *Liquidity and Capital Resources.* An analysis of changes in our cash flows and a discussion of our liquidity and financial condition.

— *Contractual and Other Obligations.* An overview of contractual obligations, retirement and post-retirement benefit plan contributions, cost-saving plans, uncertain tax positions and off-balance sheet arrangements.

The discussion of financial condition and results of our operations that follows provides information that will assist the reader in understanding our Consolidated Financial Statements, the changes in certain key items in those financial statements from year to year, and the primary factors that accounted for those changes, as well as how certain accounting principles, policies and estimates affect our Consolidated Financial Statements. This discussion should be read in conjunction with our Consolidated Financial Statements and the related notes that appear elsewhere in this document.

Overview

We are a leading global provider of personal computing and other access devices, imaging and printing products, and related technologies, solutions, and services. We sell to individual consumers, SMBs and large enterprises, including customers in the government, health, and education sectors. We have three reportable segments: Personal Systems, Printing and Corporate Investments. The Personal Systems segment offers commercial and consumer desktop and notebook PCs, workstations, thin clients, commercial mobility devices, retail POS systems, displays and peripherals, software, support, and services. The Printing segment provides consumer and commercial printer hardware, supplies, solutions and services. Corporate Investments include HP Labs and certain business incubation and investment projects.

— In Personal Systems, our strategic focus is on profitable growth through innovation and market segmentation. This focus is with respect to enhanced innovation in multi-operating systems, multi-architecture, geography, customer segments and other key attributes. Additionally, we are investing in endpoint services and solutions. We are focused on services, including Device as a Service, as the market begins to shift to contractual solutions, and accelerating in attractive adjacencies such as peripherals. We are driving innovation to enable productivity and collaboration with the PC becoming essential for hybrid work, learn and play. We believe that we are well positioned due to our competitive product lineup along with our recent acquisitions in peripherals and remote-computing solutions.

— In Printing, our strategic focus is on offering contractual solutions to serve consumers, SMBs and large enterprises through our Instant Ink Services, HP+ and Managed Print Services solutions, providing digital printing solutions for graphics segments and applications including commercial publishing, labels, packaging and textiles as well as expanding our footprint in 3D printing across digital manufacturing and strategic applications.

We continue to experience challenges that are representative of trends and uncertainties that may affect our business and results of operations. One set of challenges relates to dynamic market trends that may adversely impact our product mix. A second set of challenges relates to changes in the competitive landscape. Our primary competitors are exerting competitive pressure in targeted areas and are entering new markets, our emerging competitors are introducing new technologies and business models, and our alliance partners in some businesses are increasingly becoming our competitors in others. A third set of challenges relates to business model changes and our go-to-market execution in an evolving distribution and reseller landscape, with increasing online and omnichannel presence. Additional challenges we face at the segment level are set forth below.

— In Personal Systems, we face challenges with industry component availability which we expect to continue to negatively impact our ability to meet demand at least in the short-term, and a competitive environment.

— In Printing, we face challenges from a competitive environment, including non-original supplies (which includes imitation, refill, or remanufactured alternatives), and we face component constraints and other supply chain disruptions particularly in printer hardware which we expect to continue to negatively impact our ability to meet demand at least in the short-term. We also obtain many Printing components from single source due to technology, availability, price, quality or other considerations. For instance, we source the majority of our A4 and a portion of our A3 portfolio of laser printer engines and laser toner cartridges from Canon. Any decision by either party to not renew our agreement with Canon or to limit or reduce the scope of the agreement could adversely affect our net revenue from LaserJet products; however, we have a long-standing business relationship with Canon and anticipate renewal of this agreement.

In fiscal year 2022, we expect to see continued demand for both Personal Systems and Printing. We also anticipate that component shortages, manufacturing disruptions and logistics challenges will continue to impact our revenues and margins.

Our business and financial performance also depend significantly on worldwide economic conditions. Accordingly, we face global macroeconomic challenges, particularly in light of the effects of the COVID-19 pandemic as discussed below, tariff-driven headwinds, uncertainty in the markets, volatility in exchange rates and evolving dynamics in the global trade environment. The full impact of these and other global macroeconomic challenges on our business cannot be known at this time.

To address these challenges, we continue to pursue innovation with a view towards developing new products and services aligned with generating market demand and meeting the needs of our customers and partners. In addition, we continue to work on improving our operations and adapting our business models, with a particular focus on enhancing our end-to-end processes, analytics and efficiencies. We also continue to work on optimizing our sales coverage models, aligning our sales incentives with our strategic goals, improving channel execution and inventory, production and backlog management, strengthening our capabilities in our areas of strategic focus, strengthening our pricing discipline, and developing and capitalizing on market opportunities.

In October 2019, we announced cost-reduction and operational efficiency initiatives intended to simplify the way we work, move closer to our customers and facilitate specific investment in our business. These were further updated in February 2020. These efforts included transforming our operating model to integrate our sales force into a single commercial organization and reducing structural costs across the Company through our restructuring plan approved in September 2019 (the "Fiscal 2020 Plan"). We have invested and expect to invest some of the savings from these efforts across our businesses, including investing to build our digital capabilities. Over time, we expect these investments will make us more efficient and allow us to advance our positions in Personal Systems and Printing, while also disrupting new industries where we see attractive medium to long-term growth opportunities. However, the rate at which we are able to invest in our business and the returns that we are able to achieve from these investments will be affected by many factors, including the efforts to address the execution, industry and macroeconomic challenges facing our business as discussed above. As a result, we may experience delays in the anticipated timing of activities related to these efforts, and the anticipated benefits of these efforts may not materialize.

In the second year of our program, we continued to look at new cost savings opportunities and remained ahead of our $1.2 billion gross run rate structural cost reduction plan. In the third quarter of fiscal year 2021, we completed the initial deployment of our SAP S/4 HANA system, one of the largest ERP implementations. Also, as part of our end-to-end business planning and forecasting efforts, we went live with our new cloud-based platform which we believe will improve our forecasting agility as part of our digital transformation. Further, our hybrid work strategy has enabled us to accelerate our location strategy while providing a more flexible workspace. Going forward we are enabling HP's hybrid work strategy by modernizing our sites to be critical hubs for collaboration and innovation. This will also deliver savings in our real estate portfolio. For more information on our Fiscal 2020 Plan, see Note 3, "Restructuring and Other Charges", to the Consolidated Financial Statements in Item 8 of Part II of this report, which is incorporated herein by reference.

We typically experience higher net revenues in our fourth quarter compared to other quarters in our fiscal year due in part to seasonal holiday demand. Historical seasonal patterns may not continue in the future and have been impacted by increasing supply constraints, shifts in customer behavior and the evolving impacts of the COVID-19 pandemic.

Our COVID-19 Response

We continue to closely monitor the COVID-19 pandemic, including its resurgence in key markets. We will continue promoting the health, safety, and well-being of workers and their loved ones. In response to the COVID-19 pandemic, we have established a cross-functional COVID-19 program management office that reviews the latest data from our business and site leaders and identifies and addresses emerging risks and issues, and we have put in place global policies and protocols based on guidance from healthcare experts and public health leaders, which we continue to review and update. We balance our company-wide approach by assessing risk and adjusting our response at the site level, taking into consideration each country's or area's COVID-19 case trends and related measures. We have commenced a phased approach to returning our employees onsite, which included modifications to certain of our facilities as we adapt to a hybrid work environment.

The business impact of the COVID-19 pandemic has created new and different demand dynamics in the market. Our Personal Systems business benefited from the remote working and learning environment, including growth in gaming. We saw continued strong demand in Consumer PCs and mix shifts from low end to premium products in Commercial PCs in the second half of fiscal year 2021.We had seen a strong Chromebook demand in first half of the year. In Printing, Consumer print demand remained strong, and Commercial print is expected to continue its gradual improvement as more offices reopen. Also, favorable pricing including historically low promotions and incentives have contributed positively towards average selling prices ("ASPs") and gross margin in both Personal Systems and Printing. We estimate sales and marketing program incentives based on a number of factors like historical experience, expected customer behavior and market conditions. These estimates have been and may continue to be impacted by lower-than-expected incentives due to increased supply constraints, shifts in customer behavior and the evolving impact of the COVID-19 pandemic. Demand fulfillment has been and is expected to continue to be impacted by industry wide commodity and component constraints primarily integrated circuits and panels, manufacturing disruptions in Asia and logistics challenges globally, at least in short-term.

As the COVID-19 pandemic continues and new variants of the virus emerge, we are seeing a resurgence of the pandemic in key markets. We have and may experience future disruptions in supply, manufacturing and logistics, including in Asia, and with our suppliers and outsourcing partners. The full extent of the impact of the COVID-19 pandemic on our business, results of operations, cash flows and financial position will depend on many factors that are not within our control, including, but not limited to: the severity, duration and scope of the pandemic, including the impact of coronavirus mutations and resurgences; the effectiveness of actions taken to contain or mitigate the pandemic and prevent or limit any reoccurrence; the development, availability and public acceptance of effective treatments or vaccines; governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic; general economic uncertainty in key global markets and financial market volatility; global economic conditions and levels of economic growth; and the pace of recovery when the COVID-19 pandemic subsides.

Unsolicited Exchange Offer in Fiscal Year 2020

On March 2, 2020, Xerox Holdings Corporation ("Xerox") commenced an unsolicited exchange offer for all outstanding shares of HP's common stock (the "Offer"). Xerox had also previously nominated candidates for election to HP's Board of Directors at HP's 2020 annual meeting of stockholders. On March 31, 2020, Xerox announced that the Offer had been terminated and subsequently withdrew its slate of director nominees. In order to respond to Xerox's actions, HP incurred certain costs during the fiscal year ended October 31, 2020.

Oracle Corporation ("Oracle") Litigation proceeds

On October 12, 2021, Oracle paid approximately $4.65 billion, to satisfy the judgment with interest, related to the litigation in connection with Oracle's discontinuation of software support for former Hewlett-Packard Company's Itanium-based line of mission-critical servers. The net proceeds from the judgement are being shared equally between HP and Hewlett Packard Enterprise pursuant to the terms of the separation and distribution agreement. For more information, see Note 14, "Litigation and Contingencies" to the Consolidated Financial Statements in Item 8 of Part II of this report, which is incorporated herein by reference.

For a further discussion of trends, uncertainties and other factors that could impact our operating results, see the section entitled "Risk Factors" in Item 1A of Part I in this Annual Report on Form 10-K.

HP Inc. and Subsidiaries

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Critical Accounting Policies and Estimates

General

The Consolidated Financial Statements of HP are prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP"), which require management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, net revenue and expenses, and the disclosure of contingent liabilities. As of October 31, 2021, the impact of COVID-19 on our business continued to unfold. As a result, many of our estimates and assumptions required increased judgment and may carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change in future periods. Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources. Management has discussed the development, selection and disclosure of these estimates with the Audit Committee of HP's Board of Directors. Management believes that the accounting estimates employed and the resulting amounts are reasonable; however, actual results may differ from these estimates. Making estimates and judgments about future events is inherently unpredictable and is subject to significant uncertainties, some of which are beyond our control. Should any of these estimates and assumptions change or prove to have been incorrect, it could have a material impact on our results of operations, financial position and cash flows.

A summary of significant accounting policies is included in Note 1, "Overview and Summary of Significant Accounting Policies" to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably possible could materially impact the financial statements. Management believes the following critical accounting policies reflect the significant estimates and assumptions used in the preparation of the Consolidated Financial Statements.

Revenue Recognition

We recognize revenue depicting the transfer of promised goods or services to customers in an amount that reflects the consideration to which we are expected to be entitled in exchange for those goods or services. We evaluate customers' ability to pay based on various factors like historical payment experience, financial metrics and customer credit scores.

We enter into contracts to sell our products and services, and while many of our sales contracts contain standard terms and conditions, there are contracts which contain non-standard terms and conditions. Further, many of our arrangements include multiple performance obligations. As a result, significant contract interpretation may be required to determine the appropriate accounting, including the identification of performance obligations that are distinct, the allocation of the transaction price among performance obligations in the arrangement and the timing of transfer of control of promised goods or services for each of those performance obligations.

We evaluate each performance obligation in an arrangement to determine whether it represents a distinct good or services. A performance obligation constitutes distinct goods or services when the customer can benefit from the goods or services either on its own or together with other resources that are readily available to the customer and the performance obligation is distinct within the context of the contract.

Transaction price is the amount of consideration to which we expect to be entitled in exchange for transferring goods or services to the customer. If the transaction price includes a variable amount, we estimate the amount using either the expected value or most likely amount method. We reduce the transaction price at the time of revenue recognition for customer and distributor programs and incentive offerings, rebates, promotions, other volume-based incentives and expected returns. We use estimates to determine the expected variable consideration for such programs based on historical experience, expected consumer behavior and market conditions.

When a sales arrangement contains multiple performance obligations, such as hardware and/or services, we allocate revenue to each performance obligation in proportion to their selling price. The selling price for each performance obligation is based on its Standalone Selling Price ("SSP"). We establish SSP using the price charged for a performance obligation when sold separately ("observable price") and, in some instances, using the price established by management having the relevant authority. When observable price is not available, we establish SSP based on management's judgment considering internal factors such as margin objectives, pricing practices and controls, customer segment pricing strategies and the product life-cycle. Consideration is also given to market conditions such as competitor pricing strategies and technology industry life cycles. We may modify or develop new go-to-market practices in the future, which may result in changes in selling prices, impacting standalone selling price determination applying the aforementioned management judgments and estimates. This may change the pattern and timing of revenue recognition for identical arrangements executed in future periods but will not change the total revenue recognized for any given arrangement. In most arrangements with multiple performance obligations, the transaction price is allocated to each performance obligation at the inception of the arrangement based on their relative selling price.

Revenue is recognized when, or as, a performance obligation is satisfied by transferring control of a promised good or service to a customer. We generally invoice the customer upon delivery of the goods or services and the payments are due as per contract terms. For fixed-price support or maintenance and other service contracts that are in the nature of stand-ready obligations, payments are generally received in advance from customers and revenue is recognized on a straight-line basis over the duration of the contract. In instances when revenue is derived from sales of third-party vendor products or services, we record revenue on a gross basis when we are a principal in the transaction and on a net basis when we are acting as an agent between the customer and the vendor. We consider several factors to determine whether we are acting as a principal or an agent, most notably whether we are the primary obligor to the customer, have established our own pricing and have inventory and credit risks.

Warranty

We accrue the estimated cost of product warranties at the time we recognize revenue. We evaluate our warranty obligations on a product group basis. Our standard product warranty terms generally include post-sales support and repairs or replacement of a product at no additional charge for a specified period. While we engage in extensive product quality programs and processes, including actively monitoring and evaluating the quality of our component suppliers, we base our estimated warranty obligation on contractual warranty terms, repair costs, product call rates, average cost per call, current period product shipments and ongoing product failure rates, as well as specific product class failure outside of our baseline experience. Warranty terms generally range from 90 days to three years for parts, labor and onsite services, depending upon the product. If actual product failure rates or repair costs differ from estimates, revisions to the estimated warranty obligation may be required.

Retirement and Post-Retirement Benefits

Our pension and other post-retirement benefit costs and obligations depend on various assumptions. Our major assumptions relate primarily to discount rates, mortality rates, expected increases in compensation levels and the expected long-term return on plan assets. The discount rate assumption is based on current investment yields of high-quality fixed-income securities with maturities similar to the expected benefits payment period. Mortality rates help predict the expected life of plan participants and are based on a historical demographic study of the plan. The expected increase in the compensation levels assumption reflects our long-term actual experience and future expectations. The expected long-term return on plan assets is determined based on asset allocations, historical portfolio results, historical asset correlations and management's expected returns for each asset class. We evaluate our expected return assumptions annually including reviewing current capital market assumptions to assess the reasonableness of the expected long-term return on plan assets. In any fiscal year, significant differences may arise between the actual return and the expected long-term return on plan assets. Historically, differences between the actual return and expected long-term return on plan assets have resulted from changes in target or actual asset allocation, short-term performance relative to expected long-term performance, and to a lesser extent, differences between target and actual investment allocations, the timing of benefit payments compared to expectations, and the use of derivatives intended to effect asset allocation changes or hedge certain investment or liability exposures. For the recognition of net periodic benefit (credit) cost, the calculation of the expected long-term return on plan assets uses the fair value of plan assets as of the beginning of the fiscal year unless updated as a result of interim re-measurement.

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Our major assumptions vary by plan, and the weighted-average rates used are set forth in Note 4, "Retirement and Post-Retirement Benefit Plans" to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference. The following table provides the impact a change of 25 basis points in each of the weighted-average assumptions of the discount rate, expected increase in compensation levels and expected long-term return on plan assets would have had on our net periodic benefit (credit) cost for fiscal year 2021:

	Change in Net Periodic Benefit Cost in millions
Assumptions:	
Discount rate	$ 7
Expected increase in compensation levels	$ 2
Expected long-term return on plan assets	$ 30

Taxes on Earnings

As a result of certain employment actions and capital investments we have undertaken, income from manufacturing activities in certain jurisdictions is subject to reduced tax rates and, in some cases, is wholly exempt from taxes for fiscal years through 2029.

Material changes in our estimates of cash, working capital and long-term investment requirements in the various jurisdictions in which we do business could impact how future earnings are repatriated to the United States, and our related future effective tax rate.

We calculate our current and deferred tax provisions based on estimates and assumptions that could differ from the final positions reflected in our income tax returns. We adjust our current and deferred tax provisions based on income tax returns which are generally filed in the third or fourth quarters of the subsequent fiscal year.

We recognize deferred tax assets and liabilities for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts using enacted tax rates in effect for the year in which we expect the differences to reverse.

We record a valuation allowance to reduce deferred tax assets to the amount that we are more likely than not to realize. In determining the need for a valuation allowance, we consider future market growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate and prudent and feasible tax planning strategies. In the event we were to determine that it is more likely than not that we will be unable to realize all or part of our deferred tax assets in the future, we would increase the valuation allowance and recognize a corresponding charge to earnings or other comprehensive income in the period in which we make such a determination. Likewise, if we later determine that we are more likely than not to realize the deferred tax assets, we would reverse the applicable portion of the previously recognized valuation allowance. In order for us to realize our deferred tax assets, we must be able to generate sufficient taxable income in the jurisdictions in which the deferred tax assets are located.

We are subject to income taxes in the United States and approximately 60 other countries, and we are subject to routine corporate income tax audits in many of these jurisdictions. We believe that positions taken on our tax returns are fully supported, but tax authorities may challenge these positions, and our positions may not be fully sustained on examination by the relevant tax authorities. Accordingly, our income tax provision includes amounts intended to satisfy assessments that may result from these challenges. Our accrual for uncertain tax positions is attributable primarily to uncertainties concerning the tax treatment of our domestic operations, including the allocation of income among different jurisdictions, intercompany transactions, pension and related interest. We adjust our uncertain tax positions to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular audit. Determining the appropriate provision for potential deficiencies or reductions in tax benefits that could reasonably result from an audit requires management judgments and estimates, and income tax audits are inherently unpredictable. We may not accurately predict the outcomes of these audits, and the amounts ultimately paid on resolution of an audit could be materially different from the amounts previously included in our income tax provision and, therefore, could have a material impact on our provision for taxes, net earnings and cash flows. For a further discussion on taxes on earnings, refer to Note 6, "Taxes on Earnings" to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

Inventory

We state our inventory at the lower of cost or market on a first-in, first-out basis. We make adjustments to reduce the cost of inventory to its net realizable value at the product group level for estimated excess or obsolescence considering judgments related to future demand and market conditions, along with the impact of COVID-19. Factors influencing these adjustments include changes in demand, technological changes, product life cycle and development plans, component cost trends, product pricing, physical deterioration and quality issues.

Business Combinations

We allocate the fair value of purchase consideration to the assets acquired, liabilities assumed, and non-controlling interests in the acquiree generally based on their fair values at the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired, liabilities assumed and non-controlling interests in the acquiree is recorded as goodwill and may involve engaging independent third parties to perform an appraisal. When determining the fair values of assets acquired, liabilities assumed, and non-controlling interests in the acquiree, management makes significant estimates and assumptions, especially with respect to intangible assets.

Critical estimates in valuing intangible assets include, but are not limited to, expected future cash flows, which includes consideration of future growth rates and margins, attrition rates, future changes in technology and brand awareness, loyalty and position, and discount rates. Fair value estimates are based on the assumptions management believes a market participant would use in pricing the asset or liability. Amounts recorded in a business combination may change during the measurement period, which is a period not to exceed one year from the date of acquisition, as additional information about conditions existing at the acquisition date becomes available.

Goodwill

We review goodwill for impairment annually during our fourth quarter and whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable. A qualitative assessment is first performed to determine if the fair value of a reporting unit is more likely than not to be less than its carrying amount. Judgment in the assessment of qualitative factors of impairment may include changes in business climate, market conditions, or other events impacting the reporting unit. If we determine an impairment is more likely than not based on our qualitative assessment, a quantitative assessment of impairment is performed.

Performing a quantitative goodwill impairment test includes the determination of the fair value of a reporting unit and involves significant estimates and assumptions. These estimates and assumptions include, among others, revenue growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates, future economic and market conditions, and the determination of appropriate market comparables. If we determine the carrying amount exceeds fair value, goodwill is impaired and the excess is recognized as an impairment loss.

Loss Contingencies

We are involved in various lawsuits, claims, investigations and proceedings including those consisting of intellectual property ("IP"), commercial, securities, employment, employee benefits and environmental matters that arise in the ordinary course of business. We record a liability when we believe that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Significant judgment is required to determine both the probability of having incurred a liability and the estimated amount of the liability. We review these matters at least quarterly and adjust these liabilities to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other updated information and events, pertaining to a particular case. Pursuant to the separation and distribution agreement, we share responsibility with Hewlett Packard Enterprise for certain matters, as discussed in Note 14, "Litigation and Contingencies" to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference, and Hewlett Packard Enterprise has agreed to indemnify us in whole or in part with respect to certain matters. Based on our experience, we believe that any damage amounts claimed in the specific litigation and contingencies matters further discussed in Note 14, "Litigation and Contingencies", are not a meaningful indicator of HP's potential liability. Litigation is inherently unpredictable. However, we believe we have valid defenses with respect to legal matters pending against us. Nevertheless, cash flows or results of operations could be materially affected in any particular period by the resolution of one or more of these contingencies. We believe we have recorded adequate provisions for any such matters and, as of October 31, 2021, it was not reasonably possible that a material loss had been incurred in excess of the amounts recognized in our financial statements.

Management’s Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Recent Accounting Pronouncements

For a summary of recent accounting pronouncements applicable to our consolidated financial statements see Note 1, “Overview and Summary of Significant Accounting Policies” to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

Results Of Operations

Revenue from our international operations has historically represented, and we expect will continue to represent, a majority of our overall net revenue. As a result, our net revenue growth has been impacted, and we expect it will continue to be impacted, by fluctuations in foreign currency exchange rates. In order to provide a framework for assessing performance excluding the impact of foreign currency fluctuations, we supplement the year-over-year percentage change in net revenue with the year-over-year percentage change in net revenue on a constant currency basis, which excludes the effect of foreign currency exchange fluctuations calculated by translating current period revenues using monthly exchange rates from the comparative period and excluding any hedging impact recognized in the current period, and does not adjust for any repricing or demand impacts from changes in foreign currency exchange rates. This information is provided so that net revenue can be viewed with and without the effect of fluctuations in foreign currency exchange rates, which is consistent with how management evaluates our net revenue results and trends, as management does not believe that the excluded items are reflective of ongoing operating results. The constant currency measures are provided in addition to, and not as a substitute for, the year-over-year percentage change in net revenue on a GAAP basis. Other companies may calculate and define similarly labeled items differently, which may limit the usefulness of this measure for comparative purposes.

Results of operations in dollars and as a percentage of net revenue were as follows:

	For the fiscal years ended October 31					
	2021		2020		2019	
	Dollars	% of Net Revenue	Dollars	% of Net Revenue	Dollars	% of Net Revenue
	Dollars in millions					
Net revenue	$63,487	100.0%	$56,639	100.0%	$58,756	100.0%
Cost of revenue	50,070	78.9%	46,202	81.6%	47,586	81.0%
Gross profit	13,417	21.1%	10,437	18.4%	11,170	19.0%
Research and development	1,907	3.0%	1,478	2.6%	1,499	2.6%
Selling, general and administrative	5,741	9.0%	4,906	8.6%	5,368	9.1%
Restructuring and other charges	245	0.4%	462	0.9%	275	0.4%
Acquisition-related charges	68	0.1%	16	—%	35	0.1%
Amortization of intangible assets	154	0.2%	113	0.2%	116	0.2%
Earnings from operations	5,302	8.4%	3,462	6.1%	3,877	6.6%
Interest and other, net	2,209	3.4%	(231)	(0.4)%	(1,354)	(2.3)%
Earnings before taxes	7,511	11.8%	3,231	5.7%	2,523	4.3%
(Provision for) benefit from taxes	(1,008)	(1.6)%	(387)	(0.7)%	629	1.1%
Net earnings	$ 6,503	10.2%	$ 2,844	5.0%	$ 3,152	5.4%

Net Revenue

In fiscal year 2021, total net revenue increased 12.1% (increased 10.2% on a constant currency basis) as compared to the prior-year period. Net revenue from the United States increased 11.0% to $22.4 billion, and outside of the United States increased 12.7% to $41.1 billion. The increase in net revenue was primarily driven by growth in Notebooks, Supplies, Consumer and Commercial Printing, and favorable foreign currency impacts, partially offset by decline in Desktops. The increase in net revenue is due to strong demand and higher ASPs driven by work from home and remote learning.

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

A detailed discussion of the factors contributing to the changes in segment net revenue is included under "Segment Information" below.

Gross Margin

For fiscal year 2021, gross margin increased by 2.7 percentage points, primarily driven by favorable pricing including lower promotions and favorable foreign currency impacts, partially offset by higher costs including commodity costs. A detailed discussion of the factors contributing to the changes in segment gross margins is included under "Segment Information" below.

Operating Expenses

Research and Development ("R&D")

R&D expense increased 29.0% in fiscal year 2021, primarily due to continuing investments in innovation and key growth initiatives and higher variable compensation.

Selling, General and Administrative ("SG&A")

SG&A expense increased 17.0% in fiscal year 2021, primarily driven by go-to-market initiatives and higher variable compensation.

Restructuring and other Charges

Restructuring and other charges relate primarily to the Fiscal 2020 Plan. For more information, see Note 3, "Restructuring and Other Charges", to the Consolidated Financial Statements in Item 8 of Part II of this report, which is incorporated herein by reference.

Acquisition-related Charges

Acquisition-related charges relate primarily to third-party professional and legal fees, and integration-related costs, as well as fair value adjustments of certain acquired assets such as inventory. Acquisition-related charges increased by $52 million in the fiscal year 2021, primarily due to recent acquisitions.

Amortization of Intangible Assets

Amortization of intangible assets relates primarily to intangible assets resulting from acquisitions. Amortization of Intangible assets increased by $41 million in the fiscal year 2021, primarily due to recent acquisitions.

Interest and Other, Net

Interest and other, net for the fiscal year 2021 was net gain as compared to a net expense in the fiscal year 2020, primarily due to gain from one-time Oracle litigation proceeds of $2.3 billion, impact from defined benefit plan settlements, partially offset by lower Net Periodic Post-retirement Benefit Credit. For more information, see Note 7, "Supplementary Financial Information", to the Consolidated Financial Statements in Item 8 of Part II of this report, which is incorporated herein by reference.

Provision for taxes

Our effective tax rate was 13.4% in fiscal year 2021. In fiscal year 2021, our effective tax rate differed from the U.S. federal statutory rate of 21% primarily due to changes in valuation allowances and favorable tax rates associated with certain earnings in lower-tax jurisdictions throughout the world. The jurisdictions with favorable tax rates that had the most significant impact on our effective tax rate in the periods presented were Puerto Rico, Singapore, and Malaysia.

