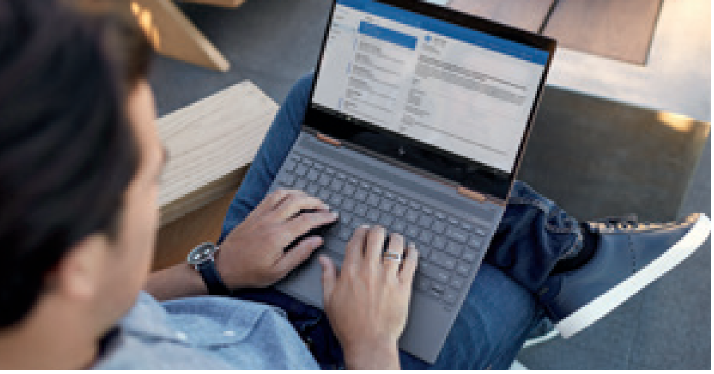
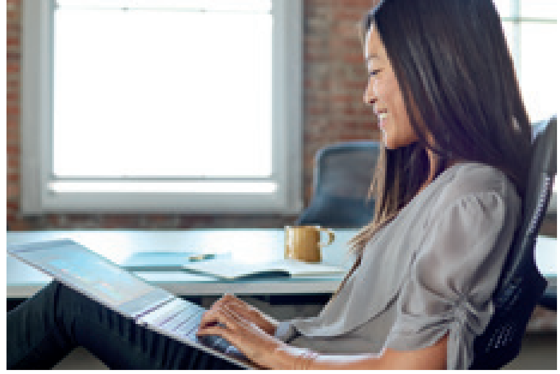
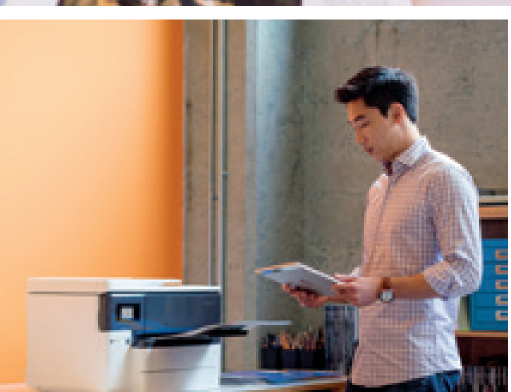
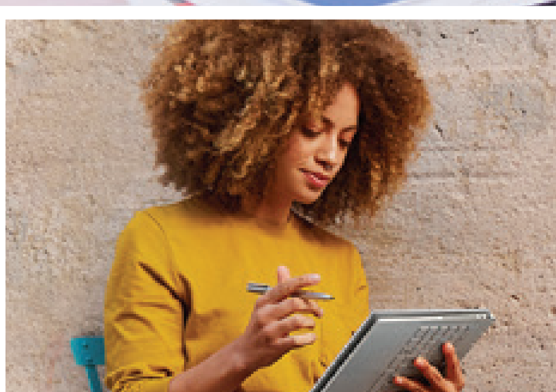


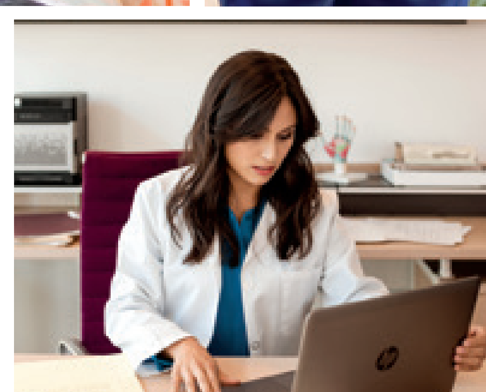


2020
Annual Report

2021
Proxy Statement







About Us

Our vision is to create technology that makes life better for everyone, everywhere — every person, every organization, and every community around the globe. This motivates us — inspires us — to do what we do. To make what we make. To invent, and to reinvent. To engineer experiences that amaze. We won't stop pushing ahead, because you won't stop pushing ahead. You're reinventing how you work. How you play. How you live. With our technology, you'll reinvent your world.

This is our calling. This is a new HP.

Keep reinventing.

MESSAGE FROM OUR PRESIDENT AND CEO

Delivering on our Reinvention

Dear Shareholders,

We will one day look back on 2020 as one of the most difficult years of our lifetimes. The Covid-19 pandemic has caused pain and suffering for so many, and we have seen stark reminders of the serious social and environmental challenges demanding our collective action.

Against this backdrop, I'm incredibly proud of the way our HP team stepped forward to meet the moment.

We showed remarkable agility and resilience – innovating to meet new customer needs and accelerating key elements of our strategy. We stayed true to HP's values by mobilizing to support urgent needs in our communities. And we did it all while delivering strong full-year financial results.

For FY20, we grew non-GAAP EPS to $2.28 on revenue of $56.6 billion. And we returned $4.1 billion to our shareholders while continuing to invest in long-term growth opportunities.

Notably, we achieved the targets we set in the fall of 2019. Given the dynamic market conditions of the past year, that's an impressive accomplishment reflecting the power of our broad and differentiated portfolio, the strength of our executional muscle, and the continued progress we're making against our priorities.

Well Positioned for a Changing World

We see many attractive opportunities ahead to build on our success and drive long-term sustainable growth, fueled by trends that are reshaping the world around us.

For example, the pandemic has fundamentally changed the concept of work. As hybrid work becomes the norm, many offices will become collaboration spaces while a lot of traditional office work will be done remotely. This will drive the continued consumerization of corporate IT and a new wave of innovation – from more versatile and secure technology and peripherals, to services and software that enhance the user experience.

Our strategy is designed to capitalize on these shifts by modernizing Personal Systems and Print experiences and expanding into valuable adjacencies – and we made good progress throughout 2020. We launched a wide range of personal computing solutions tailored to the changing ways people live, work, learn and play. And we leveraged our strength across home and office printing to create new, cloud-enabled value propositions like HP+.

The pandemic has also fundamentally changed customer behavior. People increasingly want to consume as a service. Many have adopted a digital-first mentality. And they're looking for seamless omnichannel experiences spanning their digital and physical worlds.

Here, too, we made major strides forward. We significantly grew our subscription business, with Instant Ink surpassing 8 million subscribers. And we implemented new systems that are making us more digitally enabled and data driven.

As we modernize our core, we also continue to build new businesses to drive long-term growth in areas like 3D printing and industrial graphics. We have a clear strategy to disrupt industries by creating highly personalized solutions and accelerating the adoption of digital printing. And the pandemic has shown the value of the innovation we're able to deliver.

For example, together with our partners, we produced more than 5 million 3D-printed parts for hospitals using Multi Jet Fusion. That's just a glimpse into what's possible as we create customized end-to-end solutions for vertical markets and enable more flexible, resilient supply chains.

And moving forward, we're focused on creating entirely new businesses by leveraging our vast intellectual property in microfluidics, which has many potential applications in areas beyond printing – such as health and wellness. Our newly formed Strategy & Incubation organization will lead this important work, with a focus on driving new sources of growth.

Over time, we will build a broader portfolio of businesses that drives near, medium and long-term value creation and meets a broader set of customer needs.

And to enable all this, we continue to drive an aggressive, multi-year transformation agenda focused on strengthening our digital capabilities and optimizing our cost structure. We implemented new systems and a new operating model in 2020, while exceeding our cost savings target for the year. And these remain priority focus areas moving forward.

Making a Sustainable Impact

But it's not just what we're doing that gives me confidence in HP's future. It's also *how* we're doing it.

At a time when trust in institutions is lacking, our customers are looking for brands they can rely on to do the right things. That's why Sustainable Impact remains at the heart of our strategy.

Our success will no longer be defined solely by the products we make, but also by the progress we make possible – from addressing systemic racism to protecting our planet for future generations. The HP brand will stand for a new era of opportunity where climate change is reversed, human rights are universally protected, and the digital divide eliminated for all.

In recent months, HP has been named "America's Most Responsible Company" by *Newsweek* for the second straight year, one of the top 10 "Best Managed Companies of 2020" by the *Wall Street Journal*, and a member of the Barron's list of "100 Most Sustainable Companies."

HP has always been home to those who dream of creating a better future for everyone, everywhere – then work together to make it a reality. That's the mindset that enabled us to deliver on our commitments last year, and it's what will lift our business to new heights in the years to come.

Thank you for the confidence you have placed in HP with your investment.

Sincerely,

Enrique Lores
President and CEO

STRATEGY

Strong and Getting Stronger

Advance

We continue to advance our leadership in Personal Systems and Printing.

We are creating the next generation of personal computing experiences by innovating across hardware, peripherals, services, software and security to meet customer needs.

We are modernizing print experiences by creating new, cloud-enabled value propositions and accelerating service-led business models.

Disrupt

We continue to leverage our technology and intellectual property to disrupt industries.

We have begun this disruption in areas such as Graphics and 3D Printing, which together we refer to as our Industrial businesses that, collectively, present attractive long-term growth opportunities.

We are creating highly personalized, end-to-end solutions for specific industry verticals; accelerating the adoption of digital printing; and creating new businesses using HP microfluidics technology.

Transform

We continue to transform the way we work as a company to deliver on our priorities.

This includes a new global operating model that places our teams closer to customers, and new digital capabilities that enhance our effectiveness and optimize our cost structure.

We are implementing a multi-year transformation program that exceeded our cost savings target for 2020 and will maintain an aggressive focus on creating value.

Executing on our Strategy and Driving Financial Returns in Fiscal 2020

HP's full year fiscal 2020 financial results reflect the strength of our innovation and execution and operation excellence as we make progress against creating multiple value creation engines across our company. Our results in fiscal 2020 also demonstrate our ability to deliver results while investing in our business for future growth and efficiency opportunities with an increased focus on returning capital to shareholders. Our foundation is strong, including our balance sheet, and we have multiple levers to create value for our stockholders. We are pleased with our full year results despite more challenging industry, macroeconomic and geopolitical dynamics.

We generated $4.3 billion in net cash provided by operating activities and $3.9 billion of free cash flow in fiscal 2020. Free cash flow includes net cash provided by operating activities, net investments for leases of $0.2 billion and net investments in property, plant and equipment of $0.6 billion. We utilized approximately $3.1 billion of cash during fiscal 2020 to repurchase approximately 166.5[1] million shares of common stock in the open market. When the value of these repurchases is combined with the almost $1.0 billion of cash used to pay dividends, HP returned 105% of its free cash flow to stockholders in fiscal 2020.

(1) Represents share repurchases settled in fiscal 2020.

The HP of the Future

From the very early days of HP, this company has pushed past conventional notions of what's possible. We have dreamed of creating a better future for everyone, everywhere – and then worked together to make that future a reality.

Today, as we innovate to meet the needs of the changing world around us, we enter a defining decade for our company. A decade full of opportunity to advance our leadership in Personal Systems and Print, to disrupt industries with our technology and IP, and to transform HP for the future.

And we will do it in ways that are aligned with our values – continuing to build one of the world's most trusted brands; investing in our culture and talent so that HP remains a place where great leaders come to learn, lead and thrive; and making a sustainable impact on the markets and communities we serve.

All across our company, we are summoning the creativity, imagination and determination that has always defined HP at its best – because that's ultimately what will lift our business to new heights in the years to come.

PERFORMANCE

How We Executed on Our Commitments

Revenue by region

Americas
43% of net revenue
▼3% y/y
▼2% CC[1]

Asia Pacific
22% of net revenue
▼5% y/y
▼3% CC[1]

EMEA
35% of net revenue
▼3% y/y
▼2% CC[1]

Non-US net revenue was **64%** of total net revenue

Fiscal 2020 Operating Highlights

Personal Systems

Net revenue
$39.0 BILLION
▲1% y/y
▲2% CC[1]

Operating profit
$2.3 BILLION
5.9% of net revenue

For the full year, Personal Systems was up year-over-year and operating margins expanded 1% adding more than $400 million to the bottom line. Overall, units increased by 5% year-over-year on the heels of strength from notebooks due to strong demand from working and learning from home.