For a reconciliation of our effective tax rate to the U.S. federal statutory rate of 21% in fiscal year 2021, and further explanation of our provision for income taxes, see Note 6, "Taxes on Earnings" to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

In fiscal year 2021, we recorded $9 million of net income tax charges related to discrete items in the provision for taxes. This amount included income tax charges of $533 million related to the Oracle litigation proceeds, $15 million of uncertain tax position charges, and $9 million of other net tax charges. These charges were partially offset by income tax benefits of $393 million related to changes in valuation allowances, $89 million of tax effects related to internal reorganization, $50 million related to restructuring charges, and $16 million related to the filing of tax returns in various jurisdictions.

Segment Information

A description of the products and services for each segment can be found in Note 2, "Segment Information," to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference. Future changes to this organizational structure may result in changes to the segments disclosed.

Personal Systems

	For the fiscal years ended October 31		
	2021	2020	2019
	Dollars in millions		
Net revenue	$43,359	$38,997	$38,694
Earnings from operations	$ 3,101	$ 2,312	$ 1,898
Earnings from operations as a % of net revenue	7.2%	5.9%	4.9%

The components of net revenue and the weighted net revenue change by business unit were as follows:

	For the fiscal years ended October 31				
	Net Revenue			Weighted Net Revenue Change Percentage Points[(1)]	
	2021	2020	2019	2021	2020
	In millions				
Notebooks	$30,522	$25,766	$22,928	12.2	7.3
Desktops	9,381	9,806	12,046	(1.1)	(5.8)
Workstations	1,669	1,816	2,389	(0.4)	(1.5)
Other	1,787	1,609	1,331	0.5	0.8
Total Personal Systems	$43,359	$38,997	$38,694	11.2	0.8

(1) Weighted Net Revenue Change Percentage Points measures contribution of each business unit towards overall segment revenue growth. It is calculated by dividing the change in revenue of each business unit from the prior-year period by total segment revenue for the prior-year period.

Fiscal Year 2021 compared with Fiscal Year 2020

Personal Systems net revenue increased 11.2% (increased 8.8% on a constant currency basis) in fiscal year 2021 as compared to the prior-year period. The net revenue increase was primarily due to growth in Notebooks and favorable foreign currency impacts, partially offset by decline in Desktops. The net revenue increase was driven by 9.8% increase in unit volume and 1.3% increase in ASPs. The increase in unit volume was primarily due to growth in Notebooks resulting from strong demand driven by work from home, remote learning and gaming, partially offset by decline in Desktops. Also, industry-wide supply chain constraints limited unit growth during the fiscal year 2021. The increase in ASPs was primarily due to favorable pricing including lower promotions and favorable foreign currency impacts, partially offset by mix shifts.

Consumer PCs revenue increased 19.9% driven by unit growth in Notebooks and Desktops and higher ASPs. Commercial revenue increased 6.4% primarily driven by unit growth in Notebooks, partially offset by lower ASPs driven by higher Chromebook mix and unit declines in Desktops.

Consequently, net revenue increased 18.5% in Notebooks and decreased 4.3% in Desktops and 8.1% in Workstations.

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Personal Systems earnings from operations as a percentage of net revenue increased by 1.3 percentage points. The increase was primarily due to an increase in gross margin, partially offset by an increase in operating expenses as a percentage of revenue. The increase in gross margin was primarily due to favorable pricing including lower promotions and favorable foreign currency impacts, partially offset by higher commodity and logistics costs. Operating expenses as a percentage of revenue increased by 0.7 percentage points primarily due to R&D investments in innovation, go-to-market initiatives and higher variable compensation.

Printing

	For the fiscal years ended October 31		
	2021	2020	2019
	Dollars in millions		
Net revenue	$20,128	$17,641	$20,066
Earnings from operations	$ 3,636	$ 2,495	$ 3,202
Earnings from operations as a % of net revenue	18.1%	14.1%	16.0%

The components of the net revenue and weighted net revenue change by business unit were as follows:

	For the fiscal years ended October 31				
	Net Revenue			Weighted Net Revenue Change Percentage Points[1]	
	2021	2020	2019	2021	2020
	In millions				
Supplies	$12,632	$11,586	$12,921	5.9	(6.7)
Commercial	4,209	3,539	4,612	3.8	(5.3)
Consumer	3,287	2,516	2,533	4.4	(0.1)
Total Printing	$20,128	$17,641	$20,066	14.1	(12.1)

(1) Weighted Net Revenue Change Percentage Points measures the contribution of each business unit towards overall segment revenue growth. It is calculated by dividing the change in revenue of each business unit from the prior period by total segment revenue for the prior-year period.

Fiscal Year 2021 compared with Fiscal Year 2020

Printing net revenue increased 14.1% (increased 13.2% on a constant currency basis) for fiscal year 2021 as compared to the prior-year period. The growth in net revenue was primarily driven by a growth in Supplies, Consumer and Commercial. Net revenue for Supplies increased 9.0% as compared to the prior-year period, primarily driven by favorable pricing including lower promotions and improvement in enterprise and SMB demand. Printer ASPs increased 26.2% and printer unit volume increased 3.0% as compared to the prior-year period. Printer ASPs increased primarily due to favorable pricing including lower promotions. The increase in printer unit volume was driven by both Consumer and Commercial. While there has been unit growth compared to prior-year period, we continue to experience supply chain constraints, including component shortages, which limited growth during fiscal year 2021.

Net revenue for Commercial increased 18.9% as compared to the prior-year period, due to a 7.6% increase in printer unit volume and a 20.4% increase in ASPs. The printer unit volume increased due to improved demand as compared to prior-year period which was impacted by COVID-19. The increase in ASPs was primarily driven by favorable pricing and mix shifts.

Net revenue for Consumer increased 30.6% as compared to the prior-year period, due to a 27.4% increase in ASPs and a 2.4% increase in printer unit volume. The increase in ASPs was primarily driven by favorable pricing. The printer unit volume increased due to strong demand from remote working and learning.

Printing earnings from operations as a percentage of net revenue increased by 4.0 percentage points for the fiscal year 2021 as compared to the prior-year period, primarily due to increase in gross margin driven by favorable pricing including lower promotions, partially offset by mix shifts. Operating expenses as a percentage of revenue remained flat.

Corporate Investments

The loss from operations in Corporate Investments for the fiscal year 2021 was primarily due to expenses associated with our incubation projects and investments in digital enablement.

Liquidity and Capital Resources

We use cash generated by operations as our primary source of liquidity. While the impacts from the COVID-19 pandemic were originally expected to be temporary, however, with the emergence of new variants, there remains uncertainty around the extent and duration of the pandemic and how our liquidity and working capital needs may be impacted in the future periods as a result. We believe that current cash, cash flow from operating activities, new borrowings, available commercial paper authorization and the credit facilities will be sufficient to meet HP’s operating cash requirements, planned capital expenditures, interest and principal payments on all borrowings, pension and post-retirement funding requirements, authorized share repurchases and annual dividend payments for the foreseeable future. Additionally, if suitable acquisition opportunities arise, the Company may obtain all or a portion of the required financing through additional borrowings. While our access to capital markets may be constrained and our cost of borrowing may increase under certain business, market and economic conditions, our access to a variety of funding sources to meet our liquidity needs is designed to facilitate continued access to capital resources under all such conditions. Our liquidity is subject to various risks including the risks identified in the section entitled “Risk Factors” in Item 1A and market risks identified in the section entitled “Quantitative and Qualitative Disclosures about Market Risk” in Item 7A, which are incorporated herein by reference.

During the fiscal year 2021, HP completed four acquisitions with a combined purchase price of $854 million, net of cash acquired, of which $400 million was recorded as goodwill and $385 million as intangible assets related to these acquisitions. For more information, see Note 18, “Acquisitions”, to the Consolidated Financial Statements in Item 8 of Part II of this report, which is incorporated herein by reference.

Our cash and cash equivalents balances are held in numerous locations throughout the world. We utilize a variety of planning and financing strategies in an effort to ensure that our worldwide cash is available when and where it is needed. Amounts held outside of the United States are generally utilized to support non-U.S. liquidity needs and may from time to time be distributed to the United States. The Tax Cuts and Jobs Act (“TCJA”) made significant changes to the U.S. tax law, including a one-time transition tax on accumulated foreign earnings. The payments associated with this one-time transition tax will be paid over eight years and began in fiscal year 2019. We expect a significant portion of the cash and cash equivalents held by our foreign subsidiaries will no longer be subject to U.S. income tax upon a subsequent repatriation to the United States as a result of the transition tax on accumulated foreign earnings. However, a portion of this cash may still be subject to foreign income tax or withholding tax upon repatriation. As we evaluate the future cash needs of our operations, we may revise the amount of foreign earnings considered to be permanently reinvested in our foreign subsidiaries and how to utilize such funds, including reducing our gross debt level, or other uses.

Liquidity

Our cash and cash equivalents, marketable debt securities and total debt were as follows:

	As of October 31		
	2021	2020	2019
	In billions		
Cash and cash equivalents	$ 4.3	$ 4.9	$ 4.5
Marketable debt securities[(1)]	$ —	$ 0.3	$ —
Total debt	$ 7.5	$ 6.2	$ 5.1

(1) Includes highly liquid U.S. treasury notes, U.S. agency securities, non-U.S. government bonds, corporate debt securities, money market and other funds. We classify these investments within Other current assets in Consolidated Balance Sheets, including those with maturity dates beyond one year, based on their highly liquid nature and availability for use in current operations.

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Our key cash flow metrics were as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
		In millions	
Net cash provided by operating activities	$ 6,409	$ 4,316	$ 4,654
Net cash used in investing activities	(1,012)	(1,016)	(438)
Net cash used in financing activities	(5,962)	(2,973)	(4,845)
Net (decrease) increase in cash and cash equivalents	$ (565)	$ 327	$ (629)

Operating Activities

Net cash provided by operating activities increased by $2.1 billion for fiscal year 2021 as compared to fiscal year 2020, primarily due to higher earnings from operation including net gain from the one-time Oracle litigation proceeds of $1.8 billion, partially offset by higher cash utilized in working capital activities as a result of changes in demand dynamics and supply chain constraints due to COVID-19.

Key Working Capital Metrics

Management utilizes current cash conversion cycle information to manage our working capital level. The table below presents the cash conversion cycle:

	As of October 31		
	2021	2020	2019
Days of sales outstanding in accounts receivable ("DSO")	30	32	35
Days of supply in inventory ("DOS")	53	43	41
Days of purchases outstanding in accounts payable ("DPO")	(108)	(105)	(107)
Cash conversion cycle	(25)	(30)	(31)

The cash conversion cycle is the sum of days of DSO and DOS less DPO. Items which may cause the cash conversion cycle in a particular period to differ from a long-term sustainable rate include, but are not limited to, changes in business mix, changes in payment terms, extent of receivables factoring, macro-economic factors, seasonal trends and the timing of revenue recognition and inventory purchases within the period.

DSO measures the average number of days our receivables are outstanding. DSO is calculated by dividing ending accounts receivable, net of allowance for credit losses, by a 90-day average of net revenue. The decrease in DSO as compared to prior-year period, was due to strong collections and favorable revenue linearity.

DOS measures the average number of days from procurement to sale of our product. DOS is calculated by dividing ending inventory by a 90-day average of cost of goods sold. The increase in DOS as compared to prior-year period, was primarily due to higher strategic buys to better assure supply of commodities in Personal Systems and recovering Printing inventory from the impacts of COVID-19.

DPO measures the average number of days our accounts payable balances are outstanding. DPO is calculated by dividing ending accounts payable by a 90-day average of cost of goods sold. The decrease in DPO compared to prior-year period, was primarily due to higher commodity costs, partially offset by working capital management activities.

Investing Activities

Net cash used in investing activities remained flat for fiscal year 2021 as compared to fiscal year 2020, primarily due to decrease in investments of $0.6 billion and collateral related to derivative instruments of $0.3 billion, partially offset by higher net payments for acquisitions of $0.9 billion.

Financing Activities

Net cash used in financing activities increased by $3.0 billion in fiscal year 2021 compared to fiscal year 2020, primarily due to higher share repurchases of $3.1 billion and lower proceeds from debt issuance of $1.0 billion, partially offset by lower payment of debt of $0.6 billion and higher proceeds from commercial paper of $0.4 billion.

Share Repurchases and Dividends

In fiscal year 2021, HP returned $7.2 billion to the shareholders in the form of share repurchases of $6.3 billion and cash dividends of $0.9 billion. As of October 31, 2021, HP had approximately $6.4 billion remaining under the share repurchase authorizations approved by HP's Board of Directors. HP intends to continue to repurchase shares at an elevated level of at least $4.0 billion in fiscal year 2022.

For more information on our share repurchases, see Note 12, "Stockholders' Deficit", to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

Capital Resources

Debt Levels

	As of October 31		
	2021	2020	2019
	Dollars in millions		
Short-term debt	$1,106	$ 674	$ 357
Long-term debt	$6,386	$ 5,543	$ 4,780
Weighted-average interest rate	3.1%	3.9%	4.6%

We maintain debt levels that we establish through consideration of a number of factors, including cash flow expectations, cash requirements for operations, investment plans (including acquisitions), share repurchase activities, our cost of capital and targeted leverage ratio.

Short-term debt increased by $0.4 billion and long-term debt increased by $0.8 billion for fiscal year 2021 as compared to fiscal year 2020. The net increase in total debt was primarily due to issuance of unsecured senior debt in June 2021 amounting to $2.0 billion and commercial paper of $0.4 billion issued in September 2021, which was, partially offset by payment of $1.0 billion in July 2021, towards redemption of existing notes maturing in September and December 2021.

Our weighted-average interest rate reflects the effective interest rate on our borrowings prevailing during the period and reflects the effect of interest rate swaps. For more information on our interest rate swaps, see Note 10, "Financial Instruments" in the Consolidated Financial Statements and notes thereto in Item 8, "Financial Statements and Supplementary Data", which is incorporated herein by reference.

On May 26, 2021, we entered into a new $5.0 billion 5-year sustainability-linked senior unsecured committed revolving credit facility (the 'New Revolving Facility") which will be available until May 26, 2026. Commitment fees, interest rates and other terms of borrowing under the New Revolving Facility vary based on HP's external credit ratings and certain sustainability metrics.

As of October 31, 2021, we continue to maintain the New Revolving Facility. Funds borrowed under the New Revolving Facility may be used for general corporate purposes.

On June 16, 2021, we issued $2.0 billion in aggregate principal amount of senior notes across various maturities. We used approximately $1.0 billion of the proceeds from such issuance to fund the redemption of existing notes maturing in September and December 2021. For more information on the new notes and the redemption of existing notes, see Note 11, "Borrowings", to the Consolidated Financial Statements in Item 8 of Part II of this report, which is incorporated herein by reference.

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Available Borrowing Resources

As of October 31, 2021, we had available borrowing resources of $579 million from uncommitted lines of credit in addition to the New Revolving Facility.

The amendment to our 2019 Shelf Registration Statement to convert to a non-automatic shelf registration statement was declared effective by the SEC on February 25, 2021 and enables us to offer for sale, from time to time, in one or more offerings, $5.0 billion, in the aggregate, of debt securities, common stock, preferred stock, depository shares and warrants.

For more information on our borrowings, see Note 11, "Borrowings", to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

Credit Ratings

Our credit risk is evaluated by major independent rating agencies based upon publicly available information as well as information they obtain during our ongoing discussions. While we currently do not have any rating downgrade triggers that would accelerate the maturity of a material amount of our debt, a downgrade from our current credit rating may increase the cost of borrowing under our credit facility, reduce market capacity for our commercial paper, require the posting of additional collateral under some of our derivative contracts and may have a negative impact on our liquidity and capital position, depending on the extent of such downgrade. We can access alternative sources of funding, including drawdowns under our credit facility, if necessary, to offset potential reductions in the market capacity for our commercial paper.

Contractual And Other Obligations

Our contractual and other obligations as of October 31, 2021, were as follows:

	Payments Due by Period		
	Total	Short-term	Long-term
		In millions	
Principal payments on debt[1]	$ 7,550	$ 1,099	$ 6,451
Interest payments on debt[2]	2,335	239	2,096
Purchase obligations[3]	6,940	2,642	4,298
Operating lease obligations	1,381	382	999
Finance lease obligations	24	10	14
Total[4][5][6]	$18,230	$ 4,372	$ 13,858

(1) Amounts represent the principal cash payments relating to our short-term and long-term debt and do not include any fair value adjustments, discounts or premiums.

(2) Amounts represent the expected interest payments relating to our short-term and long-term debt. We have outstanding interest rate swap agreements accounted for as fair value hedges that have the economic effect of changing fixed interest rates associated with some of our U.S. Dollar Global Notes to variable interest rates. The impact of our outstanding interest rate swaps at October 31, 2021 was factored into the calculation of the future interest payments on debt.

(3) Purchase obligations include agreements to purchase goods or services that are enforceable and legally binding on us and that specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. These purchase obligations are related principally to inventory and other items. Purchase obligations exclude agreements that are cancelable without penalty. Purchase obligations also exclude open purchase orders that are routine arrangements entered into in the ordinary course of business as they are difficult to quantify in a meaningful way. Even though open purchase orders are considered enforceable and legally binding, the terms generally allow us the option to cancel, reschedule, and adjust terms based on our business needs prior to the delivery of goods or performance of services.

(4) *Retirement and Post-Retirement Benefit Plan Contributions.* In fiscal year 2022, we expect to contribute approximately $44 million to non-U.S. pension plans, $36 million to cover benefit payments to U.S. non-qualified plan participants and $4 million to cover benefit claims for our post-retirement benefit plans. Our policy is to fund our pension plans so that we meet at least the minimum contribution required by local government, funding and taxing authorities. Expected contributions and payments to our pension and post-retirement benefit plans are excluded from the contractual obligations table because they do not represent contractual cash outflows as they are dependent on numerous factors which may result in a wide range of outcomes. For more information on our retirement and post-retirement benefit plans, see Note 4, "Retirement and Post-Retirement Benefit Plans", to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

(5) *Cost Savings Plans.* As a result of our approved restructuring plans, we expect to make future cash payments of approximately $0.3 billion. We expect to make future cash payments of $0.2 billion in fiscal year 2022 with remaining cash payments through fiscal year 2023. These payments have been excluded from the contractual obligations table because they do not represent contractual cash outflows and there is uncertainty as to the timing of these payments. For more information on our restructuring activities that are part of our cost improvements, see Note 3, "Restructuring and Other Charges", to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

(6) *Uncertain Tax Positions.* As of October 31, 2021, we had approximately $584 million of recorded liabilities and related interest and penalties pertaining to uncertain tax positions. We are unable to make a reasonable estimate as to when cash settlement with the tax authorities might occur due to the uncertainties related to these tax matters. Payments of these obligations would result from settlements with taxing authorities. For more information on our uncertain tax positions, see Note 6, "Taxes on Earnings", to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

Off-Balance Sheet Arrangements

As part of our ongoing business, we have not participated in transactions that generate material relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

We have third-party short-term financing arrangements intended to facilitate the working capital requirements of certain customers. For more information on our third-party short-term financing arrangements, see Note 7 "Supplementary Financial Information" to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk.

In the normal course of business, we are exposed to foreign currency exchange rate and interest rate risks that could impact our financial position and results of operations. Our risk management strategy with respect to these market risks may include the use of derivative instruments. We use derivative contracts only to manage existing underlying exposures. Accordingly, we do not use derivative contracts for speculative purposes. Our risks, risk management strategy and a sensitivity analysis estimating the effects of changes in fair value for each of these exposures are outlined below.

Actual gains and losses in the future may differ materially from the sensitivity analyses based on changes in the timing and amount of foreign currency exchange rate and interest rate movements and our actual exposures and derivatives in place at the time of the change, as well as the effectiveness of the derivative to hedge the related exposure.

Foreign Currency Exchange Rate Risk

We are exposed to foreign currency exchange rate risk inherent in our sales commitments, anticipated sales, anticipated purchases and assets and liabilities denominated in currencies other than the U.S. dollar. We transact business in over 40 currencies worldwide, of which the most significant foreign currencies to our operations for fiscal year 2021 were the Euro, Chinese yuan renminbi, the Japanese yen and the British pound. For most currencies, we are a net receiver of the foreign currency and therefore benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar relative to the foreign currency. Even where we are a net receiver of the foreign currency, a weaker U.S. dollar may adversely affect certain expense figures, if taken alone.

We use a combination of forward contracts and at times, options designated as cash flow hedges to protect against the foreign currency exchange rate risks inherent in our forecasted net revenue and, to a lesser extent in cost of sales. In addition, when debt is denominated in a foreign currency, we may use swaps to exchange the foreign currency principal and interest obligations for U.S. dollar-denominated amounts to manage the exposure to changes in foreign currency exchange rates. We also use other derivatives not designated as hedging instruments consisting primarily of forward contracts to hedge foreign currency balance sheet exposures. Alternatively, we may choose not to hedge the risk associated with our foreign currency exposures, primarily if such exposure acts as a natural hedge for offsetting amounts denominated in the same currency or if the currency is too difficult or too expensive to hedge.

We have performed sensitivity analyses as of October 31, 2021 and 2020, using a modeling technique that measures the change in the fair values arising from a hypothetical 10% adverse movement in the levels of foreign currency exchange rates relative to the U.S. dollar, with all other variables held constant. The analyses cover all of our foreign currency derivative contracts offset by underlying exposures. The foreign currency exchange rates we used in performing the sensitivity analysis were based on market rates in effect at October 31, 2021 and 2020. The sensitivity analyses indicated that a hypothetical 10% adverse movement in foreign currency exchange rates would result in a foreign exchange loss of $168 million and $77 million at October 31, 2021 and October 31, 2020, respectively.

Interest Rate Risk

We also are exposed to interest rate risk related to debt we have issued and our investment portfolio.

We issue long-term debt in either U.S. dollars or foreign currencies based on market conditions at the time of financing. We may use interest rate and/or currency swaps to modify the market risk exposures in connection with the debt to achieve a floating interest expense. The swap transactions generally involve the exchange of fixed for floating interest payments. However, we may choose not to swap fixed for floating interest payments or may terminate a previously executed swap if we believe a larger proportion of fixed-rate debt would be beneficial.

In order to hedge the fair value of certain fixed-rate investments, we may enter into interest rate swaps that convert fixed interest returns into variable interest returns. We may use cash flow hedges to hedge the variability in interest income received on certain variable-rate investments. We may also enter into interest rate swaps that convert variable rate interest returns into fixed-rate interest returns.

We have performed sensitivity analyses as of October 31, 2021 and 2020, using a modeling technique that measures the change in the fair values arising from a hypothetical 10% adverse movement in the levels of interest rates across the entire yield curve, with all other variables held constant. The analyses cover our debt, investments and interest rate swaps. The analyses use actual or approximate maturities for the debt, investments and interest rate swaps. The discount rates used were based on the market interest rates in effect at October 31, 2021 and 2020. The sensitivity analyses indicated that a hypothetical 10% adverse movement in interest rates would have resulted in a loss in the fair values of our debt and investments, net of interest rate swaps, of $73 million at October 31, 2021 and $36 million at October 31, 2020.

ITEM 8. Financial Statements and Supplementary Data.

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of HP Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of HP Inc. and subsidiaries (the Company) as of October 31, 2021 and 2020, the related consolidated statements of earnings, comprehensive income, stockholders' deficit and cash flows for each of the three years in the period ended October 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at October 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended October 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of October 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated December 9, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Income Taxes

Description of the Matter

As described in Notes 1 and 6 of the consolidated financial statements, the Company is subject to income taxes in the United States and several other countries and is subject to routine corporate income tax audits in many of those jurisdictions. Uncertainty in the Company's tax positions may arise as tax laws are subject to interpretation and the Company's positions are subject to examination by taxing authorities, which may result in assessments of additional amounts owed. Determining the income tax provision for these potential assessments and recording the related effects requires significant management judgment in estimating whether a tax position's technical merits are more-likely-than-not to be sustained and measuring the amount of tax benefit that qualifies for recognition.

Additionally, the Company records a valuation allowance to reduce deferred tax assets to the amount which are more likely than not to be realized. In determining the need for a valuation allowance, the Company considers certain subjective factors such as future market growth, forecasted earnings, future taxable income, mix of earnings in the jurisdictions in which they operate and prudent and feasible tax planning strategies.

Our assessment of management's analyses of the reserve for uncertain tax positions and the realizability of its deferred tax assets are significant to our audit because the amounts are material to the financial statements and the assessment process involves significant judgment. For example, management's assumptions that may be affected by future market and economic conditions or interpretations of tax laws and legal rulings are challenging to audit.

How We Addressed the Matter in Our Audit

We tested controls over management's processes relating to the recording of unrecognized tax benefits, including controls over the Company's process to assess the technical merits of its uncertain tax positions, and the realizability of deferred tax assets, including the development of the above described assumptions and judgments.

Our audit procedures included an evaluation of the Company's key assumptions and judgments and testing the completeness and accuracy of the underlying data used to determine the amount of unrecognized tax benefits recognized. For example, we evaluated the measurement of the amounts recorded taking into consideration the applicable tax laws and the Company's positions examined by taxing authorities. We also evaluated the key assumptions and judgments used by management in determining the need for a valuation allowance and testing the completeness and accuracy of the underlying data used in the Company's process. For example, we compared the projections of future taxable income with the actual results of prior periods as well as management's consideration of current industry and economic trends. In each of these areas, we involved our tax professionals to assess the technical merits of the Company's tax positions. This included assessing the Company's correspondence with the relevant tax authorities and evaluating income tax opinions or other third-party advice obtained by the Company.

Revenue Recognition

Description of the Matter

As described in Note 1 of the consolidated financial statements, the Company enters into certain contracts to sell their products and services that contain non-standard terms and conditions and multiple performance obligations. For such contracts, significant interpretation may be required to determine the appropriate accounting, including the allocation of the transaction price among performance obligations in the arrangement and the timing of the transfer of control of promised goods or services for each of those performance obligations.

In addition, the Company reduces revenue for customer and distributor programs and incentive offerings including rebates, promotions, other volume-based incentives and expected returns. The Company uses significant estimates to determine the expected variable consideration for such programs based on factors like historical experience, forecasted sales, expected customer behavior and market conditions.

Our assessment of management's evaluation of the appropriate accounting for revenue contracts and the determination of the variable consideration for sales incentives are significant to our audit because the amounts are material to the financial statements and the assessment process involves significant judgment.

How We Addressed the Matter in Our Audit	We tested relevant controls over the identified risks related to the Company's accounting for revenue recognition, including the controls to evaluate the appropriate accounting treatment for contracts containing non-standard terms and conditions and multiple performance obligations and the controls related to the estimation process to record the variable consideration related to certain sales incentives. Our audit procedures included, among others, inspection of contracts entered into during the period, evaluation of management's judgments related to the interpretation of certain contract provisions including the identification of performance obligations, the method of allocating the transaction price to the performance obligations in the arrangement, and the assessment of the appropriateness of the amount of revenue recognized. We also evaluated the Company's key assumptions and judgments and tested the completeness and accuracy of the underlying data used to determine the variable consideration for sales incentives. This included analyzing data related to the historical experience of sales incentive payments as well as understanding the current market dynamics that can affect the estimate of variable consideration to assess the Company's judgments and estimates.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 2000.
San Jose, California
December 9, 2021

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of HP Inc.

Opinion on Internal Control over Financial Reporting

We have audited HP Inc. and subsidiaries' internal control over financial reporting as of October 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, HP Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of October 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of HP Inc. and subsidiaries as of October 31, 2021 and 2020, the related consolidated statements of earnings, comprehensive income, stockholders' deficit and cash flows for each of the three years in the period ended October 31, 2021, and the related notes and our report dated December 9, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ ERNST & YOUNG LLP

San Jose, California
December 9, 2021

Management's Report on Internal Control Over Financial Reporting

HP's management is responsible for establishing and maintaining adequate internal control over financial reporting. HP's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. HP's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of HP; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of HP are being made only in accordance with authorizations of management and directors of HP; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of HP's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

HP's management assessed the effectiveness of HP's internal control over financial reporting as of October 31, 2021, utilizing the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013 framework). Based on the assessment by HP's management, we determined that HP's internal control over financial reporting was effective as of October 31, 2021. The effectiveness of HP's internal control over financial reporting as of October 31, 2021 has been audited by Ernst & Young LLP, HP's independent registered public accounting firm, as stated in their report which appears on page 53 of this Annual Report on Form 10-K.