As the PC has become essential due to work from home and distance learning we continued to lead in PC design and innovation including the new commercial HP Fury series, Zcentral workstations and new commercial HP Elitebook series.

In Gaming, we also launched our latest OMEN Desktop 25L/30L series and OMEN accessories including OMEN Frequency Wireless Headset, OMEN Vector Wireless Mouse and OMEN Spacer Wireless Keyboard to address the future of gaming.

Printing

Net revenue
$17.6 BILLION
▼12% y/y
▼11% CC[1]

Operating profit
$2.5 BILLION
14.1% of net revenue

For the full year, Printing revenue was down year-over-year with declines in both commercial and consumer printing due to COVID-19 impact.

We launched HP+, to address the consumer print market which includes a complete printing solution combining hardware, instant ink and HP Smart App.

We expanded our contractual offering in instant ink with total subscribers increasing year over year to over 8 million, benefitting from working from home.

We made strides in our 3D printing franchise as in response to COVID-19 customers pivoted Multi Jet Fusion applications and produced 3D printed parts for face shields, face masks and other items for hospitals. In addition, we introduced a new tooling solution for 3D molded fiber manufacturing.

(1) CC = constant currency; Adjusted to exclude the effects of foreign currency fluctuations calculated by translating current period revenues using monthly average exchange rates from the comparative period and excluding any hedging impact recognized in the current period.

NOTE: Arrows represent the mathematical direction of the amount the arrow is associated with.

GOOD GOVERNANCE

Governance Highlights

Recent Governance Updates

HP's corporate governance policies and practices are continuously evolving – from our time as Hewlett-Packard Company to our identity as HP Inc., we have always led by example, adopting changes in line with our commitment to the highest standards of governance. Stockholder input has been key to our progression, and as we continue to evolve our corporate governance policies and practices, we will continue to solicit feedback from our stockholders regarding our governance profile. 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:

— Our Board continues to believe that it is in the current best interests of our stockholders and the Company to have an independent Chairman. Accordingly, Chip Bergh has served as our independent Chairman since July 2017.

— Since 2016, our NGSR Committee has reviewed and discussed our environmental, sustainability, diversity and social impact strategy at every regular meeting of the Committee, providing valuable advice and insights. For more information on our efforts in this space, including our Sustainable Impact Report, please visit *https://www8.hp.com/us/en/hp-information/sustainable-impact.html.*

— As part of our commitment to the highest standards of governance, in 2018 we became a signatory to the Commonsense Principles of Corporate Governance 2.0, a set of corporate governance principles we and the other signatories believe serve the best interests of U.S. corporations and financial markets.

— We have evaluated our governance practices against the Corporate Governance Principles for U.S. Listed Companies published by the Investor Stewardship Group ("ISG"), a collective of some of the largest U.S.-based institutional investors and global asset managers, and we believe that our governance policies and practices are consistent with the ISG principles.

Annual Meeting Experience

HP's virtual format for the annual meeting 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're 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 our stockholders to have truly robust engagement with HP.

Please join us for our Virtual Annual Meeting at *www.hpannualmeeting.com* or *www.virtualshareholdermeeting.com/HPQ2021.*

Best-Practices in Governance

Independent Board Leadership

— Strong board oversight and leadership by an independent Chairman.

— Our independent Chairman participates in a robust stockholder outreach program.

— Our independent Chairman leads and coordinates the annual performance evaluation of the CEO.

— Our independent Chairman oversees the Board and committee evaluations and recommends changes to improve Board, committee, and individual Director effectiveness.

Other Governance Best Practices

— Our Bylaws provide our stockholders with a proxy access right.

— All members of our committees are independent.

— Our stockholders owning 15% or more of our common stock have a right to call special meetings. We lowered this right from 25% after engaging with our stockholders on what rights to act outside of the annual meeting they would prefer.

— Directors are elected annually by majority vote in uncontested Director elections.

— Each Director nominee has agreed to resign from the Board if he or she fails to receive a majority vote.

— We maintain a close, effective dialogue with our stockholders through a stockholder outreach program.

— Non-employee Directors are expected to own Company stock equal to at least five times their annual cash Board retainer within five years of joining the Board.

— Independent consultant to advise our HRC Committee on executive compensation and governance matters.

MEET THE HP BOARD

Leading HP into the Future

Enrique Lores

Aida M. Alvarez

Shumeet Banerji

Robert R. Bennett

Charles V. Bergh

Stacy Brown-Philpot

Stephanie A. Burns

Mary Anne Citrino

Richard L. Clemmer

Jami Miscik

Subra Suresh

Independence

OUR CEO

INDEPENDENT NOMINEES

Gender Diversity

FEMALE

5

Ethnic Diversity

5

Tenure (inc. HP Co. tenure)

0-4 YEARS

3

5-6 YEARS

6

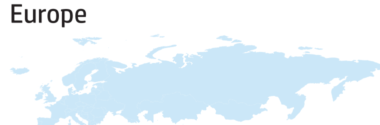
+7 YEARS

2

International Experience

North America

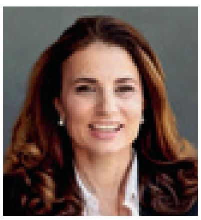
Europe



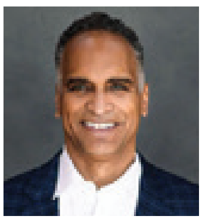
Asia

Engineer Experiences that Amaze

Enrique Lores
President & Chief Executive Officer

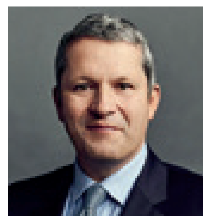


Marie Myers
Chief Financial Officer



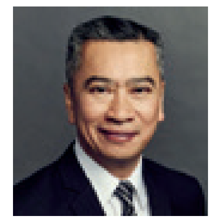
Harvey Anderson
Chief Legal Officer & Corporate Secretary

Sarabjit Singh ('Savi') Baveja
Chief Strategy & Incubation Officer



Christoph Schell
Chief Commercial Officer

Alex Cho
President, Personal Systems



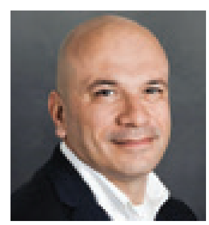
Tuan Tran
President of Imaging, Printing & Solutions

Santi Morera
President, Personalization & Industrialization Business

Tracy Keogh
Chief Human Resources Officer

Antoine Simonnet
Chief Supply Chain Officer

Karen Kahn
Chief Brand & Communications Officer



Tolga Kurtoglu
Chief Technology Officer & Global Head of HP Labs

Vikrant Batra
Chief Marketing Officer

Commitments Delivered

$2.28 Non-GAAP diluted net EPS[(1)]

$3.9B Free Cash Flow[(1)]

$4.1B Return to Shareholders

Advance Leadership in Personal Systems
- Profitable share growth
- Advancing innovation
- Services and Solutions

Advance Leadership in Print
- Portfolio innovation
- Optimizing system profitability
- Advancing contractual services

Disrupting Industrial Businesses
- Expanding digital manufacturing
- Creating new applications
- Enabling personalized solutions

Transform the Way We Work
- Sustainable and just
- Optimizing our cost structure
- Becoming more digitally powered and data enabled

(1) All non-GAAP numbers have been adjusted to exclude certain items. Additional information relating to these non-GAAP numbers is included under "Use of Non-GAAP Financial Information".

Dialogue with HP Investors

Fiscal 2020 and 2021 Engagement

In fiscal 2020, we conducted our annual director stockholder outreach program in the early part of the calendar year. Through this program, we met or spoke with institutional investors representing approximately 30% of our outstanding stock during fiscal 2020 as well as with proxy advisor firms. To date in fiscal 2021, we have conducted our annual director stockholder outreach regarding our governance profile. Through this program, we met or spoke with institutional investors representing approximately 30% of our outstanding stock as of December 31, 2020, as well as proxy advisor firms. This most recent engagement confirmed that many of our stockholders continue to be satisfied with our corporate governance profile, which includes a stockholder right to call a special meeting at a 15% threshold (lowered from 25% following our previous stockholder outreach), proxy access, annual election of directors, a majority voting standard in uncontested director elections, and independent board leadership.

Our Investor Calendar

We believe that effective corporate governance should include regular constructive conversations with our stockholders. Over the past year, the Board has continued to engage with stockholders, including seeking and encouraging feedback from stockholders about our corporate governance practices by conducting stockholder outreach and engagement throughout the year. Our Executive Leadership Team, Chairman of the Board, Chair of the HRC and other directors participate in investor and customer events, including our annual corporate governance investor outreach cycle, highlights of which are outlined below.

November 2019
- Q4 2019 HP Inc. Earnings Conference Call

December 2019
- Wells Fargo TMT Summit
- Credit Suisse TMT Conference
- UBS Global TMT Conference
- Barclays Global TMT Conference

January 2020
- **HP Inc. Annual Director Stockholder Outreach**
- 2020 J.P. Morgan CES Tech Conference
- 2020 Citi Global TMT West Conference

February 2020
- Q1 2020 HP Inc. Earnings Conference Call

March 2020
- Morgan Stanley TMT Conference

May 2020
- HP Inc. Annual Stockholder Meeting
- Q2 2020 HP Inc. Earnings Conference Call
- Bernstein's 2020 Annual Strategic Decisions Conference

June 2020
- 2020 Bank of America Merrill Lynch Global Technology Conference

August 2020
- Q3 2020 HP Inc. Earnings Conference Call

September 2020
- Citi 2020 Global Technology Conference
- Deutsche Bank's Technology Conference
- JP Morgan U.S. All Stars Conference

October 2020
- HP Investor Tech Talk: 3D Fireside Chat with Oechsler
- HP Investor Tech Talk: Personal Systems – Work, Teach and Learn from Everywhere

SUSTAINABLE IMPACT

Reinventing for Impact

Sustainable Impact is HP's commitment to create positive, lasting change for the planet, its people, and our communities. It is fundamental to our strategy – fueling our innovation and growth, strengthening our business for the long term and enabling us to develop and deliver the best solutions to our customers.

Our Sustainable Impact Pillars

Our approach covers a broad range of sustainability issues across three pillars: Planet, People, and Community.

We prioritize issues to address based on their relative importance to our culture, business success and sustainable development.

Sustainable Impact Delivers

Business Value

Sustainable Impact helped HP win

$1
BILLION in new sales in 2020

Recognition

HP is recognized as one of the world's most sustainable companies.

Engaging Stakeholders and Identifying Priorities

We gain valuable insight through our regular engagement with a range of stakeholders—including employees, investors, suppliers, customers, peer companies, public policymakers, industry bodies, nongovernmental organizations (NGOs), sector experts, and others. These interactions (including our updated materiality assessment in 2019) build our collective intelligence, help us prioritize critical issues, and provide insights on emerging opportunities and risks.

We have set aggressive goals related to several material topics to manage performance and drive long-term progress. HP also supports the United Nations (UN) Sustainable Development Goals (SDGs), and remains committed to driving progress on goals that are closely aligned to our Sustainable Impact strategy.

Sustainable Impact Governance

Sustainable Impact serves as a guiding principle for delivering on our corporate vision—to create technology that makes life better for everyone, everywhere. In order to be successful over the long term, we know that we must not only create value for our shareholders, but also create a brighter future for all of our stakeholders.

Our governance structure supports this vision. We embed Sustainable Impact at all levels of the company, and encourage our executives and all employees to innovate and drive progress with an eye toward Sustainable Impact.

Our executive leadership team, led by our CEO, has overall responsibility for Sustainable Impact as part of our business strategy. All members of the executive leadership team oversee Sustainable Impact targets relevant to their organizations. Annually, executive compensation is tied, in part, to demonstrating performance against these environmental and social objectives, including diversity, equity and inclusion.

The HP Board of Directors' Nominating, Governance and Social Responsibility (NGSR) Committee oversees the company's policies and programs relating to global citizenship and the impact of HP's operations as well as other legal, regulatory, and compliance matters.

The Sustainable Impact Steering Committee provides additional oversight and is made up of representatives from across HP's business units and global functions. Also, our HP Racial Equality and Social Justice Task Force is setting measurable goals that will drive sustainable impact when it comes to racial equality.

In 2018, Personal Systems, Print, and 3D Printing developed and approved their own Sustainable Impact strategies. These strategies are being managed and driven by dedicated representatives within those businesses, who report to executive leadership on progress. To further embed Sustainable Impact throughout the company, starting in 2021, HP's employees are encouraged to set annual performance goals related to driving Sustainable Impact in their roles and on their teams.

Additional Information

For more information and details on our efforts, please view our Sustainable Impact Report at *https://www8.hp.com/us/en/hp-information/sustainable-impact.html*

Planet

Our Mission

- Transform our entire business to advance a more efficient, circular, and low-carbon economy.
- Enable our customers to invent the future through our most sustainable portfolio of products and services.

How We're Driving Progress

We are striving to design and deliver our most sustainable portfolio – adhering to robust sustainable design principles, pursuing a strategic shift toward circular, service-based business models, and continuing to offer robust product repair, reuse, and recycling programs. Climate change is one of the most significant and urgent issues facing business and society today. The science is clear, the impacts are serious, and action is essential. We are working to reduce our carbon footprint through ambitious greenhouse gas (GHG) emissions reduction goals, investment in renewable electricity, and advances in product energy efficiency. Our Scope 1, Scope 2, and Scope 3 GHG emissions reduction goals have been validated by the Science Based Targets initiative, including classification of our Scope 1 and 2 target as consistent with levels required to keep global warming to 1.5°C.

And, we apply our expertise, scale, and resources to help regenerate the natural systems on which we all depend – helping to keep plastic out of the ocean and in the economy, and tackling deforestation within and beyond our supply chain.

Sustainable Impact Goals and Progress

Greenhouse Gas Emissions Reduction Goal

Reduce HP product use GHG emissions intensity by 30% by 2025, compared to 2015[1]

Progress through 2019

▼18%

decrease in product use GHG emissions intensity since 2015

Renewable Electricity Goal

Use 60% renewable electricity in our operations by 2025 and achieve 100% by 2035

Progress through 2019

Renewables accounted for

43%

of our global electricity consumption

Recycled Plastic Goal

Use 30% postconsumer recycled content plastic across HP's personal systems and print product portfolio by 2025[2]

Progress through 2019

9%

of total plastic used was postconsumer recycled content plastic

1 Product use GHG emissions intensity describes the performance of our portfolio, taking into account changes to product mix and business growth. HP Product use GHG emissions intensity measures per unit GHG emissions during anticipated product lifetime use. These values are then weighted by contribution of personal systems and printing products to overall revenue in the current year. These emissions represent more than 99% of HP product units shipped each year, including notebooks, tablets, desktops, mobile computing devices, workstations, displays, and digital signage; HP inkjet, LaserJet, DesignJet, Indigo, Scitex, and Jet Fusion 3D printers; and scanners.

2 Recycled content plastic (RCP) as a percentage of total plastic used in all HP personal systems, printer hardware, and print cartridges shipped during the reporting year. Total volume excludes brand-licensed products and after-market hardware accessories. Total RCP includes postconsumer recycled plastic, closed-loop plastic, and ocean-bound plastic used in HP products. Personal systems plastic is defined by EPEAT® eco-label criteria. Subject to relevant restrictions on the use and distribution of materials destined for recycling and/or recycled feedstocks.

People

Our Mission

- Enable all people who help bring our products to market to thrive at work, at home, and in their communities.
- Embed diversity, equity and inclusion in everything we do.

How We're Driving Progress

Better innovation and business growth come from diverse, empowered people and teams. We champion respect for human rights in our operations, supply chain, and in relation to our products. Within our business and across our value chain, fostering diversity, equity and inclusion is a business imperative and essential to serving our global customers. Furthermore, we are committed to creating inclusive technology that affirms human dignity, promotes independence, and unleashes creativity. Our investments in human capital development help to make HP the best place for employees to grow and develop. Fueled by the talent, diversity, and drive of our employees, we invest in their career growth and are passionate about supporting the inclusive culture and growth mindset on which our success depends.

Diversity, Equity and Inclusion

Innovation at HP springs 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. Diverse teams create transformative solutions that better serve our customers and advance how the world works and lives. To find and keep the very best people, we embrace and celebrate our differences, and take a stand for equity and belonging.

Our commitment starts at the top. HP's Board of Directors is one of the most diverse of any U.S. technology company. We are also among the top technology companies for women in executive positions. Women represent 29.6% of the company's full-time executive positions, and 32.3% of full-time directors.[3]

HP is committed to embracing a culture that is not only against racism, but is actively anti-racist, and to using HP's platform, technology, and resources as a force for positive change. We aim to build measurable and sustainable impact for our employees, our industry, and our community.

Bold Goals to Advance Racial Equality and Social Justice

The vision of the HP Racial Equality and Social Justice Task Force is to do our part to end systemic racism and inequality. Our strategy involves identifying and executing on the biggest opportunities we have as a company to drive societal change, first in the U.S., then globally. As such, we have developed the following goals for HP:

2x
Double the number of Black and African American executives by 2025

2x
Double Black and African American promotion rates and technical representation by 2025

90%
Achieve 90% (up from 84%) in inclusion index score for Black and African American employees in 2021

10%
By 2022, 10% of HP's diversity spend with Black and African American suppliers

10%
By 2022, 10% of HP's supplier account managers are Black and African American

Driving Sustainable Impact throughout the Supply Chain

Goal
Develop skills and improve wellbeing of 500,000 factory workers by 2025, since the beginning of 2015

Progress in 2019
11,000
supplier factory workers participated in seven programs at supplier sites in five countries during 2019, bringing the total to 266,400 workers trained since the beginning of 2015, 53% of the way to our goal

Goal
Double factory participation[4] in our supply chain sustainability programs by 2025, compared to 2015

Progress through 2019
▲ 53%
increase, compared to 2015

[3] As of October 31, 2020

[4] Does not include participation in RBA audits. Participation is quantified by those programs that go beyond audits to build supplier capabilities to meet our standards. This includes deep dive assessments, weekly reporting of labor metrics, and procurement engagement.

Community

Our Mission

— Unlock educational and economic opportunity through the power of technology.

— Improve the vitality and resilience of our local communities.

How We're Driving Progress

HP has a global footprint, with operations around the globe and customers, partners, and suppliers worldwide. We embrace the opportunity and responsibility to positively impact the communities where we live, work, and do business. Our employees contribute time, resources, and skills to help build vibrant, resilient, healthy communities. Through our products and solutions, global programs, and strategic partnerships, we are helping deliver quality technology-enabled learning that engages students, empowers educators, and unlocks economic opportunity.

Community Giving and Volunteerism

By leveraging our scope and scale, together with strategic local partnerships, we aim to connect our communities to greater economic and social opportunity through technology and protect our shared environment. We create positive local impact in the communities where we live, work, and do business, through corporate contributions, the work of the HP Foundation, and employee giving and volunteerism.

Focus Areas

Technology-enabled education and skills-building	Environmental stewardship, resilience, and disaster recovery	Inclusion and empowerment for underrepresented and marginalized people

40 Days of Doing Good

Our annual 40 Days of Doing Good campaign takes place each year in May and early June. In 2019, 2,980 HP employees in 27 countries volunteered 2,150 hours on approximately 200 projects. Among the many activities were a digital literacy project.

Sustainable Impact Goals and Progress

Community Giving Goal

Contribute $100 million in HP Foundation and employee community giving[5] by 2025 (cumulative since the beginning of 2016)

Progress Through 2019

Reached

$35.17 million

in HP Foundation and employee community giving

HP Life Goal

Enroll 1 million HP LIFE (Learning Initiative for Entrepreneurs) users between 2016 and 2025

Progress Through 2019

Enrolled

214,000

since 2016

Employee Volunteering Goal

Contribute 1.5 million employee volunteering hours by 2025 (cumulative since the beginning of 2016)

Progress Through 2019

Reached

429,000

employee volunteering hours

Learning Goal

Enable better learning outcomes for 100 million people by 2025, since the beginning of 2015

Progress Through 2019

More than

28.7 million

student and adult learners since 2015

HP's Response to COVID-19

The COVID-19 pandemic has challenged all of us—businesses large and small, local and national governments, families, and individuals—in ways few of us could have imagined.

The wellbeing of our employees, partners, customers, and their families is our number one priority, and we have taken a wide range of actions across our business to keep people safe. Since the onset of the COVID-19 pandemic, we have taken an integrated approach to helping our employees manage their work and personal responsibilities, with a strong focus on employee wellbeing, health and safety. In an effort to keep our employees connected, we focused our efforts in four key areas: Education, Health and Wellbeing, Family Support and Work Flexibility, and Community. We swiftly took action to protect our people in line with public health guidance — pivoting to work from home, prohibiting business travel, restricting site access, and implementing enhanced sanitization processes.

At the same time, we remain committed to supporting communities around the world. HP and the HP Foundation contributed financial resources to support affected communities. Together with nonprofit partners, we launched and promoted several initiatives aimed at supporting teachers, students, and school districts through a range of digital and printed educational resources.

5 Includes valuation of employee volunteer hours, employee donations, HP Foundation match, and HP Foundation grants.

OUR COMPENSATION PHILOSOPHY

A Conversation with the HRC Committee

Tracy Keogh, HP's Chief Human Resources Officer, talks with the Chair of our Board Human Resources and Compensation Committee, **Stephanie Burns**, about our executive compensation program and the Committee's duties in overseeing the program's design and implementation.

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

Tracy Keogh (TK):

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 plays in our executive compensation program?

Stephanie Burns (SB):

Certainly. The 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 Committee works with its own independent compensation consultant to help analyze competitive pay practices and market trends, with a focus on strengthening the pay-for-performance relationship and alignment with stockholders.

The Committee also gets an update at every meeting 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 Committee is fully engaged and committed to driving improvements.

TK:

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

SB:

Our compensation program is closely aligned with HP 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 shareholder value through equity-based programs, combined with shareholder value-based performance measures (like relative Total Shareholder Return) and financial performance measures that executives can control and are closely correlated with shareholder value over time.

TK:

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

SB:

We regularly engage with our stockholders on a variety of issues, including their views on best practices in executive compensation. 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 will increase focus on strategic performance while continuing close alignment between shareholder value creation and real pay delivery.

TK:

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 to approximate the median level among a group of relevant peers, and only go above this level when performance warrants
- We utilize non-discretionary financial metrics, and specific management objectives in our annual cash incentive plan, which are correlated to long-term value creation
- We ensure individual executive performance goals under the Management by Objectives ("MBOs") program address a range of important topics, including a key focus on Environment, Sustainability and Governance (ESG), Diversity, Equity and Inclusion (DEI), Employee Engagement and Talent
- We do not use employment contracts with any of our executives, and have consistent and market-aligned severance practices

TK:

Thanks for the great overview Stephanie.

2021
Proxy Statement

Message from the Chairman

To our Stockholders:

We are pleased to invite you to attend the annual meeting of stockholders of HP Inc. on Tuesday, April 13, 2021 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.

You will be able to attend the annual meeting of stockholders online and submit questions before and during the meeting by visiting *www.hpannualmeeting.com* or *www.virtualshareholdermeeting.com/HPQ2021*. You will also be able to vote your shares electronically at the annual meeting (other than shares held through our 401(k) Plan, which must be voted prior to the meeting).