/s/ ENRIQUE LORES	/s/ MARIE MYERS
Enrique Lores	Marie Myers
President and Chief Executive Officer	*Chief Financial Officer*
December 9, 2021	December 9, 2021

HP Inc. and Subsidiaries

Consolidated Statements of Earnings

	For the fiscal years ended October 31		
	2021	2020	2019
	In millions, except per share amounts		
Net revenue	$63,487	$56,639	$58,756
Costs and expenses:			
Cost of revenue	50,070	46,202	47,586
Research and development	1,907	1,478	1,499
Selling, general and administrative	5,741	4,906	5,368
Restructuring and other charges	245	462	275
Acquisition-related charges	68	16	35
Amortization of intangible assets	154	113	116
Total costs and expenses	58,185	53,177	54,879
Earnings from operations	5,302	3,462	3,877
Interest and other, net	2,209	(231)	(1,354)
Earnings before taxes	7,511	3,231	2,523
(Provision for) benefit from taxes	(1,008)	(387)	629
Net earnings	$ 6,503	$ 2,844	$ 3,152
Net earnings per share:			
Basic	$ 5.38	$ 2.01	$ 2.08
Diluted	$ 5.33	$ 2.00	$ 2.07
Weighted-average shares used to compute net earnings per share:			
Basic	1,208	1,413	1,515
Diluted	1,220	1,420	1,524

The accompanying notes are an integral part of these Consolidated Financial Statements.

HP Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income

	For the fiscal years ended October 31		
	2021	2020	2019
		In millions	
Net earnings	$6,503	$2,844	$3,152
Other comprehensive income (loss) before taxes:			
Change in unrealized components of available-for-sale debt securities:			
Unrealized gains arising during the period	5	2	1
Losses reclassified into earnings	—	—	3
	5	2	4
Change in unrealized components of cash flow hedges:			
Unrealized (losses) gains arising during the period	(132)	(201)	252
Losses (gains) reclassified into earnings	243	(85)	(380)
	111	(286)	(128)
Change in unrealized components of defined benefit plans:			
Gains (losses) arising during the period	1,008	(29)	(303)
Amortization of actuarial loss and prior service benefit	80	83	43
Curtailments, settlements and other	(36)	215	42
	1,052	269	(218)
Change in cumulative translation adjustment	28	(4)	4
Other comprehensive income (loss) before taxes	1,196	(19)	(338)
(Provision for) benefit from taxes	(213)	1	(42)
Other comprehensive income (loss), net of taxes	983	(18)	(380)
Comprehensive income	$7,486	$2,826	$2,772

The accompanying notes are an integral part of these Consolidated Financial Statements.

HP Inc. and Subsidiaries

Consolidated Balance Sheets

	As of October 31	
	2021	2020
	In millions, except par value	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,299	$ 4,864
Accounts receivable, net of allowance for credit losses of $111 and $122, respectively	5,511	5,381
Inventory	7,930	5,963
Other current assets	4,430	4,440
Total current assets	22,170	20,648
Property, plant and equipment, net	2,546	2,627
Goodwill	6,803	6,380
Other non-current assets	7,091	5,026
Total assets	$38,610	$34,681
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Notes payable and short-term borrowings	$ 1,106	$ 674
Accounts payable	16,075	14,704
Other current liabilities	11,915	10,842
Total current liabilities	29,096	26,220
Long-term debt	6,386	5,543
Other non-current liabilities	4,778	5,146
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock, $0.01 par value (300 shares authorized; none issued)	—	—
Common stock, $0.01 par value (9,600 shares authorized; 1,092 and 1,304 shares issued and outstanding at October 31, 2021, and 2020 respectively)	11	13
Additional paid-in capital	1,060	963
Accumulated deficit	(2,461)	(1,961)
Accumulated other comprehensive loss	(260)	(1,243)
Total stockholders' deficit	(1,650)	(2,228)
Total liabilities and stockholders' deficit	$38,610	$34,681

The accompanying notes are an integral part of these Consolidated Financial Statements.

HP Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	For the fiscal years ended October 31		
	2021	2020	2019
		In millions	
Cash flows from operating activities:			
Net earnings	$ 6,503	$ 2,844	$ 3,152
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	785	789	744
Stock-based compensation expense	330	278	297
Restructuring and other charges	245	462	275
Deferred taxes on earnings	(605)	70	133
Defined benefit plan settlement (gains) charges	(37)	214	—
Other, net	440	325	254
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(80)	575	(761)
Inventory	(2,164)	(386)	(68)
Accounts payable	1,257	(35)	(53)
Net investment in leases	(111)	(152)	—
Taxes on earnings	64	(147)	(851)
Restructuring and other	(205)	(489)	(154)
Other assets and liabilities	(13)	(32)	1,686
Net cash provided by operating activities	6,409	4,316	4,654
Cash flows from investing activities:			
Investment in property, plant and equipment	(582)	(580)	(671)
Proceeds from sale of property, plant and equipment	—	3	—
Purchases of available-for-sale securities and other investments	(28)	(693)	(80)
Maturities and sales of available-for-sale securities and other investments	304	417	771
Collateral posted for derivative instruments	148	(163)	—
Payments made in connection with business acquisitions, net of cash acquired	(854)	—	(458)
Net cash used in investing activities	(1,012)	(1,016)	(438)
Cash flows from financing activities:			
Proceeds from (Payments of) short-term borrowings with original maturities less than 90 days, net	400	—	(856)
Proceeds from short-term borrowings with original maturities greater than 90 days	22	27	—
Proceeds from debt, net of issuance costs	2,099	3,081	127
Payment of debt	(1,245)	(1,849)	(680)
Stock-based award activities and others	(51)	(128)	(61)
Repurchase of common stock	(6,249)	(3,107)	(2,405)
Cash dividends paid	(938)	(997)	(970)
Net cash used in financing activities	(5,962)	(2,973)	(4,845)
(Decrease) increase in cash and cash equivalents	(565)	327	(629)
Cash and cash equivalents at beginning of period	4,864	4,537	5,166
Cash and cash equivalents at end of period	$ 4,299	$ 4,864	$ 4,537

The accompanying notes are an integral part of these Consolidated Financial Statements.

HP Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)

	For the fiscal years ended October 31		
	2021	2020	2019
		In millions	
Supplemental cash flow disclosures:			
Income taxes paid, net of refunds	$ 1,548	$ 464	$ 89
Interest expense paid	$ 261	$ 227	$ 240
Supplemental schedule of non-cash activities:			
Purchase of assets under finance leases	$ —	$ 19	$ 366

HP Inc. and Subsidiaries

Consolidated Statements of Stockholders' Deficit

	Common Stock		Additional		Accumulated Other	Total
	Number of Shares	Par Value	Paid-in Capital	Accumulated Deficit	Comprehensive Loss	Stockholders' Deficit
	In millions, except number of shares in thousands					
Balance October 31, 2018	1,560,270	$16	$ 663	$ (473)	$ (845)	$ (639)
Net earnings				3,152		3,152
Other comprehensive loss, net of taxes					(380)	(380)
Comprehensive income						2,772
Issuance of common stock in connection with employee stock plans and other	15,047		(69)			(69)
Repurchases of common stock	(117,598)	(1)	(55)	(2,340)		(2,396)
Cash dividends ($0.64 per common share)				(968)		(968)
Stock-based compensation expense			296			296
Adjustment for adoption of accounting standards				(189)		(189)
Balance October 31, 2019	1,457,719	$15	$ 835	$ (818)	$(1,225)	$(1,193)
Net earnings				2,844		2,844
Other comprehensive loss, net of taxes					(18)	(18)
Comprehensive income						2,826
Issuance of common stock in connection with employee stock plans and other	14,065		(37)			(37)
Repurchases of common stock	(167,857)	(2)	(113)	(3,017)		(3,132)
Cash dividends ($0.70 per common share)				(997)		(997)
Stock-based compensation expense			278			278
Adjustment for adoption of accounting standards				27		27
Balance October 31, 2020	1,303,927	$13	$ 963	$(1,961)	$(1,243)	$(2,228)
Net earnings				6,503		6,503
Other comprehensive income, net of taxes					983	983
Comprehensive income						7,486
Issuance of common stock in connection with employee stock plans and other	11,896		(45)			(45)
Repurchases of common stock	(223,618)	(2)	(188)	(6,065)		(6,255)
Cash dividends ($0.78 per common share)				(938)		(938)
Stock-based compensation expense			330			330
Balance October 31, 2021	1,092,205	$11	$1,060	$(2,461)	$ (260)	$(1,650)

The accompanying notes are an integral part of these Consolidated Financial Statements.

HP Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Consolidated Financial Statements of HP and its wholly-owned subsidiaries are prepared in conformity with U.S. GAAP.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of HP and its subsidiaries and affiliates in which HP has a controlling financial interest or is the primary beneficiary. All intercompany balances and transactions have been eliminated.

Reclassifications

HP has reclassified certain prior-year amounts to conform to the current-year presentation.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in HP's Consolidated Financial Statements and accompanying notes. Actual results may differ materially from those estimates. As of October 31, 2021, the extent to which the COVID-19 pandemic will impact our business going forward depends on numerous dynamic factors which we cannot reliably predict. As a result, many of our estimates and assumptions required increased judgment and may carry a higher degree of variability and volatility. As the events continue to evolve with respect to the pandemic, our estimates may materially change in future periods.

Foreign Currency Translation

HP predominantly uses the U.S. dollar as its functional currency. Assets and liabilities denominated in non-U.S. dollars are remeasured into U.S. dollars at current exchange rates for monetary assets and liabilities and at historical exchange rates for non-monetary assets and liabilities. Net revenue, costs and expenses denominated in non-U.S. dollars are recorded in U.S. dollars at monthly average exchange rates prevailing during the period. HP includes gains or losses from foreign currency remeasurement in Interest and other, net in the Consolidated Statements of Earnings. Certain foreign subsidiaries designate the local currency as their functional currency, and HP records the translation of their assets and liabilities into U.S. dollars at the balance sheet dates as translation adjustments and includes them as a component of Accumulated other comprehensive loss.

Separation Transaction

On November 1, 2015, Hewlett-Packard Company completed the separation of Hewlett Packard Enterprise Company ("Hewlett Packard Enterprise"), Hewlett-Packard Company's former enterprise technology infrastructure, software, services and financing businesses (the "Separation"). In connection with the Separation, HP and Hewlett Packard Enterprise entered into a separation and distribution agreement and various other agreements which remain enforceable and provide a framework for the continuing relationships between the parties. For more information on the impacts of these agreements, see Note 14, "Litigation and Contingencies".

Oracle litigation proceeds

On October 12, 2021, Oracle paid approximately $4.65 billion, to satisfy the judgement with interest, related to the litigation in connection with Oracle's discontinuation of software support for former Hewlett-Packard Company's Itanium-based line of mission-critical servers. The net proceeds from the judgement are being shared equally between HP and Hewlett Packard Enterprise pursuant to the terms of the separation and distribution agreement. For the fiscal year 2021, HP has recorded a gain of $2.3 billion in Interest and other, net and corresponding tax impact of $0.5 billion in Provision for taxes on the Consolidated Statements of Earnings as HP believes that the likelihood of the reduction or reversal of the judgement is remote. For more information, see Note 14, "Litigation and Contingencies".

Note 1: Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued guidance, which requires credit losses on financial assets measured at amortized cost basis to be presented at the net amount expected to be collected, not based on incurred losses. Furthermore, credit losses on available-for-sale debt securities should be recorded through an allowance for credit losses limited to the amount by which fair value is below amortized cost. HP adopted the new credit loss standard as of November 1, 2020 using a modified retrospective approach. The cumulative effect upon adoption was not material to the Consolidated Financial Statements.

Revenue Recognition

General

HP recognizes revenues at a point in time or over time depicting the transfer of promised goods or services to customers in an amount that reflects the consideration to which HP expects to be entitled in exchange for those goods or services. HP follows the five-step model for revenue recognition as summarized below:

1. *Identify the contract with a customer* - A contract with customer exists when (i) it is approved and signed by all parties, (ii) each party's rights and obligations can be identified, (iii) payment terms are defined, (iv) it has commercial substance and (v) the customer has the ability and intent to pay. HP evaluates customers' ability to pay based on various factors like historical payment experience, financial metrics and customer credit scores. While the majority of our sales contracts contain standard terms and conditions, there are certain contracts with non-standard terms and conditions.
2. *Identify the performance obligations in the contract* - HP evaluates each performance obligation in an arrangement to determine whether it is distinct, such as hardware and/or service. A performance obligation constitutes distinct goods or services when the customer can benefit from such goods or services either on its own or together with other resources that are readily available to the customer and the performance obligation is distinct within the context of the contract.
3. *Determine the transaction price* - Transaction price is the amount of consideration to which HP expects to be entitled in exchange for transferring goods or services to the customer. If the transaction price includes a variable amount, HP estimates the amount it expects to be entitled to using either the expected value or the most likely amount method.

   HP reduces the transaction price at the time of revenue recognition for customer and distributor programs and incentive offerings, rebates, promotions, other volume-based incentives and expected returns. HP uses estimates to determine the expected variable consideration for such programs based on factors like historical experience, expected consumer behavior and market conditions.

   HP has elected the practical expedient of not accounting for significant financing components if the period between revenue recognition and when the customer pays for the product or service is one year or less.
4. *Allocate the transaction price to performance obligations in the contract* - When a sales arrangement contains multiple performance obligations, such as hardware and/or services, HP allocates revenue to each performance obligation in proportion to their selling price. The selling price for each performance obligation is based on its Standalone Selling Price ("SSP"). HP establishes SSP using the price charged for a performance obligation when sold separately ("observable price") and, in some instances, using the price established by management having the relevant authority. When observable price is not available, HP establishes SSP based on management judgment considering internal factors such as margin objectives, pricing practices and controls, customer segment pricing strategies and the product life cycle. Consideration is also given to market conditions such as competitor pricing strategies and technology industry life cycles.
5. *Recognize revenue when (or as) the performance obligation is satisfied* - Revenue is recognized when, or as, a performance obligation is satisfied by transferring control of a promised good or service to a customer. HP generally invoices the customer upon delivery of the goods or services and the payments are due as per contract terms. For fixed price support or maintenance contracts that are in the nature of stand-ready obligations, payments are generally received in advance from customers and revenue is recognized on a straight-line basis over the duration of the contract.

Note 1: Summary of Significant Accounting Policies (Continued)

HP reports revenue net of any taxes collected from customers and remitted to government authorities, and the collected taxes are recorded as other current liabilities until remitted to the relevant government authority. HP includes costs related to shipping and handling in Cost of revenue.

HP records revenue on a gross basis when HP is a principal in the transaction and on a net basis when HP is acting as an agent between the customer and the vendor. HP considers several factors to determine whether it is acting as a principal or an agent, most notably whether HP is the primary obligor to the customer, has established its own pricing and has inventory and credit risks.

Hardware

HP transfers control of the products to the customer at the time the product is delivered to the customer and recognizes revenue accordingly, unless customer acceptance is uncertain or significant obligations to the customer remain unfulfilled. HP records revenue from the sale of equipment under sales-type leases as revenue at the commencement of the lease.

Services

HP recognizes revenue from fixed-price support, maintenance and other service contracts over time depicting the pattern of service delivery and recognizes the costs associated with these contracts as incurred.

Contract Assets and Liabilities

Contract assets are rights to consideration in exchange for goods or services that HP has transferred to a customer when such right is conditional on something other than the passage of time. Such contract assets are not material to HP's Consolidated Financial Statements.

Contract liabilities are recorded as deferred revenues when amounts invoiced to customers are more than the revenues recognized or when payments are received in advance for fixed-price support or maintenance contracts. The short-term and long-term deferred revenues are reported within the other current liabilities and other non-current liabilities respectively.

Cost to Obtain a Contract and Fulfillment Cost

Incremental direct costs of obtaining a contract primarily consist of sales commissions. HP has elected the practical expedient to expense as incurred the costs to obtain a contract with a benefit period equal to or less than one year. For contracts with a period of benefit greater than one year, HP capitalizes incremental costs of obtaining a contract with a customer and amortizes these costs over their expected period of benefit provided such costs are recoverable.

Fulfillment costs consist of set-up and transition costs related to other service contracts. These costs generate or enhance resources of HP that will be used in satisfying the performance obligation in the future and are capitalized and amortized over the expected period of the benefit, provided such costs are recoverable.

See Note 7, "Supplementary Financial Information" for details on net revenue by region, cost to obtain a contract and fulfillment cost, contract liabilities and value of remaining performance obligations.

Leases

At the inception of a contract, HP assesses whether the contract is, or contains, a lease. The assessment is based on (1) whether the contract involves the use of a distinct identified asset, (2) whether HP obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether HP has the right to direct the use of the asset.

All significant lease arrangements are recognized at lease commencement. Leases with a lease term of 12 months or less at inception are not recorded on the Consolidated Balance Sheets and are expensed on a straight-line basis over the lease term in the Consolidated Statement of Earnings. HP determines the lease term by assuming the exercise of renewal options that are reasonably certain. As most of the leases do not provide an implicit interest rate, HP uses the unsecured borrowing rate and risk-adjusts that rate to approximate a collateralized rate at the commencement date to determine the present value of future payments that are reasonably certain.

Note 1: Summary of Significant Accounting Policies (Continued)

Stock-Based Compensation

HP determines stock-based compensation expense based on the measurement date fair value of the award. HP recognizes compensation cost only for those awards expected to meet the service and performance vesting conditions on a straight-line basis over the requisite service period of the award. HP determines compensation costs at the aggregate grant level for service-based awards and at the individual vesting tranche level for awards with performance and/or market conditions. HP estimates the forfeiture rate based on its historical experience.

Retirement and Post-Retirement Plans

HP has various defined benefit, other contributory and non-contributory retirement and post-retirement plans. HP generally amortizes unrecognized actuarial gains and losses on a straight-line basis over the average remaining estimated service life of participants. In limited cases, HP amortizes actuarial gains and losses using the corridor approach. See Note 4, “Retirement and Post-Retirement Benefit Plans” for a full description of these plans and the accounting and funding policies.

Advertising cost

Costs to produce advertising are expensed as incurred during production. Costs to communicate advertising are expensed when the advertising is first run. Such costs totaled approximately $829 million, $530 million and $652 million in fiscal years 2021, 2020 and 2019, respectively.

Restructuring and Other Charges

HP records charges associated with management-approved restructuring plans to reorganize one or more of HP’s business segments, to remove duplicative headcount and infrastructure associated with business acquisitions or to simplify business processes and accelerate innovation. Restructuring charges can include severance costs to reduce a specified number of employees, enhanced early retirement incentives, infrastructure charges to vacate facilities and consolidate operations, and contract cancellation costs. HP records restructuring charges based on estimated employee terminations, committed early retirements and site closure and consolidation plans. HP accrues for severance and other employee separation costs under these actions when it is probable that benefits will be paid and the amount is reasonably estimable. The rates used in determining severance accruals are based on existing plans, historical experiences and negotiated settlements. Other charges include non-recurring costs, including those as a result of information technology rationalization efforts and proxy contest activities, and are distinct from ongoing operational costs.

Taxes on Earnings

HP recognizes deferred tax assets and liabilities for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts using enacted tax rates in effect for the year the differences are expected to reverse. HP records a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized.

HP records accruals for uncertain tax positions when HP believes that it is not more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. HP makes adjustments to these accruals when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. The provision for income taxes includes the effects of adjustments for uncertain tax positions, as well as any related interest and penalties.

Accounts Receivable

HP records allowance for credit losses for the current expected credit losses inherent in the asset over its expected life. The allowance for credit losses is maintained based on the relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount.

Note 1: Summary of Significant Accounting Policies (Continued)

HP records a specific reserve for individual accounts when HP becomes aware of specific customer circumstances, such as in the case of a bankruptcy filing or deterioration in the customer's operating results or financial position. If there are additional changes in circumstances related to the specific customer, HP further adjusts estimates of the recoverability of receivables. HP assesses collectability by pooling receivables where similar risk characteristics exist.

HP maintains an allowance for credit losses for all other customers based on a variety of factors, including the use of third-party credit risk models that generate quantitative measures of default probabilities based on market factors, financial condition of customers, length of time receivables are past due, trends in the weighted-average risk rating for the portfolio, macroeconomic conditions, information derived from competitive benchmarking, significant one-time events, and historical experience. The past due or delinquency status of a receivable is based on the contractual payment terms of the receivable.

HP has third-party short-term financing arrangements intended to facilitate the working capital requirements of certain customers. These financing arrangements, which in certain cases provide for partial recourse, result in the transfer of HP's trade receivables to a third-party. HP reflects amounts transferred to, but not yet collected from the third-party in Accounts receivable in the Consolidated Balance Sheets. For arrangements involving an element of recourse, the fair value of the recourse obligation is measured using market data from similar transactions and reported as a current liability in the Consolidated Balance Sheets.

Concentrations of Risk

Financial instruments that potentially subject HP to significant concentrations of credit risk consist principally of cash and cash equivalents, investments, receivables from trade customers and contract manufacturers and derivatives.

HP maintains cash and cash equivalents, investments, derivatives and certain other financial instruments with various financial institutions. These financial institutions are located in many different geographic regions, and HP's policy is designed to limit exposure from any particular institution. As part of its risk management processes, HP performs periodic evaluations of the relative credit standing of these financial institutions. HP has not sustained material credit losses from instruments held at these financial institutions. HP utilizes derivative contracts to protect against the effects of foreign currency, interest rate and, on certain investment exposures. Such contracts involve the risk of non-performance by the counterparty, which could result in a material loss. The likelihood of which HP deems to be remote.

HP sells a significant portion of its products through third-party distributors and resellers and, as a result, maintains individually significant receivable balances with these parties. If the financial condition or operations of these distributors' and resellers' aggregated business deteriorates substantially, HP's operating results could be adversely affected. The ten largest distributor and reseller receivable balances, which were concentrated primarily in North America and Europe, collectively represented approximately 43% and 47% of gross accounts receivable as of October 31, 2021 and 2020, respectively. No single customer accounts for more than 10% of gross accounts receivable as of October 31, 2021 or 2020. Credit risk with respect to other accounts receivable is generally diversified due to HP's large customer base and their dispersion across many different industries and geographic markets. HP performs ongoing credit evaluations of the financial condition of its third-party distributors, resellers and other customers and may require collateral, such as letters of credit and bank guarantees, in certain circumstances.

HP utilizes outsourced manufacturers around the world to manufacture HP-designed products. HP may purchase product components from suppliers and sell those components to its outsourced manufacturers thereby creating receivable balances from the outsourced manufacturers. The three largest outsourced manufacturer receivable balances collectively represented 85% and 89% of HP's supplier receivables of $1.4 billion and $1.2 billion as of October 31, 2021 and 2020, respectively. HP includes the supplier receivables in Other current assets in the Consolidated Balance Sheets on a gross basis. HP's credit risk associated with these receivables is mitigated wholly or in part, by the amount HP owes to these outsourced manufacturers, as HP generally has the legal right to offset its payables to the outsourced manufacturers against these receivables. HP does not reflect the sale of these components in net revenue and does not recognize any profit on these component sales until the related products are sold by HP, at which time any profit is recognized as a reduction to cost of revenue.

Notes to Consolidated Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

HP obtains a significant number of components from single source suppliers due to technology, availability, price, quality or other considerations. The loss of a single source supplier, the deterioration of HP's relationship with a single source supplier, or any unilateral modification to the contractual terms under which HP is supplied components by a single source supplier could adversely affect HP's net revenue, cash flows and gross margins.

Upon completion of the Separation on November 1, 2015, HP recorded net income tax indemnification receivables from Hewlett Packard Enterprise for certain income tax liabilities that HP is jointly and severally liable for, but for which it is indemnified by Hewlett Packard Enterprise under the tax matters agreement ("TMA"). The TMA was terminated during the fourth quarter of fiscal year 2019.

Inventory

HP values inventory at the lower of cost or market. Cost is computed using standard cost which approximates actual cost on a first-in, first-out basis. Adjustments, if required, to reduce the cost of inventory to market (net realizable value) are made for estimated excess, obsolete or impaired balances after considering judgments related to future demand and market conditions, along with the impact of COVID-19.

Property, Plant and Equipment, Net

HP reflects property, plant and equipment at cost less accumulated depreciation. HP capitalizes additions and improvements and expenses maintenance and repairs as incurred. Depreciation expense is recognized on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives are five to 40 years for buildings and improvements and three to 15 years for machinery and equipment. HP depreciates leasehold improvements over the life of the lease or the asset, whichever is shorter. HP depreciates equipment held for lease over the initial term of the lease to the equipment's estimated residual value. On retirement or disposition, the asset cost and related accumulated depreciation are removed from the Consolidated Balance Sheets with any gain or loss recognized in the Consolidated Statements of Earnings.

Internal Use Software and Cloud Computing Arrangements

HP capitalizes external costs and directly attributable internal costs to acquire or create internal use software which are incurred subsequent to the completion of the preliminary project stage. These costs relate to activities such as software design, configuration, coding, testing, and installation. Costs related to post-implementation activities such as training and maintenance are expensed as incurred. Once the software is substantially complete and ready for its intended use, capitalized development costs are amortized straight-line over the estimated useful life of the software, generally not to exceed five years.

HP also enters into certain cloud-based software hosting arrangements that are accounted for as service contracts. For internal-use software obtained through a hosting arrangement that is in the nature of a service contract, HP incurs certain implementation costs such as integrating, configuring, and software customization, which are consistent with costs incurred during the application development stage for on-premise software. HP applies the same guidance to determine costs that are eligible for capitalization. For these arrangements, HP amortizes the capitalized development costs straight-line over the fixed, non-cancellable term of the associated hosting arrangement plus any reasonably certain renewal periods. HP also applies the same impairment model to both internal-use software and capitalized implementation costs in a software hosting arrangement that is in the nature of a service contract.

Business Combinations

HP includes the results of operations of the acquired business in HP's consolidated results prospectively from the acquisition date. HP allocates the purchase consideration to the assets acquired, liabilities assumed, and non-controlling interests in the acquired entity generally based on their fair values at the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired, liabilities assumed and non-controlling interests in the acquired entity is recorded as goodwill. The primary items that generate goodwill include the value of the synergies between the acquired company and HP, and the value of the acquired assembled workforce, neither of which qualify for recognition as an intangible asset. Acquisition-related charges are recognized separately from the business combination and are expensed as incurred. These charges primarily include, direct third-party professional and legal fees, and integration-related costs.

Notes to Consolidated Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Goodwill

HP reviews goodwill for impairment annually during its fourth quarter and whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable. HP can elect to perform a qualitative assessment to test a reporting unit's goodwill for impairment or HP can directly perform the quantitative impairment test. Based on the qualitative assessment, if HP determines that the fair value of a reporting unit is more likely than not (i.e., a likelihood of more than 50 percent) to be less than its carrying amount, a quantitative impairment test will be performed.

In the quantitative impairment test, HP compares the fair value of each reporting unit to its carrying amount with the fair values derived most significantly from the income approach, and to a lesser extent, the market approach. Under the income approach, HP estimates the fair value of a reporting unit based on the present value of estimated future cash flows. HP bases cash flow projections on management's estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. HP bases the discount rate on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the reporting unit's ability to execute on the projected cash flows. Under the market approach, HP estimates fair value based on market multiples of revenue and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting unit. HP weights the fair value derived from the market approach depending on the level of comparability of these publicly-traded companies to the reporting unit. When market comparables are not meaningful or not available, HP estimates the fair value of a reporting unit using only the income approach.

In order to assess the reasonableness of the estimated fair value of HP's reporting units, HP compares the aggregate reporting unit fair value to HP's market capitalization on an overall basis and calculates an implied control premium (the excess of the sum of the reporting units' fair value over HP's market capitalization on an overall basis). HP evaluates the control premium by comparing it to observable control premiums from recent comparable transactions. If the implied control premium is determined to not be reasonable in light of these recent transactions, HP re-evaluates its reporting unit fair values, which may result in an adjustment to the discount rate and/or other assumptions. This re-evaluation could result in a change to the estimated fair value for certain or all reporting units.

If the fair value of a reporting unit exceeds the carrying amount of the net assets assigned to that reporting unit, goodwill is not impaired. If the fair value of the reporting unit is less than its carrying amount, goodwill is impaired and the excess of the reporting unit's carrying value over the fair value is recognized as an impairment loss.

Debt and Marketable Equity Securities Investments

HP determines the appropriate classification of its investments at the time of purchase and re-evaluates the classifications at each balance sheet date. Debt and marketable equity securities are generally considered available-for-sale. All highly liquid investments with maturities of three months or less at the date of purchase are classified as cash equivalents. Marketable debt securities with maturities of twelve months or less are classified as short-term investments and marketable debt securities with maturities greater than twelve months are classified based on their availability for use in current operations. Marketable equity securities, including mutual funds, are classified as either short or long-term based on the nature of each security and its availability for use in current operations.

Available-for-sale debt securities are reported at fair value with unrealized gains and losses, net of applicable taxes, in Accumulated other comprehensive loss. Unrealized gains and losses on equity securities, credit losses and impairments on available-for-sale debt securities are recorded in Consolidated Statements of Earnings. Realized gains and losses on available-for-sale securities are calculated at the individual security level and included in Interest and other, net in the Consolidated Statements of Earnings.

HP monitors its investment portfolio for potential impairment and credit losses on a quarterly basis. If HP intends to sell a debt security or it is more likely than not that HP will be required to sell the security before recovery, then a decline in fair value below cost is recorded as an impairment charge in Interest and other, net and a new cost basis in the investment is established.

Note 1: Summary of Significant Accounting Policies (Continued)

In other cases, if the carrying amount of an investment in debt securities exceeds its fair value and the decline in value is determined to be due to credit related reasons, HP records a credit loss allowance, limited by the amount that fair value is less than the amortized cost basis. HP recognizes the corresponding charge in Interest and other, net and the remaining unrealized loss, if any, in Accumulated other comprehensive loss in the Consolidated Balance Sheets. Factors that HP considers while determining the credit loss allowance includes, but is not limited to, severity and the reason for the decline in value, interest rate changes and counterparty long-term ratings.

Derivatives

HP uses derivative instruments, primarily forward contracts, interest rate swaps, total return swaps, treasury rate locks, forward starting swaps and, at times, option contracts to hedge certain foreign currency, interest rate and, return on certain investment exposures. HP also may use other derivative instruments not designated as hedges, such as forwards used to hedge foreign currency balance sheet exposures. HP does not use derivative instruments for speculative purposes. See Note 10, "Financial Instruments" for a full description of HP's derivative instrument activities and related accounting policies.

Loss Contingencies

HP is involved in various lawsuits, claims, investigations and proceedings that arise in the ordinary course of business. HP records a liability for contingencies when it believes it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. See Note 14, "Litigation and Contingencies" for a full description of HP's loss contingencies and related accounting policies.

Note 2: Segment Information

HP is a leading global provider of personal computing and other access devices, imaging and printing products, and related technologies, solutions and services. HP sells to individual consumers, small- and medium-sized businesses ("SMBs") and large enterprises, including customers in the government, health and education sectors. HP goes to market through its extensive channel network and direct sales.

HP's operations are organized into three reportable segments: Personal Systems, Printing and Corporate Investments. HP's organizational structure is based on many factors that the chief operating decision maker ("CODM") uses to evaluate, view and run the business operations, which include, but are not limited to, customer base and homogeneity of products and technology. The segments are based on this organizational structure and information reviewed by HP's CODM to evaluate segment results. The CODM uses several metrics to evaluate the performance of the overall business, including earnings from operations, and uses these results to allocate resources to each of the segments.

A summary description of each segment is as follows:

Personal Systems offers commercial and consumer desktop and notebook personal computers ("PCs"), workstations, thin clients, commercial mobility devices, retail point-of-sale ("POS") systems, displays and peripherals, software, support and services. HP groups commercial notebooks, commercial desktops, commercial services, commercial mobility devices, commercial detachables and convertibles, workstations, retail POS systems and thin clients into commercial PCs and consumer notebooks, consumer desktops, consumer services and consumer detachables into consumer PCs when describing performance in these markets. Described below are HP's global business capabilities within Personal Systems:

— *Commercial PCs* are optimized for use by enterprise, public sector which includes education, and SMB customers, with a focus on robust designs, security, serviceability, connectivity, reliability and manageability in the customer's environment. Additionally, HP offers a range of services and solutions to enterprise, public sector which includes education, and SMB customers to help them manage the lifecycle of their PC and mobility installed base.

— *Consumer PCs* are optimized for consumer usage, focusing on gaming, learning and working remotely, consuming multi-media for entertainment, managing personal life activities, staying connected, sharing information, getting things done for work including creating content, and staying informed and secure.

Notes to Consolidated Financial Statements (Continued)

Note 2: Segment Information (Continued)

Personal Systems groups its global business capabilities into the following business units when reporting business performance:

- *Notebooks* consists of consumer notebooks, commercial notebooks, mobile workstations, peripherals, and commercial mobility devices;
- *Desktops* includes consumer desktops, commercial desktops, thin clients, displays, peripherals, and retail POS systems;
- *Workstations* consists of desktop workstations, displays, and peripherals; and
- *Other* consists of consumer and commercial services as well as other Personal Systems capabilities.

Printing provides consumer and commercial printer hardware, supplies, services and solutions. Printing is also focused on imaging solutions in the commercial and industrial markets. Described below are HP's global business capabilities within Printing.

- *Office Printing Solutions* delivers HP's office printers, supplies, services and solutions to SMBs and large enterprises. It also includes OEM hardware and solutions, and some Samsung-branded supplies.
- *Home Printing Solutions* delivers innovative printing products, supplies, services and solutions for the home, home business and micro business customers utilizing both HP's Ink and Laser technologies. It also includes some Samsung-branded supplies.
- *Graphics Solutions* delivers large-format, commercial and industrial solutions and supplies to print service providers and packaging converters through a wide portfolio of printers and presses (HP DesignJet, HP Latex, HP Indigo and HP PageWide Web Presses).
- *3D Printing & Digital Manufacturing* offers a portfolio of additive manufacturing solutions and supplies to help customers succeed in their additive and digital manufacturing journey. HP offers complete solutions in collaboration with an ecosystem of partners.

Printing groups its global business capabilities into the following business units when reporting business performance:

- *Commercial* consists of office printing solutions, graphics solutions and 3D printing & digital manufacturing, excluding supplies;
- *Consumer* consists of home printing solutions, excluding supplies; and
- *Supplies* comprises a set of highly innovative consumable products, ranging from ink and laser cartridges to media, graphics supplies and 3D printing & digital manufacturing supplies, for recurring use in consumer and commercial hardware.

Corporate Investments includes HP Labs and certain business incubation and investment projects.

The accounting policies HP uses to derive segment results are substantially the same as those used by HP in preparing these financial statements. HP derives the results of the business segments directly from its internal management reporting system.

HP does not allocate certain operating expenses, which it manages at the corporate level, to its segments. These unallocated amounts include certain corporate governance costs and infrastructure investments, stock-based compensation expense, restructuring and other charges, acquisition-related charges and amortization of intangible assets.

Notes to Consolidated Financial Statements (Continued)

Note 2: Segment Information (Continued)

Segment Operating Results from Operations and the reconciliation to HP consolidated results were as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
		In millions	
Net revenue:			
Notebooks	$30,522	$25,766	$22,928
Desktops	9,381	9,806	12,046
Workstations	1,669	1,816	2,389
Other	1,787	1,609	1,331
Personal Systems	43,359	38,997	38,694
Supplies	12,632	11,586	12,921
Commercial	4,209	3,539	4,612
Consumer	3,287	2,516	2,533
Printing	20,128	17,641	20,066
Corporate Investments	3	2	2
Total segment net revenue	63,490	56,640	58,762
Other	(3)	(1)	(6)
Total net revenue	$63,487	$56,639	$58,756
Earnings before taxes:			
Personal Systems	$ 3,101	$ 2,312	$ 1,898
Printing	3,636	2,495	3,202
Corporate Investments	(96)	(69)	(96)
Total segment earnings from operations	$ 6,641	$ 4,738	$ 5,004
Corporate and unallocated costs and other	(542)	(407)	(404)
Stock-based compensation expense	(330)	(278)	(297)
Restructuring and other charges	(245)	(462)	(275)
Acquisition-related charges	(68)	(16)	(35)
Amortization of intangible assets	(154)	(113)	(116)
Interest and other, net	2,209	(231)	(1,354)
Total earnings before taxes	$ 7,511	$ 3,231	$ 2,523

Note 2: Segment Information (Continued)

Segment Assets

HP allocates assets to its business segments based on the segments primarily benefiting from the assets. Total assets by segment and the reconciliation of segment assets to HP consolidated assets were as follows:

	As of October 31	
	2021	2020
	In millions	
Personal Systems	$18,126	$14,697
Printing	14,744	14,170
Corporate Investments	171	3
Corporate and unallocated assets	5,569	5,811
Total assets	$38,610	$34,681

Major Customers

No single customer represented 10% or more of HP's net revenue in any fiscal year presented.

Geographic Information

Net revenue by country is based upon the sales location that predominately represents the customer location. For each of the fiscal years of 2021, 2020 and 2019, other than the United States, no country represented more than 10% of HP net revenue.

Net revenue by country was as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
	In millions		
United States	$22,447	$20,227	$20,605
Other countries	41,040	36,412	38,151
Total net revenue	$63,487	$56,639	$58,756

Net property, plant and equipment by country in which HP operates was as follows:

	As of October 31	
	2021	2020
	In millions	
United States	$ 1,178	$ 1,262
Singapore	305	326
South Korea	285	142
Other countries	778	897
Total property, plant and equipment, net	$ 2,546	$ 2,627

No single country other than those represented above exceeds 10% or more of HP's total net property, plant and equipment in any fiscal year presented.

Notes to Consolidated Financial Statements (Continued)

Note 3: Restructuring and Other Charges

Summary of Restructuring Plans

HP's restructuring activities in fiscal years 2021, 2020 and 2019 summarized by plan were as follows:

	Fiscal 2020 Plan		Other prior year plans[1]	Total
	Severance and EER	Non-labor		
	In millions			
Accrued balance as of October 31, 2018	$ —	$ —	$ 59	$ 59
Charges	82	—	165	247
Cash payments	—	—	(140)	(140)
Non-cash and other adjustments	(6)	—	(18)	(24)
Accrued balance as of October 31, 2019	76	—	66	142
Charges	346	10	1	357
Cash payments	(319)	(10)	(52)	(381)
Non-cash and other adjustments	(48)[2]	—	(3)	(51)
Accrued balance as of October 31, 2020	55	—	12	67
Charges	181	38	4	223
Cash payments	(159)	(7)	(16)	(182)
Non-cash and other adjustments	(2)	(31)	—	(33)
Accrued balance as of October 31, 2021	$ 75	$ —	$ —	$ 75
Total costs incurred to date as of October 31, 2021	$ 609	$ 48	$1,821	$2,478
Reflected in Consolidated Balance Sheets:				
Other current liabilities	$ 75	$ —	$ —	$ 75

[1] Includes prior-year plans which are substantially complete. HP does not expect any further material activity associated with these plans.

[2] Includes reclassification of liability related to the Enhanced Early Retirement ("EER") plan of $44 million for certain healthcare and medical savings account benefits to pension and post retirement plans. See Note 4 "Retirement and Post-Retirement Benefit Plans" for further information.

Fiscal 2020 Plan

On September 30, 2019, HP's Board of Directors approved the Fiscal 2020 Plan intended to optimize and simplify its operating model and cost structure that HP expects will be implemented through fiscal 2022. HP expects to reduce global headcount by approximately 7,000 to 9,000 employees through a combination of employee exits and voluntary EER. HP estimates that it will incur pre-tax charges of approximately $1.0 billion relating to labor and non-labor actions. HP expects to incur approximately $0.8 billion primarily in labor costs related to workforce reductions and the remaining costs will relate to non-labor actions and other charges.

Other charges

Other charges include non-recurring costs, including those as a result of information technology rationalization efforts and proxy contest activities, and are distinct from ongoing operational costs. These costs primarily relate to third-party legal, professional services and other non-recurring costs. HP incurred $22 million, $105 million and $28 million of other charges in fiscal year 2021, 2020 and 2019, respectively.

Note 4: Retirement and Post-Retirement Benefit Plans

Defined Benefit Plans

HP sponsors a number of defined benefit pension plans worldwide. The most significant defined benefit plan, the HP Inc. Pension Plan ("Pension Plan") is a frozen plan in the United States.

HP reduces the benefit payable to certain U.S. employees under the Pension Plan for service before 1993, if any, by any amounts due to the employee under HP's frozen defined contribution Deferred Profit-Sharing Plan ("DPSP"). At October 31, 2021 and 2020, the fair value of plan assets of the DPSP was $482 million and $463 million, respectively. The DPSP obligations are equal to the plan assets and are recognized as an offset to the Pension Plan when HP calculates its defined benefit pension cost and obligations.

In August 2021, HP entered into an agreement with The Prudential Insurance Company of America ("Prudential") to purchase an irrevocable group annuity contract and transfer approximately $5.2 billion of the Pension Plan obligations. Under the agreement, Prudential assumed responsibility for pension benefits and annuity administration for approximately 41,000 retirees and beneficiaries, with no changes to the amount or timing of monthly retirement benefit payments. This transaction closed in the fourth quarter of fiscal year 2021 and was funded by the assets of the Pension Plan. HP recorded a settlement gain of approximately $39 million in Interest and other, net on the Consolidated Statements of Earnings, with no cash flow impact.

Post-Retirement Benefit Plans

HP sponsors retiree health and welfare benefit plans, of which the most significant are in the United States. Under the HP Inc. Retiree Welfare Benefits Plan, certain pre-2003 retirees and grandfathered participants with continuous service to HP since 2002 are eligible to receive partially subsidized medical coverage based on years of service at retirement. HP's share of the premium cost is capped for all subsidized medical coverage provided under the HP Inc. Retiree Welfare Benefits Plan. HP currently leverages the employer group waiver plan process to provide HP Inc. Retiree Welfare Benefits Plan post-65 prescription drug coverage under Medicare Part D, thereby giving HP access to federal subsidies to help pay for retiree benefits.

Certain employees not grandfathered for partially subsidized medical coverage under the above programs, and employees hired after 2002 but before August 2008, are eligible for credits under the HP Inc. Retiree Welfare Benefits Plan. Credits offered after September 2008 are provided in the form of matching credits on employee contributions made to a voluntary employee beneficiary association upon attaining age 45 or as part of early retirement programs. On retirement, former employees may use these credits for the reimbursement of certain eligible medical expenses, including premiums required for coverage.

Defined Contribution Plans

HP offers various defined contribution plans for U.S. and non-U.S. employees. Total defined contribution expense was $112 million in fiscal year 2021, $108 million in fiscal year 2020 and $107 million in fiscal year 2019.

U.S. employees are automatically enrolled in the HP Inc. 401(k) Plan when they meet eligibility requirements, unless they decline participation. The employer matching contributions in the HP Inc. 401(k) Plan is 100% of the first 4% of eligible compensation contributed by employees, and the employer match is vested after three years of employee service. Generally, an employee must be employed by HP Inc. on the last day of the calendar year to receive a match.

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

Pension and Post-Retirement Benefit Expense

The components of HP's pension and post-retirement benefit (credit) cost recognized in the Consolidated Statements of Earnings were as follows:

	For the fiscal years ended October 31								
	2021	2020	2019	2021	2020	2019	2021	2020	2019
	U.S. Defined Benefit Plans			Non-U.S. Defined Benefit Plans			Post-Retirement Benefit Plans		
	In millions								
Service cost	$ —	$ —	$ —	$ 67	$ 64	$ 57	$ 1	$ 1	$ 1
Interest cost	281	412	491	18	17	24	9	11	17
Expected return on plan assets	(475)	(700)	(581)	(49)	(43)	(37)	(24)	(23)	(22)
Amortization and deferrals:									
Actuarial loss (gain)	50	64	59	52	43	31	(16)	(10)	(31)
Prior service cost (credit)	—	—	—	5	(2)	(3)	(11)	(12)	(13)
Net periodic benefit (credit) cost	(144)	(224)	(31)	93	79	72	(41)	(33)	(48)
Curtailment gain	—	—	—	—	—	(22)	—	—	—
Settlement (gain) loss	(37)	217	2	1	1	1	—	—	—
Special termination benefit cost	—	—	—	—	—	—	—	44	6
Total periodic benefit (credit) cost	$(181)	$ (7)	$ (29)	$ 94	$ 80	$ 51	$(41)	$ 11	$(42)

The components of net periodic benefit (credit) cost other than the service cost component are included in Interest and other, net in our Consolidated Statements of Earnings.

The weighted-average assumptions used to calculate the total periodic benefit (credit) cost were as follows:

	For the fiscal years ended October 31								
	2021	2020	2019	2021	2020	2019	2021	2020	2019
	U.S. Defined Benefit Plans			Non-U.S. Defined Benefit Plans			Post-Retirement Benefit Plans		
Discount rate	2.8%	3.2%	4.5%	1.1%	1.3%	2.0%	2.3%	2.9%	4.4%
Expected increase in compensation levels	2.0%	2.0%	2.0%	2.4%	2.5%	2.5%	—%	—%	—%
Expected long-term return on plan assets	5.0%	6.0%	6.0%	4.4%	4.4%	4.4%	5.0%	5.9%	6.0%
Guaranteed interest crediting rate	5.0%	5.0%	5.0%	2.6%	2.6%	2.7%	2.9%	3.5%	3.5%

Notes to Consolidated Financial Statements (Continued)

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

Funded Status

The funded status of the defined benefit and post-retirement benefit plans was as follows:

	As of October 31					
	2021	2020	2021	2020	2021	2020
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		Post-Retirement Benefit Plans	
	In millions					
Change in fair value of plan assets:						
Fair value of assets — beginning of year	$10,463	$12,017	$1,064	$ 969	$ 481	$ 404
Actual return on plan assets	1,403	1,260	117	22	11	107
Employer contributions	28	34	71	45	2	4
Participant contributions	—	—	21	18	49	45
Benefits paid	(427)	(422)	(45)	(33)	(86)	(79)
Settlement	(5,407)	(2,426)	(5)	(7)	—	—
Currency impact	—	—	(12)	50	—	—
Fair value of assets — end of year	$ 6,060	$10,463	$1,211	$1,064	$ 457	$ 481
Change in benefits obligation						
Projected benefit obligation — beginning of year	$11,344	$13,191	$1,664	$1,457	$ 394	$ 390
Acquisition of plan	—	—	—	3	—	—
Service cost	—	—	67	64	1	1
Interest cost	281	412	18	17	9	11
Participant contributions	—	—	21	18	49	45
Actuarial (gain) loss	(51)	589	(23)	78	(13)	(10)
Benefits paid	(427)	(422)	(45)	(33)	(86)	(79)
Plan amendments	—	—	62	—	—	(8)
Curtailment	—	—	(3)	—	—	—
Settlement	(5,407)	(2,426)	(5)	(7)	—	—
Special termination benefit cost	—	—	—	—	—	44
Currency impact	—	—	(9)	67	—	—
Projected benefit obligation — end of year	$ 5,740	$11,344	$1,747	$1,664	$ 354	$ 394
Funded status at end of year	$ 320	$ (881)	$ (536)	$ (600)	$ 103	$ 87
Accumulated benefit obligation	$ 5,740	$11,344	$1,602	$1,515		

The cumulative net actuarial losses for our defined pension plans and retiree welfare plans decreased year over year. The decrease in losses is primarily due to the higher than expected returns on assets, increases in discount rates, partially offset by increases in the cost of living assumptions and the recognition of gains as a result of the U.S. settlement. This has also resulted in improvement in the funded status of HP's defined benefit and post-retirement benefit plans.

Notes to Consolidated Financial Statements (Continued)

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

The weighted-average assumptions used to calculate the projected benefit obligations for the fiscal years ended October 31, 2021 and 2020 were as follows:

	For the fiscal years ended October 31					
	2021	2020	2021	2020	2021	2020
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		Post-Retirement Benefit Plans	
Discount rate	2.9%	2.8%	1.3%	1.1%	2.5%	2.3%
Expected increase in compensation levels	2.0%	2.0%	2.6%	2.4%	—%	—%
Guaranteed interest crediting rate	5.0%	5.0%	2.6%	2.6%	2.9%	2.9%

The net amounts of non-current assets and current and non-current liabilities for HP's defined benefit and post-retirement benefit plans recognized on HP's Consolidated Balance Sheet were as follows:

	As of October 31					
	2021	2020	2021	2020	2021	2020
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		Post-Retirement Benefit Plans	
	In millions					
Other non-current assets	$ 732	$ —	$ 34	$ 20	$108	$93
Other current liabilities	(36)	(35)	(8)	(8)	(4)	(5)
Other non-current liabilities	(376)	(846)	(562)	(612)	(1)	(1)
Funded status at end of year	$ 320	$ (881)	$(536)	$(600)	$103	$87

The following table summarizes the pre-tax net actuarial loss (gain) and prior service cost (credit) recognized in Accumulated other comprehensive loss for the defined benefit and post-retirement benefit plans.

	As of October 31, 2021		
	U.S. Defined Benefit Plans	Non-U.S. Defined Benefit Plans	Post-Retirement Benefit Plans
	In millions		
Net actuarial loss (gain)	$ 128	$331	$(202)
Prior service cost (credit)	—	44	(79)
Total recognized in Accumulated other comprehensive loss	$ 128	$375	$(281)

Defined benefit plans with projected benefit obligations exceeding the fair value of plan assets were as follows:

	As of October 31			
	2021	2020	2021	2020
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans	
	In millions			
Aggregate fair value of plan assets	$ —	$10,463	$ 988	$ 998
Aggregate projected benefit obligation	$ 412	$11,344	$1,562	$1,620

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

Defined benefit plans with accumulated benefit obligations exceeding the fair value of plan assets were as follows:

	As of October 31			
	2021	2020	2021	2020
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans	
	In millions			
Aggregate fair value of plan assets	$ —	$10,463	$ 983	$ 920
Aggregate accumulated benefit obligation	$ 412	$11,344	$1,437	$1,419

Fair Value of Plan Assets

The table below sets forth the fair value of plan assets by asset category within the fair value hierarchy as of October 31, 2021. Refer to Note 9, "Fair Value" for details on fair value hierarchy. Certain investments that are measured at fair value using the Net Asset Value ("NAV") per share as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table provide a reconciliation of the fair value hierarchy to the total value of plan assets.

	As of October 31, 2021											
	U.S. Defined Benefit Plans				Non-U.S. Defined Benefit Plans				Post-Retirement Benefit Plans			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	In millions											
Asset Category:												
Equity securities[1]	$ 11	$ 50	$—	$ 61	$ 8	$102	$—	$ 110	$ —	$ —		$ —
Debt securities[2]												
Corporate	—	2,620	—	2,620	—	132	—	132	—	256	—	256
Government	—	1,931	—	1,931	—	5	—	5	—	122	—	122
Real Estate Funds	—	—	—	—	1	41	—	42	—	—	—	—
Insurance Contracts	—	—	—	—	—	94	—	94	—	—	—	—
Common Collective Trusts and 103-12 Investment Entities[3]	—	—	—	—	—	9	—	9	—	—	—	—
Investment Funds[4]	53	—	—	53	—	388	—	388	64		—	64
Cash and Cash Equivalents[5]	34	34	—	68	21	—	—	21	9	1	—	10
Other[6]	(456)	(515)	—	(971)	1	40	—	41	(2)		—	(2)
Net plan assets subject to leveling	$(358)	$4,120	$—	$ 3,762	$31	$811	$—	$ 842	$ 71	$379	$—	$ 450
Investments using NAV as a Practical Expedient[7]				2,298				369				7
Investments at Fair Value				$ 6,060				$1,211				$ 457

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

The table below sets forth the fair value of plan assets by asset category within the fair value hierarchy as of October 31, 2020.

	As of October 31, 2020											
	U.S. Defined Benefit Plans				Non-U.S. Defined Benefit Plans				Post-Retirement Benefit Plans			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	In millions											
Asset Category:												
Equity securities[1]	$ 283	$ 51	$—	$ 334	$ 7	$ 75	$—	$ 82	$ 1	$ 1	$—	$ 2
Debt securities[2]												
Corporate	—	5,891	—	5,891	—	124	—	124	—	53	—	53
Government	—	1,758	—	1,758	—	4	—	4	—	136	—	136
Real Estate Funds	—	—	—	—	1	28	—	29	—	—	—	—
Insurance Contracts	—	—	—	—	—	90	—	90	—	—	—	—
Common Collective Trusts and 103-12 Investment Entities[3]	—	—	—	—	—	7	—	7	—	—	—	—
Investment Funds[4]	348	—	—	348	—	329	—	329	63		—	63
Cash and Cash Equivalents[5]	11	61	—	72	25	—	—	25	—	1	—	1
Other[6]	(466)	(19)	—	(485)	1	19	—	20	(16)		—	(16)
Net plan assets subject to leveling	$ 176	$7,742	$—	$ 7,918	$34	$676	$—	$ 710	$ 48	$191	$—	$ 239
Investments using NAV as a Practical Expedient[7]				2,545				354				242
Investments at Fair Value				$10,463				$1,064				$ 481

(1) Investments in publicly traded equity securities are valued using the closing price on the measurement date as reported on the stock exchange on which the individual securities are traded.

(2) The fair value of corporate, government and asset-backed debt securities is based on observable inputs of comparable market transactions. Also included in this category is debt issued by national, state and local governments and agencies.

(3) Department of Labor 103-12 IE (Investment Entity) designation is for plan assets held by two or more unrelated employee benefit plans which includes limited partnerships and venture capital partnerships. Certain common collective trusts and interests in 103-12 entities are valued using NAV as a practical expedient.

(4) Includes publicly traded funds of investment companies that are registered with the SEC, funds that are not publicly traded and a non-U.S. fund-of-fund arrangement.

(5) Includes cash and cash equivalents such as short-term marketable securities. Cash and cash equivalents include money market funds, which are valued based on NAV. Other assets were classified in the fair value hierarchy based on the lowest level input (e.g., quoted prices and observable inputs) that is significant to the fair value measure in its entirety.

(6) Includes primarily reverse repurchase agreements, unsettled transactions, and derivative instruments.

(7) These investments include alternative investments, which primarily consist of private equities and hedge funds. The valuation of alternative investments, such as limited partnerships and joint ventures, may require significant management judgment. For alternative investments, valuation is based on NAV as reported by the asset manager or investment company and adjusted for cash flows, if necessary. In making such an assessment, a variety of factors are reviewed by management, including but not limited to the timeliness of NAV as reported by the asset manager and changes in general economic and market conditions subsequent to the last NAV reported by the asset manager.

- Private equities include limited partnerships such as equity, buyout, venture capital, real estate and other similar funds that invest in the United States and internationally where foreign currencies are hedged.
- Hedge funds include limited partnerships that invest both long and short primarily in common stocks and credit, relative value, event-driven equity, distressed debt and macro strategies. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks and bonds, and from a net long position to a net short position.

These investments also include Common Collective Trusts and 103-12 Investment Entities as defined in note (3) above and Investment Funds as defined in note (4) above.