Join by internet at either *www.hpannualmeeting.com* or *www.virtualshareholdermeeting.com/HPQ2021*.

> **"We welcome all our stockholders to join and participate in the meeting, regardless of location, by accessing the virtual meeting. We look forward to hearing from you and responding to your questions."**

We are embracing the latest technology to provide expanded access, improved communication and cost savings for our stockholders and the Company. As we have learned, hosting a virtual meeting enables increased stockholder attendance and participation from locations around the world. In addition, the online format allows us to communicate more effectively via a pre-meeting forum that you can enter by visiting *www.hpannualmeeting.com* or *www.proxyvote.com/HP*.

Further 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 are included in the accompanying Notice of Annual Meeting and Proxy Statement.

We are providing access to our proxy materials online under the U.S. Securities and Exchange Commission's "notice and access" rules. As a result, we are mailing to many of our stockholders a notice instead of a paper copy of this proxy statement and our 2020 Annual Report. The notice contains instructions on how to access proxy materials online. The notice also contains instructions on how stockholders can receive a paper copy of our materials, including this proxy statement, our 2020 Annual Report, and a form of proxy card or voting instruction card. Those who do not receive a notice, including stockholders who have previously requested to receive paper copies of proxy materials, will receive a paper copy by mail unless they have previously requested delivery of materials electronically. This distribution process is more resource- and cost-efficient.

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.

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

Sincerely,

Charles "Chip" V. Bergh
Chairman of the Board

Notice of Annual Meeting of Stockholders

Items of Business

Management Proposals

(1) To elect 11 Directors

(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, 2021

(3) To approve, on an advisory basis, the Company's executive compensation ("say on pay" vote)

Stockholder Proposal

(4) To consider and vote on a stockholder proposal described in this proxy statement, if properly presented at the meeting

(5) Such other business as may properly come before the meeting

Virtual Meeting Admission

Stockholders of record as of February 16, 2021, will be able to participate in the annual meeting by visiting our annual meeting website *www.hpannualmeeting.com* or *www.virtualshareholdermeeting.com/HPQ2021*. 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

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on April 13, 2021. The definitive proxy statement and HP Inc.'s 2020 Annual Report are available electronically at *www.proxyvote.com/HP*.

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

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 22, 2021.

Time and Date

2:00 p.m., Pacific Time,
on Tuesday, April 13, 2021

Place

Online at *www.hpannualmeeting.com* or *www.virtualshareholdermeeting.com/HPQ2021*

Record Date

February 16, 2021

Voting

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

DURING THE MEETING PLEASE VISIT
www.hpannualmeeting.com or
www.virtualshareholdermeeting.com/HPQ2021

Telephone
1-800-690-6903

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.

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 76 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 2020 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.")).

MANAGEMENT PROPOSAL NO. 1

Election of Directors

- Our Board is committed to independent oversight of HP.
- 10 of our 11 Director nominees are independent.
- Our Board is led by an independent Chairman.
- Key information regarding all our 11 Board nominees is summarized in the table below.

The Board recommends a vote **FOR** each Director nominee

Further information beginning on **page 12.**

Our Director Nominees

Name Principal Occupation	Age	HP Director Since	Committees A	F	H	N	Other Current Public Company/ Public Registrant Boards
 **Aida M. Alvarez** INDEPENDENT Former Administrator, U.S. Small Business Administration & Cabinet Member	71	2016			●	●	Stride, Inc. Fastly, Inc. Oportun Financial Corporation
 **Shumeet Banerji** INDEPENDENT Co-Founder and Partner, Condorcet, LP	61	2011			●	Chair	Reliance Industries Ltd.
 **Robert R. Bennett** INDEPENDENT Managing Director, Hilltop Investments, LLC	62	2013	●	Chair			Discovery Inc. Liberty Media Corporation
 **Charles "Chip" V. Bergh (CHAIRMAN)** INDEPENDENT President and Chief Executive Officer, Levi Strauss & Co.	63	2015			●	●	Levi Strauss & Co.
 **Stacy Brown-Philpot** INDEPENDENT Member of Investment Committee, SB Opportunity Fund	45	2015	●			●	Nordstrom, Inc.
 **Stephanie A. Burns** INDEPENDENT Former Chief Executive Officer and Chairman, Dow Corning	66	2015		●	Chair		Corning Incorporated Kellogg Company
 **Mary Anne Citrino** INDEPENDENT Senior Advisor and former Senior Managing Director, Blackstone	61	2015	Chair	●			Ahold Delhaize Alcoa Corporation
 **Richard L. Clemmer** INDEPENDENT Chairman, Privafy, Inc.	69	2020	●	●			Aptiv PLC
 **Enrique Lores** President and Chief Executive Officer, HP Inc.	55	2019					None
 **Judith ("Jami") Miscik** INDEPENDENT Chief Executive Officer and Vice Chairman, Kissinger Associates, Inc.	62	2021	●			●	General Motors Company Morgan Stanley
 **Subra Suresh** INDEPENDENT President, Nanyang Technological University	64	2015	●	●			Singapore Exchange Limited

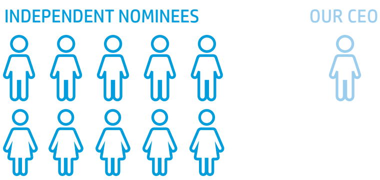
Committees

A Audit Committee
F Finance, Investment and Technology Committee
H Human Resources and Compensation Committee
N Nominating, Governance and Social Responsibility Committee

Chair

Nominee Composition

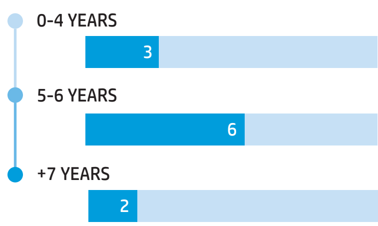
Independence



Gender Diversity

Ethnic Diversity

Tenure (inc. HP Co. tenure)



Governance Highlights

Independent Board Leadership

- Strong board oversight and leadership by an independent Chairman (more details beginning on page 28).
- Our independent Chairman participates in a robust stockholder outreach program.
- Our independent Chairman leads and coordinates the annual performance evaluation of the CEO.
- Our independent Chairman oversees the Board and committee evaluations and recommends changes to improve Board, committee, and individual Director effectiveness.

Other Governance Best Practices

- Our Bylaws provide our stockholders with a proxy access right.
- All members of our committees are independent.
- Our stockholders owning 15% or more of our common stock have a right to call special meetings. We lowered this right from 25% after engaging with our stockholders on what rights to act outside of the annual meeting they would prefer.
- Directors are elected annually by majority vote in uncontested Director elections.
- Each Director nominee has agreed to resign from the Board if he or she fails to receive a majority vote.
- We maintain a close, effective dialogue with our stockholders through an ongoing stockholder outreach program.
- Non-employee Directors are expected to own Company stock equal to at least five times their annual cash Board retainer within five years of joining the Board.
- Independent consultant to advise our HRC Committee on executive compensation and governance matters

MANAGEMENT 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, 2021 and seeks ratification of the selection.

The Board recommends a vote **FOR** this Proposal

Further information beginning on **page 40.**

MANAGEMENT PROPOSAL NO. 3

Advisory Vote to Approve Executive Compensation (“Say on Pay” Vote)

— Our Board and the Human Resources and Compensation Committee are committed to excellence in corporate governance and 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 forms the foundation for 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.**

Executive Compensation Program Overview

Our executive compensation program incorporates policies and practices designed to be aligned with our pay-for-performance philosophy and promote responsible pay and governance practices. 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. On average, only 10% of target total direct compensation for our NEOs is provided in the form of base salary, with approximately 14% provided in the form of annual incentives and the remaining 76% provided in the form of equity-based long-term incentives.

STOCKHOLDER PROPOSAL

Stockholder Proposal: Right to Act by Written Consent

— This stockholder proposal requests that HP's Board take such steps as may be necessary to permit written consent by stockholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all stockholders entitled to vote thereon were present and voting.

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

Further information beginning on **page 73.**

Business Overview and Performance

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 POS systems, displays and other related accessories, software, support, and services. The Printing segment provides consumer and commercial printer hardware, supplies, solutions and services, as well as scanning devices. Corporate Investments include HP Labs and certain business incubation and investment projects.

Our continued efforts resulted in the following accomplishments:

- Revenues declined only 3.6% from the prior year despite the challenges of the COVID-19 pandemic
- Delivered revenue growth and operating margin expansion in Personal Systems, driven by innovation, demand from notebooks and focus on strategic growth areas such as Service, Premium and Gaming.
- Executed effectively in Printing with growth in areas such as home printing and Instant Ink as we continued to evolve our print business models with a drive toward services and a rebalance of profitability between hardware and supplies.
- Strengthened our position in 3D printing as we continue to shift our focus toward more end-to-end solutions and higher-value applications through innovation and extending our product portfolio with the introduction of molded fiber capabilities.
- Generated $4.3 billion in cash flow from operations and returned over $4.1 billion of capital to stockholders in the form of dividends and share repurchases.

The global-macroeconomic and foreign-currency environment was very challenging in fiscal 2020. Nevertheless, as illustrated below for the three key financial measures used to fund our annual pay-for-performance incentive awards, we exceeded one of our three goals reflected in our business plan.

GAAP Net Revenue	Adjusted Non-GAAP Net Earnings	Non-GAAP Free Cash Flow
$56.6 BILLION	$3.6 BILLION	6.9 PERCENT
(as defined on page 50) compared to a target goal of $59.4 billion under our annual incentive plan.	(as defined on page 50) compared to a target goal of $3.7 billion under our annual incentive plan.	(as a percentage of revenue; as defined on page 50) compared to a target goal of 5.9% under our annual incentive plan.

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 people, the planet and the communities in which we operate.

Sustainable Impact

At HP, we believe in the power of technology to enable people and communities to change the world for the better. Sustainable impact is fundamental to our strategy – fueling our innovation and growth, strengthening our business for the long term and enabling us to develop and deliver the best solutions to our customers.

Our approach covers a broad range of sustainability issues across three pillars: Planet, People and Community. We prioritize issues to address based on their relative importance to our culture, business success and sustainable development. For additional information regarding our approach to sustainability and our sustainability goals, please see our annual Sustainable Impact Report, which is available on our website.

Planet

We aim to transform our entire business to drive a more efficient, circular, and low-carbon economy, while enabling our customers to invent the future through a sustainable portfolio of products and services. We continue to make significant progress towards our goals, including:

— We are more than halfway to achieving our science-based goal of reducing product use greenhouse gas emissions intensity by 30% by 2025 and we were the only technology company globally to receive a CDP Triple A rating from CDP for climate, forests and water, and the only North American company to receive a Triple A rating two years in a row.

— Through May 2020, we sourced more than 1.7 million pounds of ocean-bound plastic for use in our products, and we are on track with our plans to increase recycled plastic content in our print and personal systems products to 30% by 2025.

— We have a goal of zero deforestation in HP branded paper and packaging and improving the management of nearly 200,000 acres (over 80,000 hectares) of forests in Brazil and China, an area equivalent to the size of New York City, by the end of calendar year 2024.

People

We champion dignity, respect and empowerment for the people with whom we work, and strive to respect human rights and embed diversity, equity and inclusion in everything we do. We are committed to doing our part to enable all people who help bring our products to market to thrive at work, at home and in their communities.

— Our commitment to diversity, equity and inclusion starts at the top and flows throughout the entire organization. In 2020, we established a Global Diversity Advisory Board and a Task Force on Racial Equality and Social Injustice to advance our commitments to diversity, equity and inclusion.

— We have committed to doubling the number of Black and African American executives by 2025.

— We champion equal and human rights for everyone we work with so that business and society can thrive. In 2020, we published our inaugural Human Rights Progress Report to drive transparency and long-term community impact.