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

Plan Asset Allocations

Refer to the fair value hierarchy table above for actual assets allocations across the benefit plans. The weighted-average target asset allocations across the benefit plans represented in the fair value tables above were as follows:

	2021 Target Allocation		
Asset Category	U.S. Defined Benefit Plans	Non-U.S. Defined Benefit Plans	Post-Retirement Benefit Plans
Equity-related investments	24.0%	36.4%	—%
Debt securities	76.0%	34.8%	98.3%
Real estate	—%	10.1%	—%
Cash and cash equivalents	—%	2.7%	1.7%
Other	—%	16.0%	—%
Total	100.0%	100.0%	100.0%

Investment Policy

HP's investment strategy is to seek a competitive rate of return relative to an appropriate level of risk depending on the funded status of each plan and the timing of expected benefit payments. The majority of the plans' investment managers employ active investment management strategies with the goal of outperforming the broad markets in which they invest. Risk management practices include diversification across asset classes and investment styles and periodic rebalancing toward asset allocation targets. A number of the plans' investment managers are authorized to utilize derivatives for investment or liability exposures, and HP may utilize derivatives to affect asset allocation changes or to hedge certain investment or liability exposures.

The target asset allocation selected for each U.S. plan (pension and post-retirement) reflects a risk/return profile HP believes is appropriate relative to each plan's liability structure and return goals. HP conducts periodic asset-liability studies for U.S. plans to model various potential asset allocations in comparison to each plan's forecasted liabilities and liquidity needs and to develop a policy glide path which adjusts the asset allocation with funded status. Due to the strong funded status for the U.S. Pension Plan, consistent with our policy, steps have been taken to de-risk the portfolio by reallocation of assets to liability hedging fixed-income investments. HP also invests a portion of the U.S. defined benefit plan assets in private market securities such as private equity funds to provide diversification and a higher expected return on assets.

Outside the United States, asset allocation decisions are typically made by an independent board of trustees for the specific plan. As in the United States, investment objectives are designed to generate returns that will enable the plan to meet its future obligations. In some countries, local regulations may restrict asset allocations, typically leading to a higher percentage of investment in fixed-income securities than would otherwise be deployed. HP reviews the investment strategy and where appropriate, can offer some assistance in the selection of investment managers, with final decisions on asset allocation and investment managers made by the board of trustees for the specific plan.

Basis for Expected Long-Term Rate of Return on Plan Assets

The expected long-term rate of return on plan assets reflects the expected returns for each major asset class in which the plan invests and the weight of each asset class in the target mix. Expected asset returns reflect the current yield on government bonds, risk premiums for each asset class and expected real returns which considers each country's specific inflation outlook. Because HP's investment policy is to employ primarily active investment managers who seek to outperform the broader market, the expected returns are adjusted to reflect the expected additional returns net of fees.

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

Retirement Incentive Program

As part of the Fiscal 2020 Plan, HP announced the voluntary EER program for its U.S. employees in October 2019. Voluntary participation in the EER program was limited to those employees who were at least 50 years old with 20 or more years of service at HP. Employees accepted into the EER program left HP on dates ranging from December 31, 2019 to September 30, 2020. The EER benefit was a cash lump sum payment which was calculated based on years of service at HP at the time of the retirement and ranging from 13 to 52 weeks of pay.

All employees participating in the EER program were offered the opportunity to continue health care coverage at the active employee contribution rates for up to 36 months following retirement. In addition, HP provided up to $12,000 in employer credits under the Retirement Medical Savings Account ("RMSA") program. In relation to the continued health care coverage and employer credits under the RMSA program, HP recognized special termination benefit costs of $44 million as restructuring and other charges for the twelve months ended October 31, 2020.

Lump Sum Program

HP offered a lump sum program during the third quarter of fiscal year 2020. Certain terminated vested participants in the HP Inc. Pension Plan ("Pension Plan") could elect to take a one-time voluntary lump sum payment equal to the present value of future benefits. Approximately 12,000 participants elected the lump sum option. Payments of $2.2 billion were made from plan assets to the participants in the fourth quarter of fiscal year 2020. A non-cash settlement expense of $214 million arising from the accelerated recognition of previously deferred actuarial losses was recorded in the fourth quarter of fiscal year 2020.

Future Contributions and Funding Policy

In fiscal year 2022, HP expects to contribute approximately $44 million to its non-U.S. pension plans, $36 million to cover benefit payments to U.S. non-qualified plan participants and $4 million to cover benefit claims for HP's post-retirement benefit plans. HP's policy is to fund its pension plans so that it makes at least the minimum contribution required by local government, funding and taxing authorities.

Estimated Future Benefits Payments

As of October 31, 2021, HP estimates that the future benefits payments for the retirement and post-retirement plans are as follows:

Fiscal year	U.S. Defined Benefit Plans	Non-U.S. Defined Benefit Plans	Post-Retirement Benefit Plans
		In millions	
2022	$ 341	$ 63	$ 43
2023	346	46	33
2024	356	53	27
2025	365	56	27
2026	371	59	26
Next five fiscal years to October 31, 2031	1,735	357	128

HP Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Note 5: Stock-Based Compensation

HP's stock-based compensation plans include incentive compensation plans and an employee stock purchase plan.

Stock-Based Compensation Expense and Related Income Tax Benefits for Operations

Stock-based compensation expense and the resulting tax benefits for operations were as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
		In millions	
Stock-based compensation expense	$330	$278	$297
Income tax benefit	(52)	(48)	(47)
Stock-based compensation expense, net of tax	$278	$230	$250

Cash received from option exercises under the HP Inc 2004 Stock Incentive Plan, as amended and restated, and ESPP purchases under the HP Inc. 2011 Employee Stock Purchase Plan (the "2011 ESPP") and HP Inc. 2021 Employee Stock Purchase Plan (the "2021 ESPP") was $55 million in fiscal year 2021, $56 million in fiscal year 2020 and $59 million in fiscal year 2019. The benefit realized for the tax deduction from option exercises in fiscal years 2021, 2020 and 2019 was $3 million, $2 million and $3 million, respectively.

Stock-Based Incentive Compensation Plans

HP's stock-based incentive compensation plan includes equity plan adopted in 2004, as amended and restated ("principal equity plan"). Stock-based awards granted under the equity plan includes restricted stock awards, stock options and performance-based awards. Employees meeting certain employment qualifications are eligible to receive stock-based awards. The aggregate number of shares of HP's stock authorized for issuance under the principal equity plan is 593.1 million.

Restricted stock awards are non-vested stock awards that may include grants of restricted stock or restricted stock units. Restricted stock awards and cash-settled awards are generally subject to forfeiture if employment terminates prior to the lapse of the restrictions. Such awards generally vest one to three years from the date of grant. During the vesting period, ownership of the restricted stock cannot be transferred. Restricted stock has the same dividend and voting rights as common stock and is considered to be issued and outstanding upon grant. The dividends paid on restricted stock are non-forfeitable. Restricted stock units do not have the voting rights of common stock, and the shares underlying restricted stock units are not considered issued and outstanding upon grant. However, shares underlying restricted stock units are included in the calculation of diluted net EPS. Restricted stock units have forfeitable dividend equivalent rights equal to the dividend paid on common stock. HP expenses the fair value of restricted stock awards ratably over the period during which the restrictions lapse. The majority of restricted stock units issued by HP contain only service vesting conditions. HP also grants performance-adjusted restricted stock units which vest only on the satisfaction of both service and the achievement of certain performance goals including market conditions prior to the expiration of the awards.

Stock options granted under the principal equity plan are generally non-qualified stock options, but the principal equity plan permits some options granted to qualify as incentive stock options under the U.S. Internal Revenue Code. Stock options generally vest over three to four years from the date of grant. The exercise price of a stock option is equal to the closing price of HP's stock on the option grant date. The majority of stock options issued by HP contain only service vesting conditions. HP grants performance-contingent stock options that vest only on the satisfaction of both service and market conditions prior to the expiration of the awards.

RSU and stock option grants provide for accelerated vesting in certain circumstances as defined in the plans and related grant agreements, including termination in connection with a change in control.

Notes to Consolidated Financial Statements (Continued)

Note 5: Stock-Based Compensation (Continued)

Restricted Stock Units

HP uses the closing stock price on the grant date to estimate the fair value of service-based restricted stock units. HP estimates the fair value of restricted stock units subject to performance-adjusted vesting conditions using a combination of the closing stock price on the grant date and a Monte Carlo simulation model. The assumptions used to measure the fair value of restricted stock units subject to performance-adjusted vesting conditions in the Monte Carlo simulation model were as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
Expected volatility[(1)]	41.0%	27.6%	26.5%
Risk-free interest rate[(2)]	0.2%	1.6%	2.7%
Expected performance period in years[(3)]	2.9	2.9	2.9

(1) The expected volatility was estimated using the historical volatility derived from HP's common stock.

(2) The risk-free interest rate was estimated based on the yield on U.S. Treasury zero-coupon issues.

(3) The expected performance period was estimated based on the length of the remaining performance period from the grant date.

A summary of restricted stock units activity is as follows:

	As of October 31					
	2021		2020		2019	
	Shares	Weighted-Average Grant Date Fair Value Per Share	Shares	Weighted-Average Grant Date Fair Value Per Share	Shares	Weighted-Average Grant Date Fair Value Per Share
	In thousands		In thousands		In thousands	
Outstanding at beginning of year	29,831	$21	29,960	$21	30,784	$18
Granted	15,517	$25	18,109	$20	17,216	$22
Vested	(13,374)	$21	(14,929)	$20	(16,934)	$16
Forfeited	(1,777)	$22	(3,309)	$21	(1,106)	$20
Outstanding at end of year	30,197	$23	29,831	$21	29,960	$21

The total grant date fair value of restricted stock units vested in fiscal years 2021, 2020 and 2019 was $278 million, $297 million and $273 million, respectively. As of October 31, 2021, total unrecognized pre-tax stock-based compensation expense related to non-vested restricted stock units was $297 million, which is expected to be recognized over the remaining weighted-average vesting period of 1.4 years.

Note 5: Stock-Based Compensation (Continued)

Stock Options

HP utilizes the Black-Scholes-Merton option pricing formula to estimate the fair value of stock options subject to service-based vesting conditions. HP estimates the fair value of stock options subject to performance-contingent vesting conditions using a combination of a Monte Carlo simulation model and a lattice model as these awards contain market conditions. The weighted-average fair value and the assumptions used to measure fair value were as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
Weighted-average fair value[1]	$ 6	$ 3	$ 3
Expected volatility[2]	35.9%	29.8%	29.8%
Risk-free interest rate[3]	1.0%	1.6%	1.7%
Expected dividend yield[4]	3.2%	4.0%	3.7%
Expected term in years[5]	5.5	6.0	6.0

(1) The weighted-average fair value was based on stock options granted during the period.

(2) Expected volatility was estimated based on a blended volatility (50% historical volatility and 50% implied volatility from traded options on HP's common stock).

(3) The risk-free interest rate was estimated based on the yield on U.S. Treasury zero-coupon issues.

(4) The expected dividend yield represents a constant dividend yield applied for the duration of the expected term of the award.

(5) For awards subject to service-based vesting, the expected term was estimated using a simplified method; and for performance-contingent awards, the expected term represents an output from the lattice model.

A summary of stock options activity is as follows:

	As of October 31											
	2021				2020				2019			
	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
	In thousands		In years	In millions	In thousands		In years	In millions	In thousands		In years	In millions
Outstanding at beginning of year	5,637	$17			7,093	$16			7,086	$14		
Granted	2,691	$24			996	$18			2,451	$17		
Exercised	(1,843)	$15			(2,213)	$14			(2,429)	$13		
Forfeited/cancelled/expired	(118)	$18			(239)	$19			(15)	$10		
Outstanding at end of year	6,367	$21	7.4	$68	5,637	$17	6.4	$10	7,093	$16	5.7	$15
Vested and expected to vest	6,367	$21	7.4	$68	5,637	$17	6.4	$10	7,093	$16	5.7	$15
Exercisable	2,392	$16	5.3	$34	3,196	$15	4.4	$ 9	4,707	$14	3.6	$15

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value that option holders would have realized had

Note 5: Stock-Based Compensation (Continued)

all option holders exercised their options on the last trading day of fiscal years 2021, 2020 and 2019. The aggregate intrinsic value is the difference between HP's closing stock price on the last trading day of the fiscal year and the exercise price, multiplied by the number of in-the-money options. The total intrinsic value of options exercised in fiscal years 2021, 2020 and 2019 was $18 million, $12 million and $20 million, respectively. The total grant date fair value of options vested in fiscal years 2021, 2020 and 2019 was $3 million, $3 million and $9 million, respectively.

As of October 31, 2021, total unrecognized pre-tax stock-based compensation expense related to stock options was $10 million, which is expected to be recognized over a weighted-average vesting period of 1.4 years.

Employee Stock Purchase Plan

HP sponsors the 2021 ESPP, pursuant to which eligible employees may contribute up to 10% of base compensation, subject to certain income limits, to purchase shares of HP's common stock.

Pursuant to the terms of the 2021 ESPP, employees purchase stock under the 2021 ESPP at a price equal to 95% of HP's closing stock price on the purchase date. No stock-based compensation expense was recorded in connection with those purchases because the criteria of a non-compensatory plan were met. The aggregate number of shares of HP's stock authorized for issuance under the 2021 ESPP was 50 million. The 2021 ESPP came into effect on May 1, 2021 upon expiry of the 2011 ESPP. The 2021 ESPP terms are similar to the previous ESPP.

Shares Reserved

Shares available for future grant and shares reserved for future issuance under the stock-based incentive compensation plans and the 2021 ESPP were as follows:

	As of October 31		
	2021	2020	2019
	In thousands		
Shares available for future grant[1]	170,123	229,334	265,135
Shares reserved for future issuance[1]	205,968	264,110	301,608

(1) For years 2020 and 2019, shares authorized under the 2011 ESPP were included in the shares available for future grant and shares reserved for future issuance.

Notes to Consolidated Financial Statements (Continued)

Note 6: Taxes on Earnings

Provision for Taxes

The domestic and foreign components of earnings before taxes were as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
	In millions		
U.S.	$ 4,662	$ 884	$(1,021)
Non-U.S.	2,849	2,347	3,544
	$ 7,511	$ 3,231	$ 2,523

The provision for (benefit from) taxes on earnings was as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
	In millions		
U.S. federal taxes:			
Current	$ 1,118	$ (24)	$(987)
Deferred	(458)	(68)	149
Non-U.S. taxes:			
Current	420	319	386
Deferred	(197)	164	(3)
State taxes:			
Current	77	23	(160)
Deferred	48	(27)	(14)
	$ 1,008	$ 387	$(629)

The differences between the U.S. federal statutory income tax rate and HP's effective tax rate were as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
U.S. federal statutory income tax rate from continuing operations	21.0%	21.0%	21.0%
State income taxes, net of federal tax benefit	0.9%	1.4%	1.5%
Impact of foreign earnings including GILTI and FDII, net	(3.6)%	(6.1)%	(4.4)%
U.S. Tax Reform enactment	—%	—%	(2.6)%
Research and development ("R&D") credit	(0.4)%	(0.7)%	(1.1)%
Valuation allowances	(3.8)%	2.3%	(3.7)%
Uncertain tax positions and audit settlements	0.8%	(4.1)%	(41.1)%
Indemnification related items	—%	—%	6.8%
Impact of internal reorganization	(1.2)%	—%	—%
Other, net	(0.3)%	(1.8)%	(1.3)%
	13.4%	12.0%	(24.9)%

Notes to Consolidated Financial Statements (Continued)

Note 6: Taxes on Earnings (Continued)

The jurisdictions with favorable tax rates that have the most significant effective tax rate impact in the periods presented include Puerto Rico, Singapore, and Malaysia. HP has elected to treat GILTI inclusions as period costs.

In fiscal year 2021, HP recorded $9 million of net income tax charges related to discrete items in the provision for taxes. This amount included income tax charges of $533 million related to the Oracle litigation proceeds, $15 million of uncertain tax position charges, and $9 million of other net tax charges. These charges were partially offset by income tax benefits of $393 million related to changes in valuation allowances, $89 million of tax effects related to internal reorganization, $50 million related to restructuring charges, and $16 million related to the filing of tax returns in various jurisdictions. In fiscal year 2021, excess tax benefits associated with stock options, restricted stock units and performance-adjusted restricted stock units were immaterial.

In fiscal year 2020, HP recorded $244 million of net income tax benefits related to discrete items in the provision for taxes. This amount included tax benefits related to audit settlements of $124 million in various jurisdictions and $82 million related to restructuring benefits. Additionally, HP recorded benefits of $20 million related to proxy contest costs and $17 million of other net tax benefits. In fiscal year 2020, excess tax benefits associated with stock options, restricted stock units and performance-adjusted restricted stock units were immaterial.

In fiscal year 2019, HP recorded $1.3 billion of net income tax benefits related to discrete items in the provision for taxes. This amount included tax benefits related to audit settlements of $1.0 billion, $75 million due to ability to utilize tax attributes, $57 million of restructuring benefits and net valuation allowance releases of $94 million. HP also recorded benefits of $78 million related to U.S. tax reform as a result of new guidance issued by the U.S. Internal Revenue Service ("IRS"). These benefits were partially offset by uncertain tax position charges of $51 million. In fiscal year 2019, in addition to the discrete items mentioned above, HP recorded excess tax benefits of $20 million associated with stock options, restricted stock units and performance-adjusted restricted stock units.

As a result of certain employment actions and capital investments HP has undertaken, income from manufacturing and services in certain countries is subject to reduced tax rates, and in some cases is wholly exempt from taxes, through 2029. The gross income tax benefits attributable to these actions and investments were estimated to be $385 million ($0.32 diluted net EPS) in fiscal year 2021, $344 million ($0.24 diluted net EPS) in fiscal year 2020 and $386 million ($0.25 diluted net EPS) in fiscal year 2019.

Uncertain Tax Positions

A reconciliation of unrecognized tax benefits is as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
		In millions	
Balance at beginning of year	$ 820	$ 929	$ 7,771
Increases:			
For current year's tax positions	63	59	79
For prior years' tax positions	92	71	172
Decreases:			
For prior years' tax positions	(92)	(89)	(37)
Statute of limitations expirations	(9)	(2)	(15)
Settlements with taxing authorities	(54)	(148)	(7,041)
Balance at end of year	$ 820	$ 820	$ 929

Note 6: Taxes on Earnings (Continued)

As of October 31, 2021, the amount of gross unrecognized tax benefits was $820 million, of which up to $660 million would affect HP's effective tax rate if realized. As of October 31, 2020, the amount of unrecognized tax benefits was $820 million of which up to $657 million would affect HP's effective tax rate if realized. The amount of unrecognized tax benefit changed by a net immaterial amount. HP recognizes interest income from favorable settlements and interest expense and penalties accrued on unrecognized tax benefits in the provision for taxes in the Consolidated Statements of Earnings. As of October 31, 2021, 2020 and 2019, HP had accrued $70 million, $34 million and $56 million, respectively, for interest and penalties.

HP engages in continuous discussions and negotiations with taxing authorities regarding tax matters in various jurisdictions. HP expects complete resolution of certain tax years with various tax authorities within the next 12 months. HP believes it is reasonably possible that its existing gross unrecognized tax benefits may be reduced by up to $72 million within the next 12 months, affecting HP's effective tax rate if realized.

HP is subject to income tax in the United States and approximately 60 other countries and is subject to routine corporate income tax audits in many of these jurisdictions. In addition, HP is subject to numerous ongoing audits by federal, state and foreign tax authorities. The IRS is conducting an audit of HP's 2018 and 2019 income tax returns.

With respect to major state and foreign tax jurisdictions, HP is no longer subject to tax authority examinations for years prior to 2002. No material tax deficiencies have been assessed in major state or foreign tax jurisdictions related to ongoing audits as of October 31, 2021.

HP believes it has provided adequate reserves for all tax deficiencies or reductions in tax benefits that could result from federal, state and foreign tax audits. HP regularly assesses the likely outcomes of these audits in order to determine the appropriateness of HP's tax provision. HP adjusts its uncertain tax positions to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular audit. However, income tax audits are inherently unpredictable and there can be no assurance that HP will accurately predict the outcome of these audits. The amounts ultimately paid on resolution of an audit could be materially different from the amounts previously included in the Provision for taxes and therefore the resolution of one or more of these uncertainties in any particular period could have a material impact on net income or cash flows.

HP has not provided for U.S. federal income and foreign withholding taxes on $5.7 billion of undistributed earnings from non-U.S. operations as of October 31, 2021 because HP intends to reinvest such earnings indefinitely outside of the United States. Determination of the amount of unrecognized deferred tax liability related to these earnings is not practicable. The TCJA taxed HP's historic earnings and profits of its non-U.S. subsidiaries. HP will remit these taxed reinvested earnings for which deferred U.S. federal and withholding taxes have been provided where excess cash has accumulated and HP determines that it is advantageous for business operations, tax or cash management reasons.

Notes to Consolidated Financial Statements (Continued)

Note 6: Taxes on Earnings (Continued)

Deferred Income Taxes

The significant components of deferred tax assets and deferred tax liabilities were as follows:

	As of October 31	
	2021	2020
	In millions	
Deferred tax assets:		
Loss and credit carryforwards	$ 7,630	$ 7,857
Intercompany transactions—excluding inventory	791	517
Fixed assets	136	135
Warranty	207	193
Employee and retiree benefits	287	441
Deferred revenue	192	195
Capitalized research and development	454	214
Intangible assets	474	470
Operating lease liabilities	227	218
Investment in partnership	95	108
Other	452	413
Gross deferred tax assets	10,945	10,761
Valuation allowances	(7,749)	(7,976)
Total deferred tax assets	3,196	2,785
Deferred tax liabilities:		
Unremitted earnings of foreign subsidiaries	(42)	(60)
Right-of-use assets from operating leases	(215)	(203)
Other	(79)	(32)
Total deferred tax liabilities	(336)	(295)
Net deferred tax assets	$ 2,860	$ 2,490

Deferred tax assets and liabilities included in the Consolidated Balance Sheets as follows:

	As of October 31	
	2021	2020
	In millions	
Deferred tax assets	$ 2,917	$ 2,515
Deferred tax liabilities	(57)	(25)
Total	$ 2,860	$ 2,490

Notes to Consolidated Financial Statements (Continued)

Note 6: Taxes on Earnings (Continued)

As of October 31, 2021, HP had recorded deferred tax assets for net operating loss ("NOL") carryforwards as follows:

	Gross NOLs	Deferred Taxes on NOLs	Valuation allowance	Initial Year of Expiration
	In millions			
Federal	$ 210	$ 44	$ (11)	2023
State	2,407	164	(44)	2022
Foreign	25,672	7,223	(6,757)	2033
Balance at end of year	$ 28,289	$ 7,431	$ (6,812)	

As of October 31, 2021, HP had recorded deferred tax assets for various tax credit carryforwards as follows:

	Carryforward	Valuation Allowance	Initial Year of Expiration
	In millions		
Tax credits in state and foreign jurisdictions	$ 309	$ (52)	2022
Balance at end of year	$ 309	$ (52)	

Deferred Tax Asset Valuation Allowance

The deferred tax asset valuation allowance and changes were as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
	In millions		
Balance at beginning of year	$7,976	$7,930	$7,906
Income tax (benefit) expense	(193)	74	(339)
Other comprehensive loss (income), currency translation and charges to other accounts	(34)	(28)	363
Balance at end of year	$7,749	$7,976	$7,930

Gross deferred tax assets as of October 31, 2021, 2020, and 2019 were reduced by valuation allowances of $7.7 billion,$8.0 billion and $7.9 billion, respectively. In fiscal year 2021, the deferred tax asset valuation allowance decreased by $227 million primarily due to the expected utilization of foreign net operating losses and U.S. deferred tax assets that are anticipated to be realized at a lower effective rate than the federal statutory tax rate. In fiscal year 2020, the deferred tax asset valuation allowance increased by $46 million primarily associated with foreign net operating losses and U.S. deferred tax assets that are anticipated to be realized at a lower effective rate than the federal statutory tax rate due to certain future U.S. international tax reform implications. In fiscal year 2019, the deferred tax asset valuation allowance increased by $24 million primarily associated with the recognition of the income tax consequences of intra-entity transfers other than inventory. This increase was partially offset by the impact of tax rate changes in foreign jurisdictions and state valuation allowance releases. See Note 1, "Summary of Significant Accounting Policies" for detailed information.

Notes to Consolidated Financial Statements (Continued)

Note 7: Supplementary Financial Information

Accounts Receivable

The allowance for credit losses related to accounts receivable and changes were as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
	In millions		
Balance at beginning of period	$122	$111	$129
Current-period allowance for credit losses	5	62	60
Deductions, net of recoveries	(16)	(51)	(78)
Balance at end of period	$111	$122	$111

HP has third-party arrangements, consisting of revolving short-term financing, which provide liquidity to certain partners to facilitate their working capital requirements. These financing arrangements, which in certain circumstances may contain partial recourse, result in a transfer of HP's receivables and risk to the third-party. As these transfers qualify as true sales under the applicable accounting guidance, the receivables are de-recognized from the Consolidated Balance Sheets upon transfer, and HP receives a payment for the receivables from the third-party within a mutually agreed upon time period. For arrangements involving an element of recourse, the recourse obligation is measured using market data from the similar transactions and reported as a current liability on the Consolidated Balance Sheets. The recourse obligations as of October 31, 2021 and 2020 were not material. The costs associated with the sales of trade receivables for fiscal year 2021, 2020 and 2019 were not material.

The following is a summary of the activity under these arrangements:

	For the fiscal years ended October 31		
	2021	2020	2019
	In millions		
Balance at beginning of year[1]	$ 188	$ 235	$ 165
Trade receivables sold	11,976	10,474	10,257
Cash receipts	(12,035)	(10,526)	(10,186)
Foreign currency and other	2	5	(1)
Balance at end of year[1]	$ 131	$ 188	$ 235

(1) Amounts outstanding from third parties reported in Accounts Receivable in the Consolidated Balance Sheets.

Inventory

	As of October 31	
	2021	2020
	In millions	
Finished goods	$4,532	$3,662
Purchased parts and fabricated assemblies	3,398	2,301
	$7,930	$5,963

Note 7: Supplementary Financial Information (Continued)

Other Current Assets

	As of October 31	
	2021	2020
	In millions	
Supplier and other receivables	$2,333	$2,092
Prepaid and other current assets	1,087	1,104
Value-added taxes receivable	1,005	970
Available-for-sale investments	5	274
	$4,430	$4,440

Property, Plant and Equipment, Net

	As of October 31	
	2021	2020
	In millions	
Land, buildings and leasehold improvements	$ 2,166	$ 2,066
Machinery and equipment, including equipment held for lease	5,307	5,275
	7,473	7,341
Accumulated depreciation	(4,927)	(4,714)
	$ 2,546	$ 2,627

Depreciation expense was $627 million, $673 million and $623 million in fiscal years 2021, 2020 and 2019, respectively.

Other Non-Current Assets

	As of October 31	
	2021	2020
	In millions	
Deferred tax assets[(1)]	$2,917	$2,515
Right-of-use assets from operating leases[(2)]	1,192	1,107
Intangible assets[(3)]	784	540
Prepaid pension asset[(4)]	766	20
Deposits and prepaid	734	337
Other	698	507
	$7,091	$5,026

(1) See Note 6, “Taxes on Earnings” for detailed information.

(2) See Note 17, “Leases” for detailed information.

(3) See Note 8, “Goodwill and Intangible Assets” for detailed information.

(4) See Note 4, “Retirement and Post-Retirement Benefit Plans” for detailed information.

Notes to Consolidated Financial Statements (Continued)

Note 7: Supplementary Financial Information (Continued)

Other Current Liabilities

	As of October 31	
	2021	2020
	In millions	
Sales and marketing programs	$ 3,179	$ 3,185
Employee compensation and benefit	1,627	1,194
Deferred revenue	1,277	1,208
Other accrued taxes	1,227	1,051
Warranty	731	746
Operating lease liabilities[1]	350	275
Tax liability	296	223
Other	3,228	2,960
	$ 11,915	$ 10,842

(1) See Note 17, "Leases" for detailed information.

Other Non-Current Liabilities

	As of October 31	
	2021	2020
	In millions	
Deferred revenue	$ 1,099	$ 1,072
Pension, post-retirement, and post-employment liabilities[1]	1,041	1,576
Operating lease liabilities[2]	936	904
Tax liability	830	746
Deferred tax liability[3]	57	25
Other	815	823
	$ 4,778	$ 5,146

(1) See Note 4, "Retirement and Post-Retirement Benefit Plans" for detailed information.

(2) See Note 17, "Leases" for detailed information.

(3) See Note 6, "Taxes on Earnings" for detailed information.

Note 7: Supplementary Financial Information (Continued)

Interest and other, net

	For the fiscal years ended October 31		
	2021	2020	2019
		In millions	
Oracle litigation proceeds[(1)]	$ 2,304	$ —	$ —
Non-operating retirement-related credits	160	240	85
Interest expense on borrowings	(254)	(239)	(242)
Defined benefit plan settlement gains (charges)	37	(214)	—
Loss on extinguishment of debt	(16)	(40)	—
Tax indemnifications[(2)]	—	1	(1,186)
Other, net	(22)	21	(11)
	$ 2,209	$ (231)	$ (1,354)

(1) See Note 1, “Summary of Significant Accounting Policies” and Note 14, “Litigation and Contingencies” for detailed information.

(2) Fiscal year ended October 31, 2019, includes an adjustment of $764 million, of indemnification receivables, primarily related to resolution of various income tax audits settlements and an adjustment of $417 million pursuant to the termination of the TMA with Hewlett Packard Enterprise.

Net Revenue by Region

	For the fiscal years ended October 31		
	2021	2020	2019
		In millions	
Americas	$27,518	$24,414	$25,244
Europe, Middle East and Africa	22,216	19,624	20,275
Asia-Pacific and Japan	13,753	12,601	13,237
Total net revenue	$63,487	$56,639	$58,756

Value of Remaining Performance Obligations

As of October 31, 2021, the estimated value of transaction price allocated to remaining performance obligations was $3.7 billion. HP expects to recognize approximately $1.7 billion of the unearned amount in next 12 months and $2.0 billion thereafter.

HP has elected the practical expedients and accordingly does not disclose the aggregate amount of the transaction price allocated to remaining performance obligations if:

— the contract has an original expected duration of one year or less; or

— the revenue from the performance obligation is recognized over time on an as-invoiced basis when the amount corresponds directly with the value to the customer; or

— the portion of the transaction price that is variable in nature is allocated entirely to a wholly unsatisfied performance obligation.

The remaining performance obligations are subject to change and may be affected by various factors, such as termination of contracts, contract modifications and adjustment for currency.

Notes to Consolidated Financial Statements (Continued)

Note 7: Supplementary Financial Information (Continued)

Costs of Obtaining Contracts and Fulfillment Cost

As of October 31, 2021, deferred contract fulfillment and acquisition costs balances were $65 million and $36 million, respectively, included in Other Current Assets and Other Non-Current Assets in the Consolidated Balance Sheets. During the fiscal year ended October 31, 2021, the Company amortized $79 million of these costs.

As of October 31, 2020, deferred contract fulfillment and acquisition costs balances were $65 million and $34 million, respectively, included in Other Current Assets and Other Non-Current Assets in the Consolidated Balance Sheets. During the fiscal year ended October 31, 2020, the Company amortized $98 million of these costs.

Contract Liabilities

As of October 31, 2021 and 2020, HP's contract liabilities balances were $2.3 billion and $2.2 billion, respectively, included in Other Current Liabilities and Other Non-Current Liabilities in the Consolidated Balance Sheets.

The increase in the contract liabilities balance for the fiscal year 2021 was primarily driven by sales of fixed-price support and maintenance services, partially offset by $1.1 billion of revenue recognized that were included in the opening contract liabilities balance as of October 31, 2020.

As of October 31, 2020 and 2019, HP's contract liabilities balances were $2.2 billion and $2.1 billion, respectively, included in Other Current Liabilities and Other Non-Current Liabilities in the Consolidated Balance Sheets.

The increase in the contract liabilities balance for the fiscal year 2020 was primarily driven by sales of fixed-price support and maintenance services, partially offset by $1.1 billion of revenue recognized that were included in the opening contract liabilities balance as of October 31, 2019.

Note 8: Goodwill and Intangible Assets

Goodwill allocated to HP's reportable segments and changes in the carrying amount of goodwill were as follows:

	Personal Systems	Printing	Corporate Investments	Total
		In millions		
Balance at October 31, 2019[(1)]	$ 2,613	$ 3,759	$ —	$ 6,372
Acquisitions/adjustments	8	—	—	8
Foreign currency translation	—	—	—	—
Balance at October 31, 2020[(1)]	2,621	3,759	—	6,380
Acquisitions/adjustments	284	14	102	400
Foreign currency translation	—	23	—	23
Balance at October 31, 2021[(1)]	$ 2,905	$ 3,796	$ 102	$ 6,803

(1) Goodwill is net of accumulated impairment losses of $0.8 billion related to Corporate Investments.

Goodwill is tested for impairment at the reporting unit level. As of October 31, 2021, our reporting units are consistent with the reportable segments identified in Note 2, "Segment Information". There were no goodwill impairments in fiscal years 2021, 2020 and 2019. Personal Systems had a negative carrying amount of net assets as of October 31, 2021, 2020 and 2019 primarily as a result of a favorable cash conversion cycle.

Intangible Assets

HP's acquired intangible assets were composed of:

	As of October 31, 2021			As of October 31, 2020		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
	In millions					
Customer contracts, customer lists and distribution agreements	$ 526	$212	$314	$ 382	$149	$233
Technology and patents	814	425	389	621	332	289
Trade name and trademarks	95	14	81	26	8	18
Total intangible assets	$1,435	$651	$784	$1,029	$489	$540

For the fiscal year 2021, the increase in gross intangible assets was primarily due to intangible assets resulting from acquisitions. The intangibles acquired during the year were based on preliminary fair value estimates.

The weighted-average useful lives of intangible assets acquired during the period are as follows:

	Weighted-Average Useful Life (in years)
Customer contracts and customer lists	5
Technology and patents	7
Trade name and trademarks	15

As of October 31, 2021, estimated future amortization expense related to intangible assets was as follows:

Fiscal year	In millions
2022	$196
2023	152
2024	118
2025	76
2026	65
Thereafter	177
Total	$784

Notes to Consolidated Financial Statements (Continued)

Note 9: Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date.

Fair Value Hierarchy

HP uses valuation techniques that are based upon observable and unobservable inputs. Observable inputs are developed using market data such as publicly available information and reflect the assumptions market participants would use, while unobservable inputs are developed using the best information available about the assumptions market participants would use. Assets and liabilities are classified in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2—Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3—Unobservable inputs for the asset or liability.

The fair value hierarchy gives the highest priority to observable inputs and lowest priority to unobservable inputs.

Note 9: Fair Value (Continued)

The following table presents HP's assets and liabilities that are measured at fair value on a recurring basis:

	As of October 31, 2021				As of October 31, 2020			
	Fair Value Measured Using				Fair Value Measured Using			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	In millions							
Assets:								
Cash Equivalents								
Corporate debt	$ —	$ 1,112	$—	$ 1,112	$ —	$ 1,700	$—	$ 1,700
Financial institution instruments	—	—	—	—	—	59	—	59
Government debt[(1)]	1,931	—	—	1,931	1,992	181	—	2,173
Available-for-Sale Investments								
Corporate debt	—	—	—	—	—	169	—	169
Financial institution instruments	—	5	—	5	—	32	—	32
Government debt[(1)]	—	—	—	—	—	73	—	73
Marketable equity securities and mutual funds	15	56	—	71	5	53	—	58
Derivative Instruments								
Interest rate contracts	—	—	—	—	—	4	—	4
Foreign currency contracts	—	277	—	277	—	191	—	191
Other derivatives	—	5	—	5	—	—	—	—
Total Assets	$ 1,946	$ 1,455	$—	$ 3,401	$ 1,997	$ 2,462	$—	$ 4,459
Liabilities:								
Derivative Instruments								
Interest rate contracts	$ —	$ 24	$—	$ 24	$ —	$ 3	$—	$ 3
Foreign currency contracts	—	203	—	203	—	256	—	256
Other derivatives	—	—	—	—	—	3	—	3
Total Liabilities	$ —	$ 227	$—	$ 227	$ —	$ 262	$—	$ 262

(1) Government debt includes instruments such as U.S. treasury notes, U.S. agency securities and non-U.S. government bonds. Money market funds invested in government debt and traded in active markets are included in Level 1.

Valuation Techniques

Cash Equivalents and Investments: HP holds time deposits, money market funds, mutual funds, other debt securities primarily consisting of corporate and foreign government notes and bonds, and common stock and equivalents. HP values cash equivalents and equity investments using quoted market prices, alternative pricing sources, including net asset value, or models utilizing market observable inputs. The fair value of debt investments is based on quoted market prices or model-driven valuations using inputs primarily derived from or corroborated by observable market data, and, in certain instances, valuation models that utilize assumptions which cannot be corroborated with observable market data.

Derivative Instruments: HP uses industry standard valuation models to measure fair value. Where applicable, these models project future cash flows and discount the future amounts to present value using market-based observable inputs, including interest rate curves, HP and counterparty credit risk, foreign exchange rates, and forward and spot prices for currencies and interest rates. See Note 10, "Financial Instruments" for a further discussion of HP's use of derivative instruments.

HP Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Note 9: Fair Value (Continued)

Other Fair Value Disclosures

Short- and Long-Term Debt: HP estimates the fair value of its debt primarily using an expected present value technique, which is based on observable market inputs using interest rates currently available to companies of similar credit standing for similar terms and remaining maturities and considering its own credit risk. The portion of HP's debt that is hedged is reflected in the Consolidated Balance Sheets as an amount equal to the debt's carrying amount and a fair value adjustment representing changes in the fair value of the hedged debt obligations arising from movements in benchmark interest rates. The fair value of HP's short- and long-term debt was $8.0 billion as compared to its carrying amount of $7.5 billion at October 31, 2021. The fair value of HP's short- and long-term debt was $6.7 billion as compared to its carrying value of $6.2 billion at October 31, 2020. If measured at fair value in the Consolidated Balance Sheets, short- and long-term debt would be classified in Level 2 of the fair value hierarchy.

Other Financial Instruments: For the balance of HP's financial instruments, primarily accounts receivable, accounts payable and financial liabilities included in Other current liabilities on the Consolidated Balance Sheets, the carrying amounts approximate fair value due to their short maturities. If measured at fair value in the Consolidated Balance Sheets, these other financial instruments would be classified as Level 2 or Level 3 of the fair value hierarchy.

Non-Marketable Equity Investments and Non-Financial Assets: HP's non-marketable equity investments are measured at cost less impairment, adjusted for observable price changes. HP's non-financial assets, such as intangible assets, goodwill and property, plant and equipment, are recorded at fair value in the period an impairment charge is recognized. If measured at fair value in the Consolidated Balance Sheets these would generally be classified within Level 3 of the fair value hierarchy.

Note 10: Financial Instruments

Cash Equivalents and Available-for-Sale Investments

	As of October 31, 2021				As of October 31, 2020			
	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
	In millions							
Cash Equivalents:								
Corporate debt	$ 1,112	$—	$—	$ 1,112	$ 1,700	$—	$—	$ 1,700
Financial institution instruments	—	—	—	—	59	—	—	59
Government debt	1,931	—	—	1,931	2,173	—	—	2,173
Total cash equivalents	3,043	—	—	3,043	3,932	—	—	3,932
Available-for-Sale Investments:								
Corporate debt[(1)]	—	—	—	—	169	—	—	169
Financial institution instruments[(1)]	5	—	—	5	32	—	—	32
Government debt[(1)]	—	—	—	—	73	—	—	73
Marketable equity securities and mutual funds	42	29	—	71	42	16	—	58
Total available-for-sale investments	47	29	—	76	316	16	—	332
Total cash equivalents and available-for-sale investments	$ 3,090	$29	$—	$ 3,119	$ 4,248	$16	$—	$ 4,264

(1) HP classifies its marketable debt securities as available-for-sale investments within Other current assets on the Consolidated Balance Sheets, including those with maturity dates beyond one year, based on their highly liquid nature and availability for use in current operations.

Note 10: Financial Instruments (Continued)

All highly liquid investments with original maturities of three months or less at the date of acquisition are considered cash equivalents. As of October 31, 2021 and 2020, the carrying amount of cash equivalents approximated fair value due to the short period of time to maturity. Interest income related to cash, cash equivalents and debt securities was approximately $31 million in fiscal year 2021, $40 million in fiscal year 2020, and $80 million in fiscal year 2019. The estimated fair value of the available-for-sale investments may not be representative of values that will be realized in the future.

Contractual maturities of investments in available-for-sale debt securities were as follows:

	As of October 31, 2021	
	Amortized Cost	Fair Value
	In millions	
Due in one year	$ 5	$ 5

Non-marketable equity securities in privately held companies are included in Other non-current assets in the Consolidated Balance Sheets. These amounted to $59 million and $44 million as of October 31, 2021 and 2020, respectively.

HP determines credit losses on cash equivalents and available-for-sale debt securities at the individual security level. All instruments are considered investment grade. No credit-related or noncredit-related impairment losses were recorded in the fiscal year 2021.

Derivative Instruments

HP uses derivatives to offset business exposure to foreign currency and interest rate risk on expected future cash flows and on certain existing assets and liabilities. As part of its risk management strategy, HP uses derivative instruments, primarily forward contracts, interest rate swaps, total return swaps, treasury rate locks, forward starting swaps and, at times, option contracts to hedge certain foreign currency, interest rate and, return on certain investment exposures. HP may designate its derivative contracts as fair value hedges or cash flow hedges and classifies the cash flows with the activities that correspond to the underlying hedged items. Additionally, for derivatives not designated as hedging instruments, HP categorizes those economic hedges as other derivatives. HP recognizes all derivative instruments at fair value in the Consolidated Balance Sheets.

As a result of its use of derivative instruments, HP is exposed to the risk that its counterparties will fail to meet their contractual obligations. Master netting agreements mitigate credit exposure to counterparties by permitting HP to net amounts due from HP to counterparty against amounts due to HP from the same counterparty under certain conditions. To further limit credit risk, HP has collateral security agreements that allow HP's custodian to hold collateral from, or require HP to post collateral to, counterparties when aggregate derivative fair values exceed contractually established thresholds which are generally based on the credit ratings of HP and its counterparties. If HP's or the counterparty's credit rating falls below a specified credit rating, either party has the right to request full collateralization of the derivatives' net liability position. The fair value of derivatives with credit contingent features in a net liability position was $64 million and $90 million as of October 31, 2021 and 2020, respectively, all of which were fully collateralized within two business days.

Under HP's derivative contracts, the counterparty can terminate all outstanding trades following a covered change of control event affecting HP that results in the surviving entity being rated below a specified credit rating. This credit contingent provision did not affect HP's financial position or cash flows as of October 31, 2021 and 2020.

Fair Value Hedges

HP enters into fair value hedges, such as interest rate swaps, to reduce the exposure of its debt portfolio to changes in fair value resulting from changes in benchmark interest rates on HP's future interest payments.

For derivative instruments that are designated and qualify as fair value hedges, HP recognizes the change in fair value of the derivative instrument, as well as the offsetting change in the fair value of the hedged item, in Interest and other, net in the Consolidated Statements of Earnings in the period of change.

Note 10: Financial Instruments (Continued)

During the fiscal year 2021, HP entered into interest rate swaps with a notional amount of $375 million that were designated as fair value hedges, to convert a portion of its fixed-rate debt to floating. HP terminated interest rate swaps with a notional amount of $500 million that were de-designated as fair value hedges, including $250 million notional amount related to certain fixed-rate debt securities that were extinguished, resulting in an immaterial loss.

Cash Flow Hedges

HP uses forward contracts, treasury rate locks, forward starting swaps and, at times, option contracts designated as cash flow hedges to protect against the foreign currency exchange and interest rate risks inherent in its forecasted net revenue, cost of revenue, operating expenses and debt issuance. HP's foreign currency cash flow hedges mature predominantly within twelve months; however, hedges related to long-term procurement arrangements extend several years.

For derivative instruments that are designated and qualify as cash flow hedges, HP initially records changes in fair value of the derivative instrument in Accumulated other comprehensive loss as a separate component of Stockholders' deficit in the Consolidated Balance Sheets and subsequently reclassifies these amounts into earnings in the period during which the hedged transaction is recognized in earnings. HP reports the changes in the fair value of the derivative instrument in the same financial statement line item as changes in the fair value of the hedged item.

During the fiscal year 2021, HP entered into a series of forward starting swap agreements with notional amounts totaling $2.25 billion to hedge the exposure to variability in future cash flows resulting from changes in interest rate related to anticipated issuance of long-term debt. These agreements were designated as cash flow hedges. In June 2021, a series of these forward starting swaps totaling $750 million notional amount were settled upon the issuance of the senior notes resulting in an immaterial loss recognized in Accumulated other comprehensive loss. The loss will be reclassified to Interest and other, net over the life of the related debt.

Other Derivatives

Other derivatives not designated as hedging instruments consist primarily of forward contracts used to hedge foreign currency-denominated balance sheet exposures. HP also uses total return swaps to hedge its executive deferred compensation plan liability.

For derivative instruments not designated as hedging instruments, HP recognizes changes in fair value of the derivative instrument, as well as the offsetting change in the fair value of the hedged item, in Interest and other, net in the Consolidated Statements of Earnings in the period of change.

Hedge Effectiveness

For interest rate swaps designated as fair value hedges, HP measures hedge effectiveness by offsetting the change in fair value of the hedged item with the change in fair value of the derivative. For foreign currency options, forward contracts and forward starting swaps designated as cash flow hedges, HP measures hedge effectiveness by comparing the cumulative change in fair value of the hedge contract with the cumulative change in fair value of the hedged item, both of which are based on forward rates.

During the fiscal 2021 and 2020, no portion of the hedging instruments' gain or loss was excluded from the assessment of effectiveness for fair value and cash flow hedges.

Note 10: Financial Instruments (Continued)

Fair Value of Derivative Instruments in the Consolidated Balance Sheets

The gross notional and fair value of derivative instruments in the Consolidated Balance Sheets were as follows:

	As of October 31, 2021					As of October 31, 2020				
	Outstanding Gross Notional	Other Current Assets	Other Non-Current Assets	Other Current Liabilities	Other Non-Current Liabilities	Outstanding Gross Notional	Other Current Assets	Other Non-Current Assets	Other Current Liabilities	Other Non-Current Liabilities
	In millions									
Derivatives designated as hedging instruments										
Fair value hedges:										
Interest rate contracts	$ 750	$ —	$—	$ —	$16	$ 875	$ 4	$ —	$ —	$ 3
Cash flow hedges:										
Foreign currency contracts	17,137	198	69	148	42	15,661	148	30	199	37
Interest rate contracts	1,500	—	—	—	8	—	—	—	—	—
Total derivatives designated as hedging instruments	19,387	198	69	148	66	16,536	152	30	199	40
Derivatives not designated as hedging instruments										
Foreign currency contracts	6,293	10	—	13	—	5,319	13	—	20	—
Other derivatives	103	5	—	—	—	142	—	—	3	—
Total derivatives not designated as hedging instruments	6,396	15	—	13	—	5,461	13	—	23	—
Total derivatives	$25,783	$213	$69	$161	$66	$21,997	$165	$ 30	$222	$40

Notes to Consolidated Financial Statements (Continued)

Note 10: Financial Instruments (Continued)

Offsetting of Derivative Instruments

HP recognizes all derivative instruments on a gross basis in the Consolidated Balance Sheets. HP does not offset the fair value of its derivative instruments against the fair value of cash collateral posted under its collateral security agreements. As of October 31, 2021 and 2020, information related to the potential effect of HP's master netting agreements and collateral security agreements was as follows:

	In the Consolidated Balance Sheets					
	(i)	(ii)	(iii) = (i)–(ii)	(iv)	(v)	(vi) = (iii)–(iv)–(v)
				Gross Amounts Not Offset		
	Gross Amount Recognized	Gross Amount Offset	Net Amount Presented	Derivatives	Financial Collateral	Net Amount
	In millions					
As of October 31, 2021						
Derivative assets	$282	$—	$282	$160	$ 65[1]	$ 57
Derivative liabilities	$227	$—	$227	$160	$ 64[2]	$ 3
As of October 31, 2020						
Derivative assets	$195	$—	$195	$156	$ 4[1]	$ 35
Derivative liabilities	$262	$—	$262	$156	$130[2]	$(24)

(1) Represents the cash collateral posted by counterparties as of the respective reporting date for HP's asset position, net of derivative amounts that could be offset, as of, generally, two business days prior to the respective reporting date.

(2) Represents the collateral posted by HP including any re-use of counterparty cash collateral as of the respective reporting date for HP's liability position, net of derivative amounts that could be offset, as of, generally, two business days prior to the respective reporting date.

Effect of Derivative Instruments in the Consolidated Statements of Earnings

The pre-tax effect of derivative instruments and related hedged items in a fair value hedging relationship were as follows:

Derivative Instrument	Hedged Item	Location	For the fiscal years ended October 31	Total amounts of income/ (expense) line items in the statement of financial performance in which the effects of fair value hedges are recorded	Gain/(loss) recognized in earnings on derivative instruments	Gain/(loss) recognized in earnings on hedged item
				In millions		
Interest rate contracts	Fixed-rate debt	Interest and other, net	2021	$ 2,209	$(17)	$ 17
			2020	$ (231)	$ 6	$ (6)
			2019	$(1,354)	$ 27	$(27)

The pre-tax effect of derivative instruments in cash flow hedging relationships included in Accumulated other comprehensive loss was as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
	In millions		
Gain/(loss) recognized in Accumulated other comprehensive loss on derivatives:			
Foreign currency contracts	$(117)	$(197)	$ 252
Interest rate contracts	$ (15)	$ (4)	$ —

Notes to Consolidated Financial Statements (Continued)

Note 10: Financial Instruments (Continued)

The pre-tax effect of derivative instruments in cash flow hedging relationships included in earnings were as follows:

	Total amounts of income/ (expense) line items in the statement of financial performance in which the effects of cash flow hedges are recorded			Gain/ (loss) reclassified from Accumulated other comprehensive loss into earnings		
	For the fiscal years ended October 31			For the fiscal years ended October 31		
	2021	2020	2019	2021	2020	2019
	In millions			In millions		
Net revenue	$ 63,487	$ 56,639	$ 58,756	$(214)	$108	$ 425
Cost of revenue	(50,070)	(46,202)	(47,586)	(30)	(25)	(43)
Operating expenses	(8,115)	(6,975)	(7,293)	1	2	(2)
Interest and other, net	2,209	(231)	(1,354)	—	—	—
Total	$ 7,511	$ 3,231	$ 2,523	$(243)	$ 85	$ 380

As of October 31, 2021, HP expects to reclassify an estimated Accumulated other comprehensive gain of approximately $10 million, net of taxes, to earnings within the next twelve months associated with cash flow hedges along with the earnings effects of the related forecasted transactions. The amounts ultimately reclassified into earnings could be different from the amounts previously included in Accumulated other comprehensive loss based on the change of market rate, and therefore could have different impact on earnings.

The pre-tax effect of derivative instruments not designated as hedging instruments recognized in Interest and other, net in the Consolidated Statements of Earnings for fiscal years 2021, 2020 and 2019 was as follows:

	Gain/(loss) recognized in earnings on derivative instrument			
	Location	2021	2020	2019
		In millions		
Foreign currency contracts	Interest and other, net	$ (65)	$40	$(119)
Other derivatives	Interest and other, net	8	(9)	14
Total		$ (57)	$31	$(105)

Note 11: Borrowings

Notes Payable and Short-Term Borrowings

	As of October 31			
	2021		2020	
	Amount Outstanding	Weighted-Average Interest Rate	Amount Outstanding	Weighted-Average Interest Rate
	In millions			
Commercial paper	$ 400	0.2%	$ —	—%
Current portion of long-term debt	672	3.8%	633	4.0%
Notes payable to banks, lines of credit and other	34	1.2%	41	1.6%
	$ 1,106		$ 674	

Note 11: Borrowings (Continued)

Long-Term Debt

	As of October 31	
	2021	2020
	In millions	
U.S. Dollar Global Notes[1]		
2009 Shelf Registration Statement:		
$1,000 issued at discount to par at a price of 99.816% in September 2011 at 4.375%, due September 2021	—	412
$1,500 issued at discount to par at a price of 99.707% in December 2011 at 4.65%, due December 2021	—	586
$500 issued at discount to par at a price of 99.771% in March 2012 at 4.05%, due September 2022	499	499
$1,200 issued at discount to par at a price of 99.863% in September 2011 at 6.0%, due September 2041	1,199	1,199
2019 Shelf Registration Statement:		
$1,150 issued at discount to par at a price of 99.769% in June 2020 at 2.2%, due June 2025	1,148	1,148
$1,000 issued at discount to par at a price of 99.718% in June 2020 at 3.0%, due June 2027	997	997
$850 issued at discount to par at a price of 99.790% in June 2020 at 3.4%, due June 2030	848	848
Private Placement:		
$1,000 issued at discount to par at a price of 99.808% in June 2021 at 1.45%, due June 2026	999	—
$1,000 issued at discount to par at a price of 99.573% in June 2021 at 2.65%, due June 2031	996	—
	6,686	5,689
Other borrowings at 0.51%-9.00%, due in fiscal years 2022-2028	439	522
Fair value adjustment related to hedged debt	(16)	2
Unamortized debt issuance cost	(51)	(37)
Current portion of long-term debt	(672)	(633)
Total long-term debt	$ 6,386	$ 5,543

(1) HP may redeem some or all of the fixed-rate U.S. Dollar Global Notes at any time in accordance with the terms thereof. The U.S. Dollar Global Notes are senior unsecured debt.

In June 2021, HP completed its offering of $2.0 billion aggregate principal amount of senior unsecured notes, consisting of $1.0 billion of 1.450% notes due June 2026 (the "2026 Notes"), and $1.0 billion of 2.650% notes due June 2031 (the "2031 Notes"). HP incurred issuance costs of $17 million. HP will pay interest semi-annually on the notes on June 17 and December 17, beginning December 17, 2021. In June 2021, HP terminated a series of forward starting swap agreements with notional amounts totaling $750 million that were executed to mitigate the treasury rate volatility associated with this debt issuance. The net proceeds from the 2026 Notes were used for general corporate purposes, including redemption of existing notes maturing in 2021, as described below. HP intends to allocate an amount equal to the net proceeds of the 2031 Notes to finance or refinance, in whole or in part, environmentally and socially responsible eligible projects in the following eight areas: renewable energy; green buildings; energy efficiency; clean transportation; pollution prevention and control; eco-efficient and/or circular economy products, production technologies and processes; environmentally sustainable management of living natural resources and land use; and socioeconomic advancement and empowerment.

As disclosed in Note 10, "Financial Instruments", HP uses interest rate swaps to mitigate some of the exposure of its debt portfolio to changes in fair value resulting from changes in benchmark interest rates. Interest rates shown in the table of long-term debt have not been adjusted to reflect the impact of any interest rate swaps.

Note 11: Borrowings (Continued)

As of October 31, 2021, aggregate future maturities of debt at face value (excluding unamortized debt issuance cost of $51 million, discounts on debt issuance of $14 million, and fair value adjustment related to hedged debt of $16 million), including other borrowings were as follows:

Fiscal year	In millions
2022	$ 1,108
2023	131
2024	79
2025	1,191
2026	1,013
Thereafter	4,051
Total	$ 7,573

Extinguishment of Debt

In July 2021, HP redeemed the remaining aggregate principal amounts of $0.4 billion in outstanding U.S. Dollar 4.375% Global Notes due September 15, 2021 and $0.6 billion in outstanding U.S. Dollar 4.650% Global Notes due December 9, 2021. This extinguishment of debt resulted in a net loss of $16 million, which was recorded as Interest and other, net on the Consolidated Statements of Earnings.