For additional information regarding HP's human capital management, please refer to "Our Approach to Human Capital Management" on page 32.

Community

We contribute our technology, time and resources to catalyze positive change in communities where we live, work and do business. We aim to unlock educational and economic opportunity through the power of technology and improve the vitality and resilience of our local communities.

— From 2015 to 2019, we have reached more than 28 million students, teachers, and adult learners through our educational programs and partnerships—and we are tracking toward our goal of enabling better learning outcomes for 100 million people by 2025.

— In 2020, we supported distance learning during the COVID-19 pandemic through programs such as BeOnline; Print; Play & Learn; HP Turn to Learn; and HP Refresh.

— HP employees contributed 429,000 total volunteer hours across 51 countries from 2016 through 2019.

Our COVID-19 Response

The COVID-19 pandemic has challenged all of us—businesses large and small, local and national governments, families, and individuals—in ways few of us could have imagined. As the pandemic spread globally, we swiftly took action to support our employees, customers, partners and communities.

Our employees. The unique challenges of 2020 have only underscored the importance of positioning our employees to excel. Since the onset of the COVID-19 pandemic, we have taken an integrated approach to helping our employees manage their work and personal responsibilities, with a strong focus on employee wellbeing, health and safety. In an effort to keep our employees connected, we focused our efforts in four key areas: Education, Health and Wellbeing, Family Support and Work Flexibility, and Community.

As soon as COVID-19 started to take hold on a global scale, HP took swift action to protect our people in line with public health guidance—pivoting to work from home, prohibiting business travel, restricting site access, and implementing enhanced sanitization processes. In the third quarter of fiscal year 2020, we implemented a one-time work-from-home equipment reimbursement program for employees to improve their home workspaces. For those in manufacturing and other critical functions that could not transition to a remote working model, we quickly implemented safety and hygiene training and protocols, such as physical distancing, safety gear mandates, site visitor restrictions, alternate staffing shifts, and enhanced cleaning and sanitization practices, to protect the employees in our labs and manufacturing and production facilities.

Our customers and partners. We have taken meaningful actions to remain close to our customers and partners, including implementing a variety of relief initiatives to help them navigate their operational and financial challenges.

Our community. We are also putting our resources behind efforts to support local communities and to assist in the public health response. We created a Summer Scholars program that enabled university students to continue to learn and develop. We have donated millions of dollars in technology and support across Personal Systems and Printing to help students, families, and communities, including hospitals in affected areas.

The role of our Board and management. The Board has been and remains highly engaged with management regarding the impact of the COVID-19 pandemic and the company's response and plans. Management has regularly held informational calls with Board members covering employees and operations, financial impact, supply chain disruptions, and related legal and regulatory matters. Management also is engaged with the Board on identifying and addressing ongoing strategic risks and opportunities arising out of the COVID-19 pandemic.

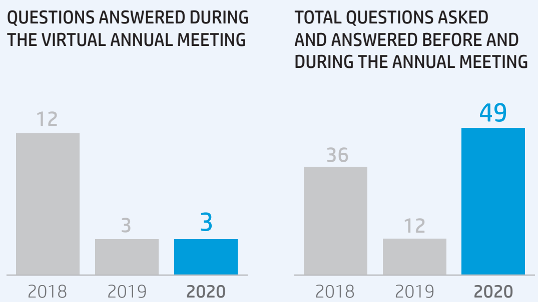
Additionally, in response to the impact of the COVID-19 pandemic, Mr. Lores agreed to a 25% reduction in paid base salary and members of the Executive Leadership team, including the NEOs, agreed to 15% reductions in their paid base salaries, respectively, for the period from July 1, 2020 through October 31, 2020. The Board also approved a reduction of 25% of the annual cash retainer paid to non-employee Directors for their service from June 1, 2020 through October 31, 2020. In response to the impact of the COVID-19 pandemic, Board members have also waived their fees from additional Board meetings. HP donated these fees totaling $326,000 to the HP Employee Relief Fund.

Participation 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 our stockholders to have truly robust engagement with HP.**

Previous Virtual Meeting Highlights

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



MEETING ATTENDANCE YEAR OVER YEAR

2018	▲28%
2019	▲45%
2020	▲261%

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

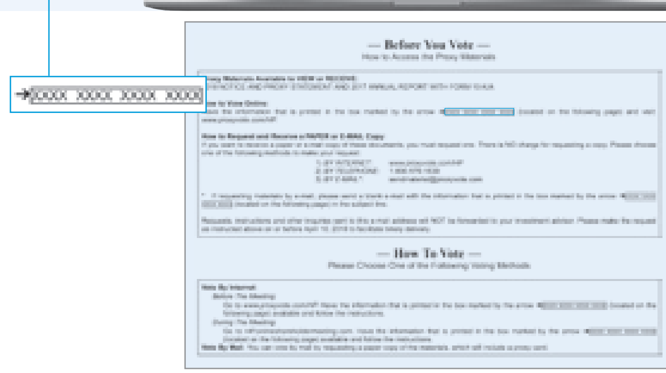
Please join us for our Virtual Annual Meeting at *www.hpannualmeeting.com* or *www.virtualshareholdermeeting.com/HPQ2021*.

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

MANAGEMENT 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 11 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. Ms. Matsuoka and Mr. Mobley are not standing for re-election at this annual meeting. As a result, Ms. Matsuoka and Mr. Mobley will each step down from the Board and the size of the Board will be reduced to 11 directors, effective at the annual meeting.

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 11 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

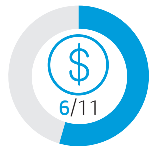
Overview

Our Directors bring an extraordinary wealth of skills and backgrounds to the Board. From Subra Suresh, an acclaimed scientist whose background in microfluidics gives him key understanding into the future of technologies, including 3D printing, to Stacy Brown-Philpot, former CEO of TaskRabbit, a company at the forefront of today's personal services-oriented disruptive technology boom, and a member of the investment committee of the SB Opportunity Fund, a $100 million venture fund for outstanding Black, Latinx, and Native American company founders, our Board members are advising us based on real world experiences. 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. Their skills are complementary. Chip Bergh's experience at Procter & Gamble and now Levi Strauss means he can instantly grasp the complexities of our supply chain and Richard Clemmer brings expertise in high-tech industries, including semiconductor, storage, e-commerce and software companies, from his experience at NXP Semiconductors and Agere Systems. Shumeet Banerji and Mary Anne Citrino, on the other hand, both come from financial industry careers, lending keen eyes to our financial management, risk oversight and investment strategy. Former public company CEOs Stephanie Burns and Robert Bennett lend the benefit of their experience at the helms of companies and Aida Alvarez provides a perspective from the field of government. Together, these Directors and their skills help us to keep reinventing and provide proper oversight of management's execution of our strategy.

Collective Skills of Our Director Nominees

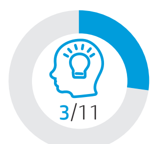
Academics
HP benefits from having leading academics in relevant fields sharing their expertise and providing valuable guidance on research trends and emerging areas of innovation.

Capital Allocation
It is essential that we have Directors with experience allocating capital for large and complex enterprises, as these Directors provide valuable insights as HP continues to reduce costs and optimize its cost structure.

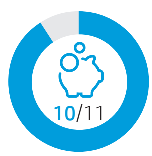


Customer Experience
HP's customers are the foundation of our mission – we continually seek to better serve our customer base with products and solutions that inspire and innovate.

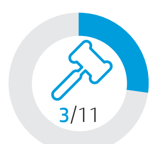
Disruptive Innovation
At HP we continually seek to reinvent the Print and PC industries to deliver amazing innovative experiences to our customers – having disruptive innovators on our Board helps inform our strategy and drive us forward.



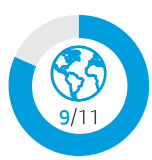
Finance
As a Fortune 100 company with a vast financial footprint, it is essential that we have Directors with strong financial acumen and experience to provide sound oversight and guide our investment strategies.



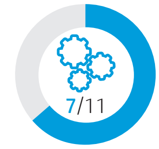
Government
Substantive government experience on our Board offers us insight into the regulatory environment of the many jurisdictions in which we operate, their legislative and administrative priorities, and the potential implications for our business.



International Business
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.

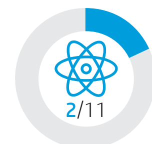


Operations
HP operates one of the world's largest supply chains, spanning a diverse mix of geographies, suppliers, contractors and partners – we benefit from Directors who have successfully led complex operations and can help us to optimize our business model.

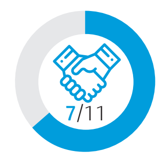


Robust Business Experience
As a large global company serving a diverse set of customer segments, HP requires a Board well-versed in navigating complexity and capitalizing on business opportunities to further our innovation and growth.

Science
Cutting edge R&D, science and engineering have been core to HP's success for decades – Directors with scientific backgrounds can provide technical advice and bring a deep understanding of the innovative core of our company.

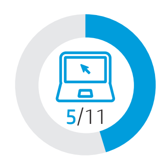


Strategic Transactions; M&A
HP benefits from having Directors with experience leading organizations through significant strategic transactions, including mergers, acquisitions and divestitures, as well as the successful integration of acquired businesses, as these directors provide useful guidance and oversight as HP implements its strategy.



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
With our deep history of innovation, we know that design, technology and user experience add valuable and vital components to our Board dialogue.



International Experience of Our Director Nominees

North America

Europe

Asia


Collective Skills of the Director Nominees

	Aida M. Alvarez	Shumeet Banerji	Robert R. Bennett	Charles V. Bergh	Stacy Brown-Philpot	Stephanie A. Burns	Mary Anne Citrino	Richard L. Clemmer	Enrique Lores	Judith Miscik	Subra Suresh
Independent	●	●	●	●	●	●	●	●	○	●	●
Women	●	○	○	○	●	●	●	○	○	●	○
Racially/ Ethnically Diverse	●	●	○	○	●	○	○	○	●	○	●
Tenure (including HP Co.)	5	10	8	6	6	6	6	1	2	<1	6
Academics	○	○	○	○	○	○	○	○	○	○	●
Capital Allocation	○	●	●	●	○	●	●	●	○	○	○
Customer Experience	○	○	○	●	●	●	○	○	●	○	○
Disruptive Innovation	○	○	○	○	●	○	○	○	●	○	●
Finance	●	●	●	●	●	●	●	●	○	●	●
Government	●	○	○	○	○	○	○	○	○	●	●
International Business	○	●	●	●	●	●	●	●	●	●	○
Operations	○	○	●	●	●	●	○	●	●	●	○
Robust Business Experience	●	●	●	●	●	●	●	●	●	●	○
Science	○	○	○	○	○	●	○	○	○	○	●
Strategic Transactions & M&A	○	●	●	●	○	●	●	●	●	○	○
Strategy	●	●	●	●	●	●	●	●	●	●	●
Technology	○	○	○	○	●	●	○	●	●	○	●

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

Independent Director

Age: **71**

Director since: **2016**

HP Board Committees: **HRC, NGSR**

GOVERNMENT
FINANCE
STRATEGY
ROBUST BUSINESS EXPERIENCE

Most Recent Role
- Former Administrator, U.S. Small Business Administration & 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

Independent Director

Age: **61**

Director since: **2011**

HP Board Committees: **HRC, NGSR** *(Chair)*

CAPITAL ALLOCATION
INTERNATIONAL BUSINESS
FINANCE
STRATEGIC TRANSACTIONS; M&A
ROBUST BUSINESS EXPERIENCE
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 robust 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. As CEO of Booz & Company, Mr. Banerji oversaw the separation of Booz & Company from Booz Allen Hamilton. During his career at Booz Allen Hamilton and Booz & Company, he has advised numerous companies on restructuring and M&A, particularly in mature industries. He is the co-author of Cut Costs, Grow Stronger, published by Harvard Business Press in 2009.

Robert R. Bennett

Independent Director

Age: **62**

Director since: **2013**

HP Board Committees: **Audit, FIT** *(Chair)*

- CAPITAL ALLOCATION
- FINANCE
- ROBUST BUSINESS EXPERIENCE
- INTERNATIONAL BUSINESS
- OPERATIONS
- 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 from his experience as the president and chief executive officer of another public company. 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. He also contributes valuable insight to the Board due to his experience serving on the boards of both public and private companies.

Charles “Chip” V. Bergh

Independent Chairman of the Board

Age: **63**

Director since: **2015**

Chairman since: **2017**

HP Board Committees: **HRC, NGSR**

- CAPITAL ALLOCATION
- CUSTOMER EXPERIENCE
- OPERATIONS
- STRATEGY
- INTERNATIONAL BUSINESS
- FINANCE
- ROBUST BUSINESS EXPERIENCE
- STRATEGIC TRANSACTIONS; M&A

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.

Stacy Brown-Philpot

Independent Director

Age: **45**

Director since: **2015**

HP Board Committees: **Audit, NGSR**

CUSTOMER EXPERIENCE
FINANCE
DISRUPTIVE INNOVATION
OPERATIONS
INTERNATIONAL BUSINESS
STRATEGY
ROBUST BUSINESS EXPERIENCE
TECHNOLOGY

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

Independent Director

Age: **66**

Director since: **2015**

HP Board Committees: **FIT, HRC** *(Chair)*

CAPITAL ALLOCATION
FINANCE
CUSTOMER EXPERIENCE
INTERNATIONAL BUSINESS
OPERATIONS
ROBUST BUSINESS EXPERIENCE
SCIENCE
STRATEGIC TRANSACTIONS; M&A
STRATEGY
TECHNOLOGY

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

Independent Director

Age: **61**

Director since: **2015**

HP Board Committees: **Audit** *(Chair)*, **FIT**

CAPITAL ALLOCATION
INTERNATIONAL BUSINESS
FINANCE
STRATEGIC TRANSACTIONS; M&A
ROBUST BUSINESS EXPERIENCE
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 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

Independent Director

Age: **69**

Director since: **2020**

HP Board Committees: **Audit, FIT**

CAPITAL ALLOCATION
ROBUST BUSINESS EXPERIENCE
FINANCE
STRATEGIC TRANSACTIONS; M&A
INTERNATIONAL BUSINESS
STRATEGY
OPERATIONS
TECHNOLOGY

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: **55**

Director since: **2019**

HP Board Committees: **N/A**

CUSTOMER EXPERIENCE
DISRUPTIVE INNOVATION
OPERATIONS
INTERNATIONAL BUSINESS
TECHNOLOGY
ROBUST BUSINESS EXPERIENCE
STRATEGY
STRATEGIC TRANSACTIONS; M&A

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

Current Public Company Boards
- HP

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 25 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

Independent Director

Age: **62**

Director since: **2021**

HP Board Committees: **Audit, NGSR**

FINANCE
OPERATIONS
GOVERNMENT
ROBUST BUSINESS EXPERIENCE
INTERNATIONAL BUSINESS
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.

Subra Suresh

Independent Director

Age: **64**

Director since: **2015**

HP Board Committees: **Audit, FIT**

ACADEMICS
DISRUPTIVE INNOVATION
FINANCE
GOVERNMENT
SCIENCE
STRATEGY
TECHNOLOGY

Current Role
- President, Nanyang Technological University, 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
- Senior Advisor, Temasek International Private Ltd., an investment company headquartered in Singapore (since September 2017)
- 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 robust understanding of the organizational, scientific, and technological requirements of ongoing innovation. He previously served as the Head (Director) of the National Science Foundation, a $7 billion U.S. federal agency responsible for supporting science and engineering research and education in all fields in the United States.

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. The NGSR Committee also reviews materials provided by professional search firms and other parties in connection with a nominee who is not proposed by a stockholder. 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 Ms. Miscik, a third-party professional search firm identified her 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 in-person and remote 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, 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, 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.

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

Annual Review/Self-Evaluation

On an annual basis at or near the end of each fiscal year, each Director completes a self-evaluation designed to gauge the health of board function and composition. Topics addressed in the self-evaluation process include individual performance, performance of all committees on which the Director served during the fiscal year, performance of the Board as a whole, areas for improvement, accessibility of management, time allocation, and quality of materials. Directors also provide us with input on key focus areas for the Board in the upcoming fiscal year.

The NGSR Committee oversees the annual self-evaluation process in conjunction with input from the independent Chairman of the Board and reviews the findings with the independent Chairman to assess board health. Each committee additionally reviews the consolidated committee 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 Directors." 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			●	Chair
Robert R. Bennett (financial expert)	●	Chair		
Charles "Chip" V. Bergh			●	●
Stacy Brown-Philpot (financial expert)	●			●
Stephanie A. Burns		●	Chair	
Mary Anne Citrino (financial expert)	Chair	●		
Richard L. Clemmer (financial expert)	●	●		
Yoky Matsuoka*		●		
Judith ("Jami") Miscik	●			●
Stacey Mobley*			●	●
Subra Suresh (financial expert)	●	●		
Other Directors				
Enrique Lores				

* Ms. Matsuoka and Mr. Mobley are not standing for re-election at the annual meeting and will each step down from the Board, effective at the annual meeting.

● Member   Chair   Audit Committee "financial expert"

Audit Committee

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; — 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; — overseeing the rotation of the independent registered public accounting firm's lead audit and concurring partners at least once every five years and the rotation of other audit partners at least once every seven years in accordance with SEC regulations, with the Audit Committee directly involved in the selection of the accounting firm's lead partner; and — determining whether to retain or, if appropriate, terminate the independent registered public accounting firm.
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; — preparing the Audit Committee report for inclusion in the annual proxy statement; 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	— reviewing risks facing HP and management's approach to addressing these risks, including significant risks or exposures relating to litigation and other proceedings and regulatory matters that may have a significant impact on our financial statements; and — discussing policies with respect to risk assessment and risk management.
Related Party Transactions	— overseeing relevant related party transactions governed by applicable accounting standards (other than related-person transactions addressed by the NGSR Committee).
Annual Review/Evaluation	— annually reviewing the Audit Committee's charter and performance.

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 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 has 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

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, 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 reporting and making recommendations to the Board as to scope, direction, quality, investment levels and execution of such transactions; — evaluating and revising our approval policies with respect to such transactions; — overseeing our integration planning and execution and the financial results of such transactions after integration; — evaluating the execution, financial results and integration of our completed transactions; and — overseeing and approving our strategic alliances.
Capitalization; Debt & Obligations; Swaps	— reviewing and overseeing company investing decisions, capital structure and the allocation of free cash flow; — overseeing our loans and loan guarantees of third-party debt and obligations; and — annually reviewing and approving certain swaps and other derivative transactions.
Technology Strategies & Guidance	— making recommendations to the Board as to scope, direction, quality, investment levels, and execution of our technology strategies; — overseeing the execution of technology strategies formulated by management; 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, research and development investments, and key competitor and partnership strategies.

Nominating, Governance and Social Responsibility Committee

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 periodically reviewing these criteria; — identifying and recommending candidates to be nominated for election as Directors at our annual meeting, consistent with criteria approved by the Board; — annually assessing the size, structure, functioning, and composition of the Board and recommending assignments of Directors to Board committees and chairs of Board committees; — identifying and recruiting new Directors, establishing procedures for the consideration of Director candidates recommended by stockholders and considering candidates proposed by stockholders; — assessing the contributions and independence of Directors in determining whether to recommend them for election or reelection to the Board; and — periodically reviewing the Board's leadership structure, recommending changes to the Board as appropriate and, if the Chairman of the Board is not independent, making a recommendation to the independent Directors regarding the appointment of the Lead Independent Director.
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; — developing and regularly reviewing corporate governance principles, including our Corporate Governance Guidelines; — reviewing proposed changes to our Certificate of Incorporation, Bylaws and Board committee charters; and — establishing policies and procedures for the review and approval of related-person transactions and conflicts of interest, including reviewing and approving all potential "related-person transactions" as defined under SEC rules.
Stockholder Rights	— assessing and making recommendations regarding stockholder rights plans or other stockholder protections, as appropriate; and — reviewing stockholder proposals in conjunction with the CEO and recommending Board responses.
Public Policy Trends & Issues	— reviewing emerging corporate governance issues and practices; — identifying, evaluating, and monitoring social, political, and environmental trends, issues, concerns, legislative proposals, and regulatory developments that could significantly affect the public affairs of HP; — overseeing the policies relating to, and the way HP conducts, its government relations activities; and — reviewing, assessing, reporting, and providing guidance to management and the full Board relating to activities, policies, and programs with respect to public policy matters and policies and programs relating to global citizenship, as applicable.
Annual Review/Evaluation	— annually reviewing the NGSR Committee's charter and performance; and — overseeing the annual self-evaluation of the Board and its committees.

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, Ms. Brown-Philpot, Ms. Miscik and Mr. Mobley) are independent within the meaning of the NYSE director independence standards.

Human Resources and Compensation Committee

The Human Resources 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 & Stock Ownership	— reviewing the overall compensation philosophy and strategy with respect to HP's executive officers; — approving the peer group used to evaluate executive pay levels, design practices, and relative performance; — reviewing and approving short-term and long-term incentive plan design, structure and goals — conducting annual performance evaluation of the CEO; soliciting 360 degree feedback across organization; — recommending all elements of the CEO's compensation to the independent members of the Board for their review and approval; — reviewing and approving objectives relevant to other executive officer compensation performance feedback and evaluating performance and determining the compensation of other executive officers in accordance with those objectives; — approving severance arrangements, equity agreements and other applicable agreements and policies for executive officers; and — adopting and monitoring compliance with stock ownership guidelines for executive officers.
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.
Director Compensation & Stock Ownership	— 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; and — adopting and monitoring compliance with stock ownership guidelines for Directors.
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.
Compensation Consultants	— engaging compensation consultants on various topics to understand market perspectives; — engaging compensation consultant for independent perspective on compensation programs; and — assessing the independence of all advisors (whether retained by the HRC Committee or management) that provide advice to the HRC Committee, in accordance with applicable listing standards.
Risk Assessment; Other Disclosure	— overseeing, approving, and evaluating HP's overall human resources and compensation structure, policies and programs, and assessing whether these 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; — reviewing and discussing with management the Compensation Discussion and Analysis and performing other reviews and analyses and making additional disclosures as required of compensation committees by the rules of the SEC or applicable exchange listing requirements; and — reviewing the results of stockholder advisory votes on HP's executive compensation program and recommending to the Board or the NGSR Committee how to respond to such votes.
Annual Review/ Evaluation	— overseeing the annual evaluation of the CEO with input from all non-employee Board members; and — annually evaluating the HRC Committee's performance and charter.

People Processes & Culture	—	reviewing employee engagement and cultural initiatives including key training and development programs (such as executive and manager training, unconscious bias), diversity, equity and inclusion programs and results of the annual employee engagement survey; and
	—	monitoring the key health metrics to evaluate the workforce including workforce diversity, pay equity, key hires, turnover 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. Mobley) are independent within the meaning of the NYSE standards of independence for directors and compensation committee members.

How We Govern and Are Governed

Governance Practices

HP's corporate governance policies and practices are continuously evolving – from our time as Hewlett-Packard Company to our identity as HP Inc., we have always led by example, adopting changes in line with our commitment to the highest standards of governance. Stockholder input has been key to our progression and as we continue to evolve our corporate governance policies and practices, we will continue to solicit feedback from our stockholders regarding our governance profile. 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:

— Our Bylaws provide our stockholders with a proxy access right.

— All members of our committees are independent.

— Our stockholders owning 15% or more of our common stock have a right to call special meetings. We lowered this from 25% after engaging with our stockholders on what rights to act outside of the annual meeting they would prefer.