As part of the above transactions, HP terminated and settled interest rate swaps with a notional amount of $250 million that were de-designated as fair value hedges.

Commercial Paper

As of October 31, 2021, HP maintained two commercial paper programs. HP's U.S. program provides for the issuance of U.S. dollar-denominated commercial paper up to a maximum aggregate principal amount of $6.0 billion. HP's euro commercial paper program provides for the issuance of commercial paper outside of the United States denominated in U.S. dollars, euros or British pounds up to a maximum aggregate principal amount of $6.0 billion or the equivalent in those alternative currencies. The combined aggregate principal amount of commercial paper outstanding under those programs at any one time cannot exceed the $6.0 billion authorized by HP's Board of Directors.

Credit Facilities

As of October 31, 2021, HP maintained a $5.0 billion sustainability-linked senior unsecured committed revolving credit facility (the "New Revolving Facility"), which HP entered into on May 26, 2021. Commitments under the New Revolving Facility will be available until May 26, 2026. As of October 31, 2020, HP had maintained a $4.0 billion senior unsecured committed revolving credit facility and a $1.0 billion 364-day revolving credit facility to support the issuance of commercial paper or for general corporate purposes. Commitments under the $4.0 billion and $1.0 billion revolving credit facilities were terminated concurrently with the execution of the New Revolving Facility.

Commitment fees, interest rates and other terms of borrowing under the New Revolving Facility vary based on HP's external credit ratings and certain sustainability metrics. Funds borrowed under the New Revolving Facility may be used for general corporate purposes.

As of October 31, 2021, HP was in compliance with the covenants in the New Revolving Facility.

Available Borrowing Resources

As of October 31, 2021, HP had available borrowing resources of $579 million from uncommitted lines of credit in addition to the New Revolving Facility.

Note 12: Stockholders' Deficit

Share Repurchase Program

HP's share repurchase program authorizes both open market and private repurchase transactions. In fiscal year 2021, HP executed share repurchases of 224 million shares and settled total shares for $6.3 billion. In fiscal year 2020, HP executed share repurchases of 168 million shares and settled total shares for $3.1 billion. In fiscal year 2019, HP executed share repurchases of 118 million shares and settled total shares for $2.4 billion. Share repurchases executed during fiscal years 2021, 2020, and 2019 included 1.6 million shares, 2.3 million shares, and 0.9 million shares settled in November 2021, 2020, and 2019, respectively.

The shares repurchased in fiscal years 2021, 2020 and 2019 were all open market repurchase transactions. On February 22, 2020, HP's Board of Directors increased HP's share repurchase authorization to $15.0 billion in total. As of October 31, 2021, HP had approximately $6.4 billion remaining under the share repurchase authorizations approved by HP's Board of Directors.

Taxes related to Other Comprehensive Income (Loss)

	For the fiscal years ended October 31		
	2021	2020	2019
		In millions	
Tax effect on change in unrealized components of available-for-sale debt securities:			
Tax provision on unrealized gains arising during the period	$ (1)	$ —	$ —
Tax effect on change in unrealized components of cash flow hedges:			
Tax (provision) benefit on unrealized gains (losses) arising during the period	(9)	20	(37)
Tax (benefit) provision on losses (gains) reclassified into earnings	(17)	28	46
	(26)	48	9
Tax effect on change in unrealized components of defined benefit plans:			
Tax (provision) benefit on gains (losses) arising during the period	(177)	11	64
Tax benefit on amortization of actuarial loss and prior service benefit	(17)	(19)	(11)
Tax benefit (provision) on curtailments, settlements and other	9	(41)	(104)
	(185)	(49)	(51)
Tax effect on change in cumulative translation adjustment	(1)	2	—
Tax (provision) benefit on other comprehensive income (loss)	$(213)	$ 1	$ (42)

Notes to Consolidated Financial Statements (Continued)

Note 12: Stockholders' Deficit (Continued)

Changes and reclassifications related to Other Comprehensive Income (Loss), net of taxes

	For the year ended October 31		
	2021	2020	2019
	In millions		
Other comprehensive income (loss), net of taxes:			
Change in unrealized components of available-for-sale debt securities:			
Unrealized gains arising during the period	$ 4	$ 2	$ 1
Losses reclassified into earnings	—	—	3
	4	2	4
Change in unrealized components of cash flow hedges:			
Unrealized (losses) gains arising during the period	(141)	(181)	215
Losses (gains) reclassified into earnings	226	(57)	(334)
	85	(238)	(119)
Change in unrealized components of defined benefit plans:			
Gains (losses) arising during the period	831	(18)	(239)
Amortization of actuarial loss and prior service benefit[1]	63	64	32
Curtailments, settlements and other	(27)	174	(62)
	867	220	(269)
Change in cumulative translation adjustment	27	(2)	4
Other comprehensive income (loss), net of taxes	$ 983	$ (18)	$(380)

[1] These components are included in the computation of net pension and post-retirement benefit (credit) charges in Note 4, "Retirement and Post-Retirement Benefit Plans".

The components of Accumulated other comprehensive loss, net of taxes as of October 31, 2021 and changes during fiscal year 2021 were as follows:

	Net unrealized gains on available-for-sale securities	Net unrealized gains (losses) on cash flow hedges	Unrealized components of defined benefit plans	Change in cumulative translation adjustment	Accumulated other comprehensive loss
	In millions				
Balance at beginning of period	$11	$ (66)	$(1,190)	$ 2	$(1,243)
Other comprehensive gains (losses) before reclassifications	4	(141)	831	27	721
Reclassifications of losses into earnings	—	226	63	—	289
Reclassifications of curtailments, settlements and other into earnings	—	—	(27)	—	(27)
Balance at end of period	$15	$ 19	$ (323)	$29	$ (260)

Notes to Consolidated Financial Statements (Continued)

Note 13: Earnings Per Share

HP calculates basic net EPS using net earnings and the weighted-average number of shares outstanding during the reporting period. Diluted net EPS includes any dilutive effect of restricted stock units, stock options, performance-based awards and shares purchased under the 2021 employee stock purchase plan.

A reconciliation of the number of shares used for basic and diluted net EPS calculations is as follows:

	For the fiscal years ended October 31		
	2021	2020	2019
	In millions, except per share amounts		
Numerator:			
Net earnings	$6,503	$2,844	$3,152
Denominator:			
Weighted-average shares used to compute basic net EPS	1,208	1,413	1,515
Dilutive effect of employee stock plans	12	7	9
Weighted-average shares used to compute diluted net EPS	1,220	1,420	1,524
Net earnings per share:			
Basic	$ 5.38	$ 2.01	$ 2.08
Diluted	$ 5.33	$ 2.00	$ 2.07
Anti-dilutive weighted-average stock-based compensation awards[1]	2	13	7

(1) HP excludes from the calculation of diluted net EPS stock options and restricted stock units where the assumed proceeds exceed the average market price, because their effect would be anti-dilutive. The assumed proceeds of a stock option include the sum of its exercise price, and average unrecognized compensation cost. The assumed proceeds of a restricted stock unit represent unrecognized compensation cost.

Note 14: Litigation and Contingencies

HP is involved in lawsuits, claims, investigations and proceedings, including those identified below, consisting of IP, commercial, securities, employment, employee benefits and environmental matters that arise in the ordinary course of business. HP accrues a liability when management believes that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. HP believes it has recorded adequate provisions for any such matters and, as of October 31, 2021, it was not reasonably possible that a material loss had been incurred in excess of the amounts recognized in HP's financial statements. HP reviews these matters at least quarterly and adjusts its accruals to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Pursuant to the separation and distribution agreement, HP shares responsibility with Hewlett Packard Enterprise for certain matters, as indicated below, and Hewlett Packard Enterprise has agreed to indemnify HP in whole or in part with respect to certain matters. Based on its experience, HP believes that any damage amounts claimed in the specific matters discussed below are not a meaningful indicator of HP's potential liability. Litigation is inherently unpredictable. However, HP believes it has valid defenses with respect to legal matters pending against it. Nevertheless, cash flows or results of operations could be materially affected in any particular period by the resolution of one or more of these contingencies.

Litigation, Proceedings and Investigations

Copyright Levies. Proceedings are ongoing or have been concluded involving HP in certain European countries, challenging the imposition or the modification of levies regimes upon IT equipment (such as PCs or printers) or the restrictions to exonerate the application of private copying levies on devices purchased by business users. The levies are generally based upon the number of products sold and the per-product amounts of the levies, which vary. Some European countries are expected to implement legislation to introduce or extend existing levy schemes to digital devices. HP, other companies and various industry associations have opposed the extension of levies to the digital environment and certain requirements for business sales exemptions, and have advocated alternative models of compensation to rights holders.

Note 14: Litigation and Contingencies (Continued)

Based on industry opposition to the extension of levies to digital products, HP's assessments of the merits of various proceedings and HP's estimates of the number of units impacted and the amounts of the levies, HP has accrued amounts that it believes are adequate to address the ongoing disputes.

Hewlett-Packard Company v. Oracle Corporation. On June 15, 2011, HP filed suit against Oracle Corporation ("Oracle") in California Superior Court in Santa Clara County in connection with Oracle's March 2011 announcement that it was discontinuing software support for HP's Itanium-based line of mission-critical servers. HP asserted, among other things, that Oracle's actions breached the contract that was signed by the parties as part of the settlement of the litigation relating to Oracle's hiring of Mark Hurd. In the first phase of the bifurcated trial, the court ruled that the contract at issue required Oracle to continue to offer its software products on HP's Itanium-based servers for as long as HP decided to sell such servers. In the second phase, the jury returned a verdict in favor of HP, awarding HP approximately $3.0 billion in damages, which included approximately $1.7 billion for past lost profits and $1.3 billion for future lost profits. The court entered judgment for HP for this amount with interest accruing until the judgment is paid. Oracle appealed the trial court's judgment and HP filed a cross-appeal challenging the trial court's denial of prejudgment interest. The Court of Appeals affirmed both the trial court's judgment and its denial of prejudgment interest to HP. Oracle filed a petition with the California Supreme Court for review, which was denied on September 29, 2021. On October 12, 2021, Oracle paid approximately $4.65 billion to satisfy the judgment with interest. During the fourth quarter of fiscal 2021, HP recorded approximately $2.3 billion as a gain (Interest and other, net) in relation to the damages awarded, representing HP's interest in the amount recovered, which is being shared equally between HP and Hewlett Packard Enterprise, less $47.4 million reimbursed to Hewlett Packard Enterprise for certain costs incurred in the prosecution of the action prior to the Separation. Oracle has until December 28, 2021 to file a petition for certiorari asking the United States Supreme Court for review. Review by the United States Supreme Court is discretionary, and HP believes the likelihood the award of damages will be reduced or reversed is remote.

Forsyth, et al. v. HP Inc. and Hewlett Packard Enterprise. This is a purported class and collective action filed on August 18, 2016 in the United States District Court, Northern District of California, against HP and Hewlett Packard Enterprise ("HPE") alleging the defendants violated federal and state law by terminating older workers and replacing them with younger workers. In their most recent complaint, plaintiffs seek to represent (1) a putative nationwide federal Age Discrimination in Employment Act (ADEA) collective comprised of all former HP Inc. employees 40 years of age and older who had their employment terminated under a WFR plan in or after 2014 or 2015, depending on state law; and (2) a putative Rule 23 class under California law comprised of all former HP Inc. employees 40 years of age and older who had their employment terminated in California under a WFR plan in or after 2012. Excluded from the putative collective and class are employees who (a) signed a Waiver and General Release Agreement at termination, or (b) signed an Agreement to Arbitrate Claims. Similar claims are pending against HPE. Because the court granted plaintiffs' motion for preliminary certification of the putative nationwide ADEA collectives, a third-party administrator has notified eligible former employees of their right to opt into the ADEA collective. Former employees must opt in by February 15, 2022. Plaintiffs seek monetary damages, punitive damages, and other relief.

India Directorate of Revenue Intelligence Proceedings. On April 30 and May 10, 2010, the India Directorate of Revenue Intelligence (the "DRI") issued show cause notices to Hewlett-Packard India Sales Private Limited ("HP India"), a subsidiary of HP, seven HP India employees and one former HP India employee alleging that HP India underpaid customs duties while importing products and spare parts into India and seeking to recover an aggregate of approximately $370 million, plus penalties and interest. Prior to the issuance of the notices, HP India deposited approximately $16 million with the DRI and agreed to post a provisional bond in exchange for the DRI's agreement to not seize HP India products and spare parts or interrupt business by HP India.

On April 11, 2012, the Bangalore Commissioner of Customs issued an order on the products-related notice affirming certain duties and penalties against HP India and the named individuals of approximately $386 million, of which HP India had already deposited $9 million. On December 11, 2012, HP India voluntarily deposited an additional $10 million in connection with the products-related notice. The differential duty demand is subject to interest. On April 20, 2012, the Commissioner issued an order on the parts-related notice affirming certain duties and penalties against HP India and certain of the named individuals of approximately $17 million, of which HP India had already deposited $7 million. After the order, HP India deposited an additional $3 million in connection with the parts-related notice so as to avoid certain penalties.

Notes to Consolidated Financial Statements (Continued)

Note 14: Litigation and Contingencies (Continued)

HP India filed appeals of the Commissioner's orders before the Customs, Excise and Service Tax Appellate Tribunal (the "Customs Tribunal") along with applications for waiver of the pre-deposit of remaining demand amounts as a condition for hearing the appeals. The Customs Department has also filed cross-appeals before the Customs Tribunal. On January 24, 2013, the Customs Tribunal ordered HP India to deposit an additional $24 million against the products order, which HP India deposited in March 2013. On February 7, 2014, the Customs Tribunal granted HP India's application for extension of the stay of deposit until disposal of the appeals. On October 27, 2014, the Customs Tribunal commenced hearings on the cross-appeals of the Commissioner's orders and rejected HP India's request to remand the matter to the Commissioner on procedural grounds. The Customs Tribunal cancelled hearings to reconvene in 2015, 2016, and January 2019. On January 20, 2021, the Customs Tribunal held a virtual hearing during which the judge allowed HP's application for a physical hearing on the merits as soon as practicable, which will be scheduled when physical hearings resume at court. Pursuant to the separation and distribution agreement, Hewlett Packard Enterprise has agreed to indemnify HP in part, based on the extent to which any liability arises from the products and spare parts of Hewlett Packard Enterprise's businesses.

Philips Patent Litigation. In September 2020, Koninklijke Philips N.V. and Philips North America LLC (collectively, "Philips") filed a complaint against HP for patent infringement in federal court for the District of Delaware and filed a companion complaint with the U.S. International Trade Commission ("ITC") pursuant to Section 337 of the Tariff Act against HP and 8 other sets of respondents. Both complaints allege that certain digital video-capable devices and components thereof infringe four of Philips patents. In October 2020, the ITC instituted an investigation, and Philips later withdrew two of the four patents. On October 21, 2021, the ITC rendered an initial determination that there is no violation of Section 337. The ITC is expected to render a final decision by February 22, 2022. In the ITC proceeding, Philips seeks an order enjoining respondents from importing, or selling after importation, the accused products. In the district court case, Philips seeks unspecified damages and an injunction against HP, and the case has been stayed pending resolution of the ITC proceeding.

Caltech Patent Litigation. On November 11, 2020, the California Institute of Technology ("Caltech") filed a complaint against HP for patent infringement in the federal court for the Western District of Texas. On March 19, 2021, Caltech filed an amendment to this same complaint. The complaint as amended alleges infringement of five of Caltech's patents, U.S. Patent Nos. 7,116,710; 7,421,032; 7,716,552; 7,916,781; and 8,284,833. The accused products are HP commercial and consumer PCs as well as wireless printers that comply with the IEEE 802.11n, 802.11ac, and/or 802.11ax standards. Caltech seeks unspecified damages and other relief. The court has stayed the case pending the decision by the U.S. Court of Appeals for the Federal Circuit in *The California Inst. of Tech. v. Broadcom Ltd et al., Case No. 2020-2222*.

In re HP Inc. Securities Litigation (Electrical Workers Pension Fund, Local 103, I.B.E.W. v. HP Inc., et al.). On February 19, 2020, Electrical Workers Pension Fund, Local 103, I.B.E.W. filed a putative class action complaint against HP, Dion Weisler, Catherine Lesjak, and Steven Fieler in U.S. District Court in the Northern District of California. The court appointed the State of Rhode Island, Office of the General Treasurer, on behalf of the Employees' Retirement System of Rhode Island and Iron Workers Local 580 Joint Funds as Lead Plaintiffs. Lead Plaintiffs filed an amended complaint, which additionally named as defendants Enrique Lores and Christoph Schell. HP and the named officers filed a motion to dismiss the complaint for failure to state a claim upon which relief can be granted. The court granted HP's motion to dismiss and granted plaintiffs leave to amend the complaint. Plaintiffs' second amended complaint, which no longer names Christoph Schell as a defendant, alleges, among other things, that from February 23, 2017 to October 3, 2019, HP and the named officers violated Sections 10(b) and 20(a) of the Exchange Act by making false or misleading statements about HP's printing supplies business. It further alleges that Dion Weisler and Enrique Lores violated Sections 10(b) and 20A of the Exchange Act by allegedly selling shares of HP common stock during this period while in possession of material, non-public adverse information about HP's printing supplies business. Plaintiffs seek compensatory damages and other relief. HP and the named officers filed a motion to dismiss the second amended complaint for failure to state a claim upon which relief can be granted. On September 15, 2021, the court granted HP's motion. Plaintiffs are appealing the decision.

York County on behalf of the County of York Retirement Fund v. HP Inc., et al., and related proceedings. On November 5, 2020, York County, on behalf of the County of York Retirement Fund, filed a putative class action complaint against HP, Dion Weisler, and Catherine Lesjak in federal court in the Northern District of California. The court appointed Maryland Electrical Industry Pension Fund as Lead Plaintiff. Lead Plaintiff filed a consolidated complaint, which additionally names as defendants Enrique Lores and Richard Bailey. The complaint alleges, among other things, that from November 5, 2015 to June 21, 2016, HP and the named current and former officers violated Sections 10(b) and 20(a) of the Exchange Act by concealing material information and making false statements about HP's printing supplies business. Plaintiff seeks compensatory damages and other relief. HP and the named officers filed a motion to dismiss the complaint for failure to state a claim upon which relief can be granted. That motion is fully briefed. On May 17, 2021, stockholder Scott Franklin filed a derivative complaint against certain current and former

Note 14: Litigation and Contingencies (Continued)

officers and directors in federal court in the District of Delaware. Plaintiff purports to bring the action on behalf of HP, which he has named as a nominal defendant, and it makes substantially the same factual allegations as in the York County securities complaint, bringing claims for breach of fiduciary duty and violations of securities laws. The derivative plaintiff seeks compensatory damages, governance reforms, and other relief. By court order following stipulations by the parties, the case was transferred to the Northern District of California, and the case was stayed pending a ruling on the motion to dismiss in *York County*.

Legal Proceedings re Authentication of Supplies. Civil litigation or government investigations involving supplies authentication protocols used in certain HP printers are pending, have concluded, or may be filed or opened in multiple geographies, including but not limited to the United States, Italy, Israel, and the Netherlands. The supplies authentication protocols are often referred to as Dynamic Security. The core allegations in these proceedings claim misleading or inadequate consumer notifications and permissions pertaining to the use of Dynamic Security, the impact of firmware updates, or the potential inability of cartridges with clone chips or circuitry to work in HP printers with Dynamic Security.

123Inkt Foundation litigation (Netherlands). On November 23, 2016, a foundation known as Stichting 123Inkt-Huismerk Klanten (the "Foundation") filed a complaint in district court in Amsterdam against HP Nederland B.V. and HP Inc. arising out of the use of Dynamic Security in certain OfficeJet printers. Digital Revolution B.V. (trading as 123Inkt) established the Foundation to pursue the interests of approximately 960 of its customers who transferred their claims to it. The complaint alleges that HP's use of Dynamic Security was unlawful, asserts a variety of claims, and seeks injunctive relief to prohibit use of Dynamic Security, damages, and attorneys' fees. In December 2019, the Amsterdam Court of Appeal rejected the Foundation's argument that Dynamic Security is unlawful but ruled that error messages displayed on HP printers in September 2016 without providing prior warning regarding Dynamic Security were misleading. Both parties appealed to the Supreme Court of the Netherlands. In July 2021, the Attorney General issued a non-binding opinion concluding that both parties' appeals should be rejected. The Supreme Court has scheduled its final decision to be delivered on January 7, 2022.

Gensin v. HP Inc. (Israel). HP is named in a consolidated, consumer class action pending in the District Court in Jerusalem relating to HP's use of Dynamic Security in certain OfficeJet printers, which was initially filed on October 25,2017. Plaintiff asserts consumer protection, tort and other statutory claims primarily on the basis that no information on Dynamic Security was available in Hebrew, and plaintiff seeks class relief, injunctive relief, damages, and attorneys' fees. HP has reached an agreement to settle this case, which has been submitted to the Court for approval. The Court has scheduled a hearing for January 13, 2022 to address any issues that may arise with the settlement.

Parziale v. HP Inc. (United States). In August 2019, HP was named in this purported nationwide consumer class action in federal court in the Northern District of California arising out of the use of Dynamic Security in certain OfficeJet printers. Plaintiff's Second Amended Complaint alleged claims under Florida Consumer Protection statutes, the federal Computer Fraud and Abuse Act, and for trespass to chattels. Plaintiff sought class relief, injunctive relief, damages, including punitive damages, and attorneys' fees. On September 29, 2020, the court granted HP's motion to dismiss, dismissing the case in full with prejudice. The plaintiff appealed, and the parties subsequently reached a settlement. On August 2, 2021, the plaintiff dismissed the appeal with prejudice.

Consumer Protection Investigation (Italy). In December 2020, the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato) ("AGCM") notified HP of its decision that HP engaged in unfair commercial practices with respect to its disclosures to consumers about Dynamic Security and alleged use of certain warranty and data collection practices regarding the use of third-party cartridges in HP printers. The AGCM decision (i) ordered HP to end the allegedly unfair commercial practices; (ii) fined HP €5 million for each alleged unfair practice (total €10 million); (iii) required HP to file a compliance report within 60 days; (iv) ordered HP to publicly publish a corrective statement within 120 days; and (v) ordered HP to amend the packaging of its printers within 120 days. On December 21, 2020, HP paid the imposed fines. On February 5, 2021, HP filed an appeal. On April 6, 2021, HP filed its compliance report, which it subsequently supplemented, and, on June 23, 2021 the AGCM accepted the compliance plan as sufficient. HP's appeal is pending in front of the Regional Administrative Court of Lazio.

Digital Revolution B.V. v. HP Nederland B.V., et al. (Netherlands). On March 30, 2020, Digital Revolution B.V. (trading as 123Inkt) served a complaint filed in Amsterdam District Court. The complaint generally alleges that HP's use of Dynamic Security in certain HP printers constituted a violation of competition law and unfair and misleading commercial practices and advertising. The complaint asserts a variety of claims and seeks injunctive relief, including prohibition of Dynamic Security and disclosure of cartridge authentication protocols, damages, and attorneys' fees. On September 9, 2020, HP filed its defense and a counterclaim for unfair commercial practices and misleading and unlawful comparative advertising. The Court held an oral hearing on September 13, 2021. The Court's decision has not yet issued and is subject to appeal.

Notes to Consolidated Financial Statements (Continued)

Note 14: Litigation and Contingencies (Continued)

Mobile Emergency Housing Corp., et al. v. HP, Inc. (United States). In December 2020, HP was named in a putative nationwide consumer class action pending in federal court in California arising out of the use of Dynamic Security firmware updates in certain LaserJet printers. The complaint alleges a variety of claims, including state consumer protection and unfair business claims and state and federal computer access and data collection claims. Plaintiffs seek compensatory damages, restitution, injunctive relief against alleged unfair business practices, and other relief. The case is in its early stages and discovery has commenced.

Autonomy-Related Legal Matters

Investigations. As a result of the findings of an internal investigation, HP provided information to government authorities, including the U.S. Department of Justice ("DOJ") related to accounting improprieties, disclosure failures and misrepresentations at Autonomy that occurred before and in connection with HP's 2011 acquisition of Autonomy. In November 2016, a federal grand jury indicted Sushovan Hussain, former CFO of Autonomy on charges of conspiracy to commit wire fraud, securities fraud, and multiple counts of wire fraud. The indictment alleged that Mr. Hussain engaged in a scheme to defraud purchasers and sellers of securities of Autonomy and HP about Autonomy's true financial performance and condition. On April 30, 2018, a jury found Mr. Hussain guilty of all charges against him, and that judgment was affirmed on appeal in August 2020. In November 2018, a federal grand jury indicted Michael Lynch, former CEO of Autonomy, and Stephen Chamberlain, former VP of Finance of Autonomy. The indictment charged Dr. Lynch and Mr. Chamberlain with conspiracy to commit wire fraud and multiple counts of wire fraud. HP is continuing to cooperate with the ongoing enforcement actions.

Autonomy Corporation Limited v. Michael Lynch and Sushovan Hussain. On April 17, 2015, four former HP subsidiaries that became subsidiaries of Hewlett Packard Enterprise at the time of the Separation (Autonomy Corporation Limited, Hewlett Packard Vision BV, Autonomy Systems, Limited, and Autonomy, Inc.) initiated civil proceedings in the U.K. High Court of Justice against two members of Autonomy's former management, Michael Lynch and Sushovan Hussain. The Particulars of Claim seek damages in excess of $5 billion from Messrs. Lynch and Hussain for breach of their fiduciary duties by causing Autonomy group companies to engage in improper transactions and accounting practices. On October 1, 2015, Messrs. Lynch and Hussain filed their defenses. Mr. Lynch also filed a counterclaim against Autonomy Corporation Limited seeking $160 million in damages, among other things, for alleged misstatements regarding Lynch. The Hewlett Packard Enterprise subsidiary claimants filed their replies to the defenses and the asserted counter-claim on March 11, 2016. Trial began on March 25, 2019 and was completed in January 2020. The parties are awaiting a ruling from the Court.

Environmental

HP is party to, or otherwise involved in, proceedings brought by U.S. or state environmental agencies under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), known as "Superfund," or state laws similar to CERCLA, and may become a party to, or otherwise involved in, proceedings brought by private parties for contribution towards clean-up costs. HP is also conducting environmental investigations or remediations at several current or former operating sites pursuant to administrative orders or consent agreements with state environmental agencies.

Note 15: Guarantees, Indemnifications and Warranties

Guarantees

In the ordinary course of business, HP may issue performance guarantees to certain of its clients, customers and other parties pursuant to which HP has guaranteed the performance obligations of third parties. Some of those guarantees may be backed by standby letters of credit or surety bonds. In general, HP would be obligated to perform over the term of the guarantee in the event a specified triggering event occurs as defined by the guarantee. HP believes the likelihood of having to perform under a material guarantee is remote.

Note 15: Guarantees, Indemnifications and Warranties (Continued)

Cross-Indemnifications with Hewlett Packard Enterprise

The separation and distribution agreement provides for cross-indemnities between HP and Hewlett Packard Enterprise for liabilities allocated to the respective party pursuant to the terms of such agreement. For information on cross-indemnifications with Hewlett Packard Enterprise for litigation matters, see Note 14, "Litigation and Contingencies".

Indemnifications

In the ordinary course of business, HP enters into contractual arrangements under which HP may agree to indemnify a third party to such arrangement from any losses incurred relating to the services they perform on behalf of HP or for losses arising from certain events as defined within the particular contract, which may include, for example, litigation or claims relating to past performance. HP also provides indemnifications to certain vendors and customers against claims of intellectual property infringement made by third parties arising from the vendors' and customers' use of HP's software products and services and certain other matters. Some indemnifications may not be subject to maximum loss clauses. Historically, payments made related to these indemnifications have been immaterial.