— Directors are elected annually by majority vote in uncontested Director elections.

— We have adopted a policy whereby any incumbent Director who fails to receive a majority of the votes cast in uncontested Director elections will tender his or her offer of resignation.

— We maintain a close, effective dialogue with our stockholders through an ongoing stockholder outreach program.

— Non-employee Directors are expected to own Company stock equal to at least five times their annual cash Board retainer within five years of joining the Board.

— We have evaluated our governance practices against the Corporate Governance Principles for U.S. Listed Companies published by the Investor Stewardship Group ("ISG"), a collective of some of the largest U.S.-based institutional investors and global asset managers, and we believe that our governance policies and practices are consistent with the ISG principles. The following table shows how certain of our key governance practices align with the ISG principles:

ISG Principle		HP Governance Policy or Practice
Principle 1:	Boards are accountable to stockholders.	— Annual election of each Director, for a one-year term — Proxy access that allows stockholder to nominate Directors — Policy whereby any incumbent Director who fails to receive a majority of the votes cast in uncontested Director elections will tender his or her offer of resignation — Annual stockholder outreach program that typically includes the Chair of the Board, the Chair of the HRC Committee and other Directors — Extensive disclosure of our corporate governance and Board practices
Principle 2:	Stockholders should be entitled to voting rights in proportion to their economic interest.	— One share, one vote
Principle 3:	Boards should be responsive to stockholders and be proactive in order to understand their perspectives.	— Directors participate in our stockholder outreach programs — Directors are available for stockholder engagement outside our engagement programs — Many Directors participate in and attend our annual meeting, at which management and those Directors present respond to each stockholder question

ISG Principle		HP Governance Policy or Practice
Principle 4:	Boards should have a strong, independent leadership structure.	— Independent Chair of the Board, with clearly defined responsibilities — Structure for a Lead Independent Director if the Chair is not independent — Robust independent key committees and other structures for facilitating contribution of independent Directors
Principle 5:	Boards should adopt structures and practices that enhance their effectiveness.	— 10 of our 11 Director nominees are independent, with our Director nominees representing diverse backgrounds, skills and experiences — Each Board committee is fully independent — Track record of open dialogue between the Board and management — Robust annual self-evaluation program
Principle 6:	Boards should develop management incentive structures that are aligned with the long-term strategy of the company.	— Performance-oriented long-term incentive compensation mix with metrics that support our long-term strategy — Combination of short- and long-term performance goals — Executive and Director share ownership requirements

Board Leadership Structure

The HP Board continuously evaluates its leadership structure, taking into account the evolving needs of the business and the interests of HP's stockholders. Our Board continues to believe 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.

Independent Chairman

— 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;

— assists the Chairs of the Board committees in preparing agendas for the respective 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 2020, the Directors regularly met in executive session, including executive sessions of only the independent Directors. Throughout fiscal 2020, Mr. Bergh served as independent Chairman. As such, Mr. Bergh scheduled and chaired each executive session held during fiscal 2020. Any independent Director may request that an additional executive session be scheduled. Board Committees also have regular executive sessions without management present.

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 2018 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 2020 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. Clemmer served as Chief Executive Officer and Executive Director of NXP Semiconductors N.V. from January 2009 to May 2020. 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 NXP Semiconductors N.V. The amount that HP paid in each of the last three fiscal years to NXP Semiconductors N.V., and the amount received in each fiscal year by HP from NXP Semiconductors N.V., 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 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, Ms. Brown-Philpot, Dr. Burns, Ms. Citrino, Ms. Matsuoka, Ms. Miscik and Mr. Mobley, 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 2020 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, Ms. Brown-Philpot, Dr. Burns, Ms. Citrino, Mr. Clemmer, Ms. Matsuoka, Ms. Miscik, Mr. Mobley 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. The Board also determined that Mr. Weisler, who was not subject to re-election at the 2020 Annual Meeting of Stockholders, was not independent during the period he served on the Board during fiscal 2020 due to his prior service as our President and CEO until November 1, 2019 and his subsequent role as Senior Executive Advisor to the Company.

Meeting Attendance

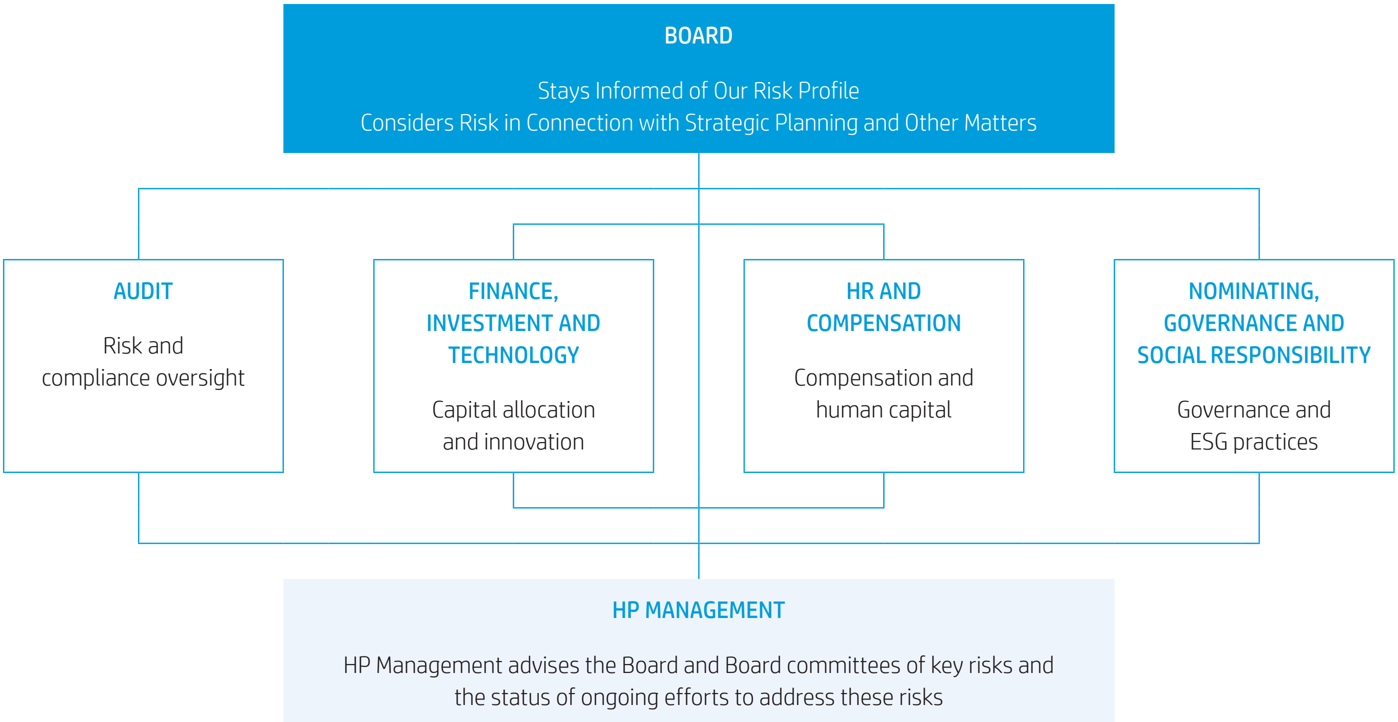
During fiscal 2020, the Board held 35 meetings, 26 of which included executive sessions. Each incumbent Director serving during fiscal 2020 attended at least 75% of the aggregate of all Board and applicable committee meetings held during the period that he or she served as a Director. The increase in the number of meetings of the Board from prior years was primarily due to Xerox Holdings Corporation's unsolicited offer to acquire HP and the COVID-19 pandemic. During fiscal 2020, we had the following four standing committees, which held the number of meetings indicated in parentheses during fiscal 2020: Audit Committee (12); FIT Committee (12); HRC Committee (10); and NGSR Committee (7). 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 May 12, 2020.

Board Risk Oversight

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 oversees management's implementation of the ERM program, including reviewing our enterprise risk portfolio and evaluating management's approach to addressing identified risks. As part of this process, on a quarterly basis, our Chief Information Security Officer reports to the Board regarding information security matters. Various Board committees also have responsibilities for oversight of risk management that supplement the ERM program as follows:



Forefront of Governance: Board Oversight of ESG

HP continually seeks to improve and enhance its governance programs. Below we have included an update on our Board's involvement in our Environmental, Sustainability and Governance ("ESG") efforts. HP is one of the leaders in this space through our Sustainable Impact strategy, which includes Diversity, Equity & Inclusion, Environmental Sustainability and Social Responsibility. For additional information regarding our Sustainability program, please refer to "Sustainable Impact" on page 8.

Planet

The NGSR Committee oversees HP's ESG policies and programs including relevant sustainability issues such as climate change, circular economy, and resource scarcity. The Board receives regular updates on our progress toward our sustainability strategy and targets.

People

The NGSR Committee seeks to recruit directors of diverse backgrounds to lead the Board. 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.

Community

The Board and the NGSR Committee are committed to improving the communities in which we operate. This includes providing input on broad-based strategies for corporate giving, including financial funding and employee engagement.

Our Approach to Human Capital Management

HP's approximately 53,000 employees worldwide power our innovation, contributing unique perspectives and a growth mindset to create breakthrough technologies and transformative solutions. We are committed to fostering a diverse and inclusive workplace that attracts and retains exceptional talent with equitable pay. Through ongoing employee development, comprehensive compensation and benefits, and a focus on health, safety and employee wellbeing, we strive to support our employees holistically so they can do their best work, every single day. To ensure leadership has a key focus on Environment, Sustainability and Governance "ESG", Diversity, Equity and Inclusion "DEI", Employee Engagement and Talent, each executive leadership team member has individual performance goals under the Management by Objectives ("MBOs") program pertaining to these areas.

The unique challenges of 2020 have only underscored the importance of positioning our employees to excel. Since the onset of the COVID-19 pandemic, we have taken an integrated approach to helping our employees manage their work and personal responsibilities, with a strong focus on employee wellbeing, health and safety. In an effort to keep our employees connected, we focused our efforts in four key areas: Education, Health and Wellbeing, Family Support and Work Flexibility, and Community. We also assisted our hourly employees and certain contingent workers with continued pay and other supporting benefits and deferred workforce reduction notifications, in the first phase of our response to the pandemic.

HP is dedicated to growing and developing our workforce globally with a variety of educational programs and experiences. In 2020, we offered numerous leadership program such as Catalyst, Lead@HP, Building Innovative Leaders (with Stanford), HPLX and ELX, an accelerated leadership program for our most senior executives with a series of Masterclasses, many taught by our own Directors.

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:

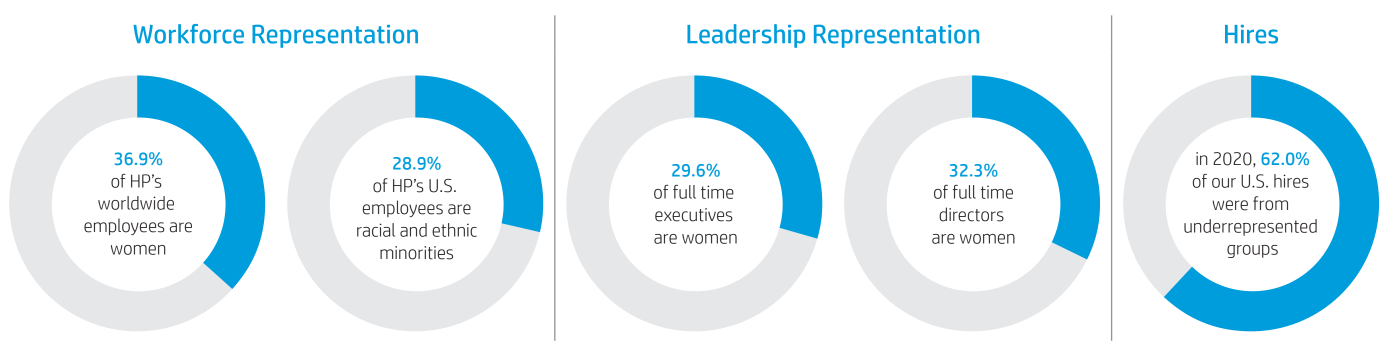
- reviewing employee engagement and cultural initiatives including key training and development programs, diversity, equity and inclusion programs and results of the annual employee engagement survey; and
- monitoring key workforce health metrics including workforce diversity, key hires, turnover and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

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

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. Our commitment to diversity and inclusion starts at the top with a highly skilled and diverse board that provides independent oversight. We are among the top technology companies for women in executive positions. Women represent 29.6% of HP's full-time executive positions and 32.3% of full-time director-level employees. We are committed to increasing representation of women at HP overall, but particularly in leadership and technical roles globally. This focus also extends to underrepresented minorities in the United States, and HP is committed to doubling the number of our Black and African American executives by 2025.