HP records tax indemnification receivables from various third parties for certain tax liabilities that HP is jointly and severally liable for, but for which it is indemnified by those same third parties under existing legal agreements. HP records a tax indemnification payable to various third parties under these agreements when management believes that it is both probable that a liability has been incurred and the amount can be reasonably estimated. The actual amount that the third parties pay or may be obligated to pay HP could vary depending on the outcome of certain unresolved tax matters, which may not be resolved for several years.

Warranties

HP accrues the estimated cost of product warranties at the time it recognizes revenue. HP engages in extensive product quality programs and processes, including actively monitoring and evaluating the quality of its component suppliers; however, contractual warranty terms, repair costs, product call rates, average cost per call, current period product shipments and ongoing product failure rates, as well as specific product class failures outside of HP's baseline experience, affect the estimated warranty obligation.

HP's aggregate product warranty liabilities and changes were as follows:

	For the fiscal years ended October 31	
	2021	2020
	In millions	
Balance at beginning of year	$ 993	$ 922
Accruals for warranties issued	1,003	977
Adjustments related to pre-existing warranties (including changes in estimates)	28	38
Settlements made (in cash or in kind)	(1,065)	(944)
Balance at end of year	$ 959	$ 993

Notes to Consolidated Financial Statements (Continued)

Note 16: Commitments

Unconditional Purchase Obligations

As of October 31, 2021, HP had unconditional purchase obligations of $6.9 billion. These unconditional purchase obligations include agreements to purchase goods or services that are enforceable and legally binding on HP and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transaction. These unconditional purchase obligations are primarily related to inventory and service support. Unconditional purchase obligations exclude agreements that are cancellable without penalty.

As of October 31, 2021, unconditional purchase obligations were as follows:

Fiscal year	In millions
2022	$ 2,642
2023	2,505
2024	1,663
2025	110
2026	5
Thereafter	15
Total	$ 6,940

Note 17: Leases

HP determines, at lease inception, whether or not an arrangement contains a lease. A significant portion of the operating lease portfolio includes real estate leases. Additionally, HP has identified embedded operating leases within certain outsourced supply chain contracts. Leasing arrangements typically range in terms from 1 to 12 years with varying renewal and termination options. Substantially all of HP's leases are considered operating leases. Finance leases, short-term leases and sub-lease income were not material as of October 31, 2021 and 2020 or for the fiscal years ended October 31, 2021 and 2020, respectively.

Lease terms include options to extend or terminate the lease when it is reasonably certain that HP will exercise such options. HP generally considers the economic life of the ROU assets to be comparable to the useful life of similar owned assets. HP's leases generally do not provide a residual guarantee.

Operating leases are included in Other non-current assets, Other current liabilities and Other non-current liabilities. Finance leases are included in Property, plant and equipment, net, Notes payable and short-term borrowings and Long-term debt in the Consolidated Balance Sheets.

As most of the leases do not provide an implicit interest rate, HP uses the incremental borrowing rate based on the information available at the commencement date of a lease in determining the present value of lease payments. The incremental borrowing rate is determined based on the rate of interest that HP would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. HP uses the unsecured borrowing rate and risk-adjusts that rate to approximate a collateralized rate.

HP has elected the practical expedient to combine lease and non-lease components as a single lease element for its real estate leases and certain outsourced supply chain contracts in calculating the ROU assets and lease liabilities. Where HP chooses not to combine the lease and non-lease components, HP allocates contract consideration to the lease and non-lease components based on relative standalone prices.

HP reviews the impairment of the ROU assets consistent with the approach applied for other long-lived assets.

Notes to Consolidated Financial Statements (Continued)

Note 17: Leases (Continued)

The components of lease expense are as follows:

	For the fiscal years ended October 31	
	2021	2020
	In millions	
Operating lease cost	$ 235	$ 236
Variable cost	101	108
Total lease expense	$ 336	$ 344

All lease expenses, including variable lease costs, are primarily included in Cost of revenue and Selling, general and administrative expenses in the Consolidated Statements of Earnings based on the use of the facilities.

Variable lease expense relates primarily to leased real estate utilized for office space and outsourced warehousing. These costs primarily include adjustments for inflation, payments dependent on a rate or index or usage of asset and common area maintenance charges. These costs are not included in the lease liability and are recognized in the period in which they are incurred.

The following table presents supplemental information relating to the cash flows arising from lease transactions. Cash payments made from variable lease costs and short-term leases are not included in the measurement of operating lease liabilities, and, as such, are excluded from the amounts below:

	For the fiscal years ended October 31	
	2021	2020
	In millions	
Cash paid for amount included in the measurement of lease liabilities	$ 238	$ 236
Right-of-use assets obtained in exchange of lease liabilities[1]	$ 385	$ 226

(1) Includes the impact of new leases as well as remeasurements and modifications to existing leases.

Weighted-average information associated with the measurement of our remaining operating lease liabilities is as follows:

	As of October 31	
	2021	2020
Weighted-average remaining lease term in years	5	6
Weighted-average discount rate	3.4%	3.1%

Note 17: Leases (Continued)

The following maturity analysis presents expected undiscounted cash outflows for operating leases on an annual basis for the next five years:

Fiscal year	In millions
2022	$ 382
2023	296
2024	194
2025	138
2026	109
Thereafter	262
Total lease payments	1,381
Less: Imputed interest	95
Total lease liabilities	$1,286

There were no material operating leases that HP had entered into and that were yet to commence as of October 31, 2021.

Note 18: Acquisitions

Acquisitions in fiscal 2021

In fiscal 2021, HP completed four acquisitions. The estimated fair value of the assets acquired and liabilities assumed at the acquisition date for all four acquisitions, as set forth in the table below, reflects various preliminary fair value estimates and analyses, including preliminary work performed by third-party valuation specialists, which are subject to change within the measurement period as valuations are finalized. The fair values of certain tangible assets and liabilities acquired, the valuation of intangible assets acquired, certain legal matters, income and non income-based taxes, and residual goodwill are not yet finalized and subject to change. HP expects to continue to obtain information to assist in the calculation of the fair value of the net assets acquired at the acquisition date during the measurement period.

Pro forma results of operations for these acquisitions have not been presented because they are not material to HP's consolidated results of operations, either individually or in the aggregate. Goodwill, which represents the excess of the purchase price over the net tangible and intangible assets acquired, is not deductible for tax purposes.

The following table presents the aggregate estimated fair values of the assets acquired and liabilities assumed, including those items that are still preliminary allocations, for all of HP's acquisitions in fiscal 2021:

	In millions
Goodwill	$ 400
Amortizable intangible assets	385
Net assets acquired	120
Total fair value of consideration	$ 905

Acquisition of HyperX, the gaming division of Kingston Technology Company

HP's largest acquisition in fiscal 2021 was its acquisition of HyperX, the gaming division of Kingston Technology Company which was completed in June 2021 with a total fair value purchase consideration of $412 million. The acquisition supports HP's strategy to drive growth in gaming and peripherals within the Personal Systems segment. In connection with this acquisition, HP recorded approximately $112 million of goodwill and $197 million of amortizable purchased intangible assets.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

ITEM 9A. Controls and Procedures.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this report (the “Evaluation Date”). Based on this evaluation, our principal executive officer and principal financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information required to be disclosed by us in our SEC reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to HP’s management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our most recently completed fiscal quarter. Based on that evaluation, our principal executive officer and principal financial officer concluded that there has not been any change in our internal control over financial reporting during the fourth quarter of fiscal year 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

See Management’s Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm on our internal control over financial reporting in Item 8, which are incorporated herein by reference.

ITEM 9B. Other Information.

None.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not Applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance.

The names of the executive officers of HP and their ages, titles and biographies as of the date hereof are incorporated by reference from Part I, Item 1, above.

The following information is included in HP’s Proxy Statement related to its 2022 Annual Meeting of Stockholders to be filed within 120 days after HP’s fiscal year end of October 31, 2021 (the “Proxy Statement”) and is incorporated herein by reference:

- Information regarding directors of HP who are standing for reelection and any persons nominated to become directors of HP is set forth under “Corporate Governance and Board of Directors—Management Proposal No. 1 Election of Directors.”
- Information regarding HP’s Audit Committee and designated “audit committee financial experts” is set forth under “Corporate Governance and Board of Directors—Management Proposal No. 1 Election of Directors—How We Are Organized—Audit Committee.”
- Information on HP’s code of business conduct and ethics for directors, officers and employees, also known as “Integrity at HP”, is set forth under “Corporate Governance and Board of Directors—Management Proposal No. 1 Election of Directors—How We Govern and Are Governed—Code of Conduct” and information on HP’s Corporate Governance Guidelines is set forth under “—How We Are Selected—Director Nominees and Director Nominees’ Experience and Qualifications” and “—How We Govern and Are Governed—Director Independence.”

ITEM 11. Executive Compensation.

The following information is included in the Proxy Statement and is incorporated herein by reference:

— Information regarding HP's compensation of its named executive officers is set forth under "Executive Compensation."
— Information regarding HP's compensation of its directors is set forth under "Corporate Governance and Board of Directors—Management Proposal No. 1 Election of Directors—How We Are Compensated—Director Compensation and Stock Ownership Guidelines."
— The report of HP's HR and Compensation Committee is set forth under "Executive Compensation—Management Proposal No. 3 Advisory Vote to Approve Executive Compensation—HR and Compensation Committee Report on Executive Compensation."

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following information is included in the Proxy Statement and is incorporated herein by reference:

— Information regarding security ownership of certain beneficial owners, directors and executive officers is set forth under "Ownership of Our Stock—Common Stock Ownership of Certain Beneficial Owners and Management."
— Information regarding HP's equity compensation plans, including both stockholder approved plans and non-stockholder approved plans, is set forth in the section entitled "Equity Compensation Plan Information."

ITEM 13. Certain Relationships and Related Transactions, and Director Independence.

The following information is included in the Proxy Statement and is incorporated herein by reference:

— Information regarding transactions with related persons is set forth under "Corporate Governance and Board of Directors—Management Proposal No. 1 Election of Directors—Related-Person Transactions Policies and Procedures—Fiscal 2021 Related-Person Transactions."
— Information regarding director independence is set forth under "Corporate Governance and Board of Directors—Management Proposal No. 1 Election of Directors—How We Govern and Are Governed—Director Independence."

ITEM 14. Principal Accounting Fees and Services.

Information regarding principal accounting fees and services is set forth under "Audit Matters—Management Proposal No. 2 Ratification of Independent Registered Public Accounting Firm—Principal Accounting Fees and Services" in the Proxy Statement, which information is incorporated herein by reference.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this report:

1. All Financial Statements:

The following financial statements are filed as part of this report under Item 8—"Financial Statements and Supplementary Data."

2. Financial Statement Schedules:

All schedules are omitted as the required information is not applicable or the information is presented in the Consolidated Financial Statements and notes thereto in Item 8 above.

3. Exhibits:

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit(s)	Filing Date
2(a)	Separation and Distribution Agreement, dated as of October 31, 2015, by and among Hewlett-Packard Company, Hewlett Packard Enterprise Company and the Other Parties Thereto.**	8-K	001-04423	2.1	November 5, 2015
2(b)	Transition Services Agreement, dated as of November 1, 2015, by and between Hewlett-Packard Company and Hewlett Packard Enterprise Company.**	8-K	001-04423	2.2	November 5, 2015
2(c)	Employee Matters Agreement, dated as of October 31, 2015, by and between Hewlett-Packard Company and Hewlett Packard Enterprise Company.**	8-K	001-04423	2.4	November 5, 2015
3(a)	Registrant's Certificate of Incorporation.	10-Q	001-04423	3(a)	June 12, 1998
3(b)	Registrant's Amendment to the Certificate of Incorporation.	10-Q	001-04423	3(b)	March 16, 2001
3(c)	Registrant's Certificate of Amendment to the Certificate of Incorporation.	8-K	001-04423	3.2	October 22, 2015
3(d)	Registrant's Certificate of Amendment to the Certificate of Incorporation.	8-K	001-04423	3.1	April 7, 2016
3(e)	Registrant's Amended and Restated Bylaws.	8-K	001-04423	3.1	February 13, 2019
3(f)	Certificate of Designations of Series A Junior Participating Preferred Stock of HP Inc.	8-K	001-04423	3.1	February 20, 2020
4(a)	Form of Senior Indenture	S-3	333-21516	4.1	December 15, 2016
4(b)	Form of Subordinated Indenture.	S-3	333-21516	4.2	December 15, 2016
4(c)	Form of Registrant's 4.375% Global Note due September 15, 2021 and 6.000% Global Note due September 15, 2041 and form of related Officers' Certificate.	8-K	001-04423	4.4, 4.5 and 4.6	September 19, 2011
4(d)	Form of Registrant's 4.650% Global Note due December 9, 2021 and related Officers' Certificate.	8-K	001-04423	4.3 and 4.4	December 12, 2011

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit(s)	Filing Date
4(e)	Form of Registrant's 4.050% Global Note due September 15, 2022 and related Officers' Certificate.	8-K	001-04423	4.2 and 4.3	March 12, 2012
4(f)	Specimen certificate for the Registrant's common stock.	8-A/A	001-04423	4.1	June 23, 2006
4(g)	First Supplemental Indenture, dated as of March 26, 2018, to the Indenture, dated as of June 1, 2000, by and between the Registrant and The Bank of New York Mellon Trust Company, N.A.	10-Q	001-04423	4(j)	June 5, 2018
4(h)	Description of HP Inc.'s securities.	10-K	001-04423	4(j)	December 12, 2019
4(i)	Indenture, dated as of June 17, 2020, between HP Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee.	8-K	001-04423	4.1	June 17, 2020
4(j)	Form of 2.200% notes due 2025 and related Officers' Certificate.	8-K	001-04423	4.2 and 4.5	June 17, 2020
4(k)	Form of 3.000% notes due 2027 and related Officers' Certificate.	8-K	001-04423	4.3 and 4.5	June 17, 2020
4(l)	Form of 3.400% notes due 2030 and related Officers' Certificate.	8-K	001-04423	4.4 and 4.5	June 17, 2020
4(m)	First Supplemental Indenture, dated as of June 16, 2021, between the Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee.	8-K	001-04423	4.2	June 21, 2021
4(n)	Registration Rights Agreement, dated as of June 16, 2021, by and among the Registrant and Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, as representatives of the Initial Purchasers of the Notes.	8-K	001-04423	4.3	June 21, 2021
10(a)	Registrant's 2004 Stock Incentive Plan.*	S-8	333-114253	4.1	April 7, 2004
10(b)	Registrant's Excess Benefit Retirement Plan, amended and restated as of January 1, 2006.*	8-K	001-04423	10.2	September 21, 2006
10(c)	Hewlett-Packard Company Cash Account Restoration Plan, amended and restated as of January 1, 2005.*	8-K	001-04423	99.3	November 23, 2005
10(d)	Form of Agreement Regarding Confidential Information and Proprietary Developments (California).*	8-K	001-04423	10.2	January 24, 2008
10(e)	Form of Agreement Regarding Confidential Information and Proprietary Developments (Texas).*	10-Q	001-04423	10(o)(o)	March 10, 2008
10(f)	Form of Stock Option Agreement for Registrant's 2004 Stock Incentive Plan.*	10-Q	001-04423	10(p)(p)	March 10, 2008
10(g)	Form of Common Stock Payment Agreement for Registrant's 2000 Stock Plan.*	10-Q	001-04423	10(u)(u)	June 6, 2008
10(h)	First Amendment to the Hewlett-Packard Company Excess Benefit Retirement Plan.*	10-Q	001-04423	10(b)(b)(b)	March 10, 2009
10(i)	Form of Stock Notification and Award Agreement for awards of non-qualified stock options.*	10-K	001-04423	10(i)(i)(i)	December 15, 2010
10(j)	Form of Agreement Regarding Confidential Information and Proprietary Developments (California—new hires).*	10-K	001-04423	10(j)(j)(j)	December 15, 2010
10(k)	Form of Agreement Regarding Confidential Information and Proprietary Developments (California—current employees).*	10-K	001-04423	10(k)(k)(k)	December 15, 2010
10(1)	Second Amended and Restated Hewlett-Packard Company 2004 Stock Incentive Plan, as amended effective February 28, 2013.*	8-K	001-04423	10.2	March 21, 2013
10(m)	Form of Stock Notification and Award Agreement for awards of foreign stock appreciation rights.*	10-Q	001-04423	10(v)(v)	March 11, 2014
10(n)	Form of Stock Notification and Award Agreement for long-term cash awards.*	10-Q	001-04423	10(w)(w)	March 11, 2014
10(o)	Form of Stock Notification and Award Agreement for awards of non-qualified stock options.*	10-Q	001-04423	10(x)(x)	March 11, 2014

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
10(p)	Form of Stock Notification and Award Agreement for awards of performance-contingent non-qualified stock options.*	10-Q	001-04423	10(a)(a)(a)	March 11, 2014
10(q)	Form of Grant Agreement for grants of performance-contingent non-qualified stock options.*	10-Q	001-04423	10(b)(b)(b)	March 11, 2014
10(r)	Form of Grant Agreement for grants of long-term cash awards.*	10-Q	001-04423	10(e)(e)(e)	March 11, 2015
10(s)	Form of Grant Agreement for grants of non-qualified stock options.*	10-Q	001-04423	10(f)(f)(f)	March 11, 2015
10(t)	Form of Grant Agreement for grants of performance-contingent non-qualified stock options.*	10-Q	001-04423	10(i)(i)(i)	March 11, 2015
10(u)	Form of Grant Agreement for grants of foreign stock appreciation rights.*	10-K	001-04423	10(e)(e)(e)	December 16, 2015
10(v)	Form of Grant Agreement for grants of performance-contingent non-qualified stock options.*	10-K	001-04423	10(f)(f)(f)	December 16, 2015
10(w)	Form of Grant Agreement for grants of non-qualified stock options.*	10-K	001-04423	10(g)(g)(g)	December 16, 2015
10(x)	Registrant's 2005 Executive Deferred Compensation Plan, amended and restated effective November 1, 2017.*	10-K/A	001-04423	10(n)(n)	December 15, 2017
10(y)	Registrant's Severance and Long-Term Incentive Change in Control Plan for Executive Officers, amended and restated effective February 28, 2020.*	10-Q	001-04423	10(p)(p)	March 5, 2020
10(z)	Form of Stock Notification and Award Agreement for awards of performance-contingent non-qualified stock options (launch grant).*	10-Q	001-04423	10(p)(p)	March 3, 2016
10(a)(a)	2017 Amendment to the Hewlett-Packard Company Cash Account Restoration Plan.*	10-Q	001-04423	10(w)(w)	March 2, 2017
10(b)(b)	Second Amendment to the Hewlett-Packard Company Excess Benefit Retirement Plan.*	10-Q	001-04423	10(x)(x)	March 2, 2017
10(c)(c)	Second Amended and Restated HP Inc. 2004 Stock Incentive Plan, as amended and restated effective January 23, 2017.*	10-Q	001-04423	10(y)(y)	March 2, 2017
10(d)(d)	Second Amended and Restated HP Inc. 2004 Stock Incentive Plan (as amended effective January 29, 2018).*	10-Q	001-04423	10(b)(b)(b)	March 1, 2018
10(e)(e)	Form of Grant Agreement for grants of restricted stock units (for use from November 1, 2017).*	10-Q	001-04423	10(c)(c)(c)	March 1, 2018
10(f)(f)	Form of Grant Agreement for grants of restricted stock units for directors (for use from November 1, 2017).*	10-Q	001-04423	10(e)(e)(e)	March 1, 2018
10(g)(g)	Form of Grant Agreement for grants of stock options for directors (for use from November 1, 2017).*	10-Q	001-04423	10(f)(f)(f)	March 1, 2018
10(h)(h)	Form of Grant Agreement for grants of restricted stock units (for use from November 1, 2018).*	10-K	001-04423	10(g)(g)(g)	December 13, 2018
10(i)(i)	Form of Grant Agreement for grants of performance-adjusted restricted stock units (for use from November 1, 2018).*	10-K	001-04423	10(h)(h)(h)	December 13, 2018
10(j)(j)	Form of Grant Agreement for grants of stock options for directors (for use from November 1, 2018).*	10-Q	001-04423	10(j)(j)(j)	March 5, 2019
10(k)(k)	Form of Grant Agreement for grants of restricted stock units for directors (for use from November 1, 2018).*	10-Q	001-04423	10(k)(k)(k)	March 5, 2019
10(l)(l)	Form of Grant Agreement for grants of restricted stock units (for use from July 1, 2019).*	10-Q	001-04423	10(l)(l)(l)	August 29, 2019
10(m)(m)	Form of Grant Agreement for grants of non-qualified stock options.*	10-K	001-04423	10(m)(m)(m)	December 12, 2019
10(n)(n)	Form of Retention Grant Agreement for grants of non-qualified stock options.*	10-K	001-04423	10(n)(n)(n)	December 12, 2019

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
10(o)(o)	Form of Grant Agreement for grants of stock options for directors (for use from January 15, 2020).*	10-Q	001-04423	10(m)(m)(m)	March 5, 2020
10(p)(p)	Form of Grant Agreement for grants of restricted stock units for directors (for use from January 15, 2020).*	10-Q	001-04423	10(n)(n)(n)	March 5, 2020
10(q)(q)	Form of Retention Grant Agreement for grants of restricted stock units (for use from November 1, 2019).*	10-Q	001-04423	10(o)(o)(o)	March 5, 2020
10(r)(r)	Form of Grant Agreement for grants of restricted stock units (for use from November 1, 2019).*	10-Q	001-04423	10(p)(p)(p)	March 5, 2020
10(s)(s)	Form of Grant Agreement for grants of performance-adjusted restricted stock units (for use from November 1, 2019).*	10-Q	001-04423	10(q)(q)(q)	March 5, 2020
10(t)(t)	Amendment Number One to Second Amended and Restated HP Inc. 2004 Stock Incentive Plan (as amended effective February 28, 2020).*	10-Q	001-04423	10(r)(r)(r)	June 5, 2020
10(u)(u)	Amendment Number One to Registrant's 2005 Executive Deferred Compensation Plan (as amended effective February 28, 2020).*	10-Q	001-04423	10(s)(s)(s)	June 5, 2020
10(v)(v)	HP Inc. 2021 Employee Stock Purchase Plan.*	10-Q	001-04423	10(t)(t)(t)	June 5, 2020
10(w)(w)	Amendment Number Two to Second Amended and Restated HP Inc. 2004 Stock Incentive Plan (as amended effective September 21, 2020.*	10-K	001-04423	10(x)(x)(x)	December 10, 2020
10(x)(x)	Amendment Number Two to Registrant's 2005 Executive Deferred Compensation Plan (as amended effective September 21, 2020).*	10-K	001-04423	10(y)(y)(y)	December 10, 2020
10(y)(y)	Form of Grant Agreement for grants of restricted stock units (for use from November 17, 2020).*	10-Q	001-04423	10(x)(x)(x)	March 5, 2021
10(z)(z)	Form of Retention Grant Agreement for grants of restricted stock units (for use from November 17, 2020).*	10-Q	001-04423	10(y)(y)(y)	March 5, 2021
10(a)(a)(a)	Form of Grant Agreement for grants of non-qualified stock options.*	10-Q	001-04423	10(z)(z)(z)	March 5, 2021
10(b)(b)(b)	Form of Retention Grant Agreement for grants of non-qualified stock options.*	10-Q	001-04423	10(a)(a)(a)(a)	March 5, 2021
10(c)(c)(c)	Form of Grant Agreement for grants of performance-adjusted restricted stock units (for use from November 17, 2020).*	10-Q	001-04423	10(b)(b)(b)(b)	March 5, 2021
10(d)(d)(d)	Form of Grant Agreement for grants of performance-contingent non-qualified stock options.*	10-Q	001-04423	10(c)(c)(c)(c)	March 5, 2021
10(e)(e)(e)	Form of Grant Agreement for grants of restricted stock units for directors.*	10-Q	001-04423	10(d)(d)(d)(d)	March 5, 2021
10(f)(f)(f)	First Amendment to the Registrant's Severance and Long-Term Incentive Change in Control Plan for Executive Officers, as amended and restated effective February 28, 2020 (as amended effective December 7, 2020)*	10-Q	001-04423	10(e)(e)(e)(e)	March 5, 2021
10(g)(g)(g)	Amendment Number Three to Registrant's 2005 Executive Deferred Compensation Plan (as amended effective November 17, 2020).*	10-Q	001-04423	10(f)(f)(f)(f)	March 5, 2021
10(h)(h)(h)	Special Advisor to the CEO Agreement dated as of January 16, 2021 by and between the Registrant and Kim Rivera.*	10-Q	001-04423	10(g)(g)(g)(g)	March 5, 2021
10(i)(i)(i)	Five-Year Credit Agreement, dated as of May 26, 2021, among the Registrant, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent.	8-K	001-04423	10.1	June 1, 2021
10(j)(j)(j)	Amendment Number Four to Registrant's 2005 Executive Deferred Compensation Plan (as amended effective as of April 1, 2021 and December 31, 2021).*	10-Q	001-04423	10(j)(j)(j)	September 3, 2021

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
21	Subsidiaries of the Registrant as of October 31, 2021.†				
23	Consent of Independent Registered Public Accounting Firm.†				
24	Power of Attorney (included on the signature page).				
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.†				
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.†				
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.††				
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.†				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.†				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.†				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.†				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.†				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.†				
104	The cover page from the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2021, formatted in Inline XBRL (included within the Exhibit 101 attachments).†				

* Indicates management contract or compensatory plan, contract or arrangement.

** Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Registration S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the SEC upon request.

† Filed herewith.

†† Furnished herewith.

The registrant agrees to furnish to the Commission supplementally upon request a copy of (1) any instrument with respect to long-term debt not filed herewith as to which the total amount of securities authorized thereunder does not exceed 10% of the total assets of the registrant and its subsidiaries on a consolidated basis and (2) any omitted schedules to any material agreements set forth above.

ITEM 16. Form 10-K Summary

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 9, 2021	HP INC.	
	By:	/s/ MARIE MYERS
		Marie Myers
		Chief Financial Officer

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Marie Myers, Harvey Anderson and Rick Hansen, or any of them, his or her attorneys-in-fact, for such person in any and all capacities, to sign any amendments to this report and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that either of said attorneys-in-fact, or substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ ENRIQUE LORES Enrique Lores	President and Chief Executive Officer and Director (Principal Executive Officer)	December 9, 2021
/s/ MARIE MYERS Marie Myers	Chief Financial Officer (Principal Financial Officer)	December 9, 2021
/s/ BARB BARTON WEISZHAAR Barb Barton Weiszhaar	Acting Global Controller (Principal Accounting Officer)	December 9, 2021
/s/ AIDA ALVAREZ Aida Alvarez	Director	December 9, 2021
/s/ SHUMEET BANERJI Shumeet Banerji	Director	December 9, 2021
/s/ ROBERT R. BENNETT Robert R. Bennett	Director	December 9, 2021
/s/ CHARLES V. BERGH Charles V. Bergh	Director	December 9, 2021
/s/ BRUCE BROUSSARD Bruce Broussard	Director	December 9, 2021
/s/ STACY BROWN-PHILPOT Stacy Brown-Philpot	Director	December 9, 2021
/s/ STEPHANIE BURNS Stephanie Burns	Director	December 9, 2021
/s/ MARY ANNE CITRINO Mary Anne Citrino	Director	December 9, 2021
/s/ RICHARD L. CLEMMER Richard L. Clemmer	Director	December 9, 2021
/s/ JUDITH MISCIK Judith Miscik	Director	December 9, 2021
/s/ KIM K.W. RUCKER Kim K.W. Rucker	Director	December 9, 2021
/s/ SUBRA SURESH Subra Suresh	Director	December 9, 2021

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