HP Workforce Diversity



Our Belong, Innovate, and Grow (BIG) strategy embeds diversity, equity and inclusion across all parts of our businesses and functions, including talent acquisition and development, culture, mentoring, training, and events, and includes the following recent highlights:

- Our community of Business Impact Networks ("BINs") has increased to 122 chapters across 29 countries. Our global constituencies include Women, MultiCultural, disAbilities, Veterans, MultiGenerational and Pride BINs. Our directors frequently meet directly with BINs representatives.
- In 2019, over 24 schools participated in the HBCU (historically black college or university) Challenge, a business school competition with the National HBCU Business Deans Roundtable resulting in internships and full-time employment at HP.
- Since 2017, hundreds of leaders globally have participated in Catalyst@HP, a women's sponsorship organization that works to advance careers of women, and 37% of those have been promoted or are in a new role. During 2020, we continued to evolve our program and launched an all African American/Black Catalyst @ HP program.
- Building on the work we did in 2018 to address unconscious bias, we integrated our training on this topic into our Belong at HP development and sponsorship program. A 3.5-hour facilitator-led workshop focuses on promoting inclusive mindsets and behaviors across the organization, including our recruitment processes. While hundreds of employees have taken Belong at HP over the past few years, we will be making it mandatory for all employees in the future.

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. The HP Foundation pledged $500,000 to social justice organizations to confront and combat systemic racism and inequality in society. HP has also built an internal Racial Equality Taskforce with nearly 500 employees participating. The Task Force is focused on addressing 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 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 market data and consider factors such as an employee's role and experience, the location of their job, 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 and with the support of independent third-party experts in this field, HP has reviewed the compensation of employees to ensure consistent pay practices by conducting a pay equity analysis annually reviewing employees in comparable roles within a country/location.

HP expanded its annual pay equity assessment in 2020—evaluating the eight countries with our largest employee populations, representing 65% of our global workforce. The independent analysis found no systemic issues, and any outliers were addressed as part of the off-cycle compensation review process.

Employee Engagement

We have focused on driving engagement in three focus areas:

Improving the Way We Work:

Enhancing tools and processes to increase employee productivity and effectiveness.

Developing Our People:

Bolstering learning and development programs that maximize career growth opportunities.

Building Our Future:

Driving innovation, agility, and employee alignment with HP's strategy and direction.

As part of our employee engagement process, we regularly collect feedback to better understand and improve the employee experience and identify opportunities to continually strengthen our culture. In 2020, 96% of employees participated in our annual employee survey. Last year we achieved our highest level of employee engagement (top quartile). Employees' highest-rated areas were the following: diversity and inclusion (95%), and ethics and integrity (95%).

Training and Development

Human capital development underpins our efforts to execute our strategy and continue to develop, manufacture and market innovative products and services. We continually invest in our employees' career growth and provide employees with a wide range of development opportunities, including face-to-face, virtual, social and self-directed learning, mentoring, coaching, and external development. In 2020, 98% of employees participated in learning and development activities, including these key highlights:

— Responded to COVID-19-related restrictions by quickly pivoting to new virtual learning workshops, and providing online development for all employees through our Brain Candy social learning platform;
— Launched new digital skills development program, with nearly 70% of employees worldwide earning a digital badge to recognize their digital literacy; and
— Partnered with executive business leaders to amplify HP's inclusion, diversity, and social justice values in a series of 90-minute engagement and development townhall sessions.

Health, Safety and Wellness

The physical health, financial wellbeing, life balance and mental health of our employees is vital to HP's success.

As soon as COVID-19 started to take hold on a global scale, HP took swift action to protect our people in line with public health guidance—pivoting to work from home, prohibiting business travel, restricting site access, and implementing enhanced sanitization processes. We also offered employees access to virtual office hours with the HP Medical Doctor.

For other workplace health and safety risks, 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.

Compensation Risk Assessment

During fiscal 2020, 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 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.

How We Communicate With You

Stockholder Outreach

We believe that effective corporate governance should include regular, constructive conversations with our stockholders. Over the past year, the Board has continued to engage with stockholders, including seeking and encouraging feedback from stockholders about our corporate governance practices by conducting stockholder outreach and engagement throughout the year. Our annual corporate governance investor outreach cycle, in which the Chair of the Board, Chair of the HRC Committee and other Directors typically participate, is outlined below.

In fiscal 2020, we also conducted outreach regarding our governance profile as part of our annual investor outreach cycle in the early part of the year. Through this program, we met or spoke with institutional investors representing approximately 30% of our outstanding stock during fiscal 2020 as well as with proxy advisor firms. In fiscal 2021, prior to the filing of this proxy statement, we conducted our fiscal 2021 outreach regarding our governance profile. Through this program, we met or spoke with institutional investors representing approximately 30% of our outstanding stock as of December 31, 2020, as well as proxy advisor firms. This most recent engagement confirmed that many of our stockholders continue to be satisfied with our corporate governance profile, which includes a stockholder right to call a special meeting at a 15% threshold (lowered from 25% following our previous stockholder outreach), proxy access, annual election of directors, a majority voting standard in uncontested director elections, and independent board leadership. Please see page 74 detailing our previous stockholder outreach conducted regarding the 2018 written consent proposal, which can be found in the opposition statement to the stockholder proposal.

Our Investor Outreach Calendar of Scheduled Events

November 2019
- Q4 2019 HP Inc. Earnings Conference Call

December 2019
- Wells Fargo TMT Summit
- Credit Suisse TMT Conference
- UBS Global TMT Conference
- Barclays Global TMT Conference

January 2020
- **HP Inc. Annual Director Stockholder Outreach**
- 2020 J.P. Morgan CES Tech Conference
- 2020 Citi Global TMT West Conference

February 2020
- Q1 2020 HP Inc. Earnings Conference Call

March 2020
- Morgan Stanley TMT Conference

May 2020
- HP Inc. Annual Stockholder Meeting
- Q2 2020 HP Inc. Earnings Conference Call
- Bernstein's 2020 Annual Strategic Decisions Conference

June 2020
- 2020 Bank of America Merrill Lynch Global Technology Conference

August 2020
- Q3 2020 HP Inc. Earnings Conference Call

September 2020
- Citi 2020 Global Technology Conference
- Deutsche Bank's Technology Conference
- JP Morgan U.S. All Stars Conference

October 2020
- HP Investor Tech Talk: 3D Fireside Chat with Oechsler
- HP Investor Tech Talk: Personal Systems – Work, Teach and Learn from Everywhere

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 $100,000 in a single calendar year.

The policy provides that the NGSR Committee reviews certain transactions subject to the policy and decides whether to approve or ratify those transactions. In doing so, the NGSR Committee determines whether the transaction is in the best interests of HP. 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 or ratify 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; and
- transactions where all stockholders receive proportional benefits.

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 2020 Related-Person Transactions

We enter into commercial transactions with many entities for which our executive officers or non-employee Directors serve as non-employee Directors and/or employees in the ordinary course of our business. 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. Similarly, Mr. Weisler did not receive any separate compensation for his HP Board service during fiscal 2020 because he was an employee of the Company during the period he served on the Board.

For the 2020 Board year, which began March 1, 2020 (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 serving prior to March 1, 2020 could elect to defer up to 50% of their annual cash retainer for the 2020 Board year. Non-employee Directors who joined after February 28, 2020 could elect to defer 100% of their annual cash retainer for the 2020 Board year. For the 2021 Board year, non-employee Directors may elect to defer 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 2020, four non-employee Directors elected to defer their annual cash retainer. In response to the impact of the COVID-19 pandemic, the Board approved a reduction of 25% of the annual cash retainer paid to non-employee Directors for their service from June 1, 2020 through October 31, 2020. This reduction also applied to any equity elected by the non-employee Director to be received in lieu of cash.

Each non-employee Director also received an annual equity Board retainer of $215,000 for service during the 2020 Board year, with regular grants on the date of the annual stockholder meeting. Under special circumstances, the annual equity retainer may be paid in cash. No annual equity retainer was paid in cash during fiscal 2020. Starting with the 2020 Board year, the HRC eliminated individual non-employee Director's choice to receive a portion of the equity retainer in stock options to better align with market practice. 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 service-related vesting on equity awards was eliminated in July 2017. 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 2020 received cash retainers for such service. The Board approved annual cash retainers for committee chairs as follows for fiscal 2020:

- $35,000 for the Audit Committee Chair;
- $25,000 for the HRC Committee Chair;
- $20,000 for the NGSR Committee Chair; and
- $20,000 for Chairs of other Board standing committees.

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. In response to the impact of the COVID-19 pandemic, Board members have waived their fees from additional Board meetings. HP donated these fees totaling $326,000 to the HP Employee Relief Fund.

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 2020 Director Compensation

Name[(1)]	Fees Earned or Paid in Cash[(2)] ($)	Stock Awards[(3)] ($)	All Other Compensation ($)	Total ($)
Aida Alvarez	96,712	215,005	—	311,717
Shumeet Banerji	116,698	215,005	—	331,703
Robert R. Bennett	116,698	215,005	—	331,703
Charles “Chip” V. Bergh	199,863	302,173	—	502,036
Stacy Brown-Philpot	96,712	215,005	—	311,717
Stephanie A. Burns	121,695	215,005	—	336,700
Mary Anne Citrino	131,688	215,005	—	346,693
Richard L. Clemmer	61,832	215,005	—	276,837
Yoky Matsuoka	—	302,173	—	302,173
Stacey Mobley	96,712	215,005	—	311,717
Subra Suresh	96,712	215,005	—	311,717
Dion J. Weisler[(4)]	—	—	—	—
Enrique Lores[(5)]	—	—	—	—

(1) Ms. Miscik was appointed to our Board during our Fiscal 2021 year. Accordingly, she did not receive any compensation during Fiscal 2020.

(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 2020, as well as any additional meeting fees paid during fiscal 2020. 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 2020” below.

(3) Represents the grant date fair value of stock awards granted in fiscal 2020 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, 2020, as filed with the SEC on December 10, 2020. See “Additional Information about Non-Employee Director Equity Awards” below.

(4) Mr. Weisler served as President and CEO of HP until November 1, 2019 and subsequently served as Senior Executive Advisor to the Company until May 2020. Accordingly, he did not receive compensation for his Board service during Fiscal 2020.

(5) 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 2020

Name	Annual Retainers[(a)] ($)	Committee Chair and Chairman Fees[(b)] ($)	Additional Meeting Fees[(c)] ($)	Total ($)
Aida Alvarez	96,712	—	—	96,712
Shumeet Banerji	96,712	19,986	—	116,698
Robert R. Bennett	96,712	19,986	—	116,698
Charles “Chip” V. Bergh	—	199,863	—	199,863
Stacy Brown-Philpot	96,712	—	—	96,712
Stephanie A. Burns	96,712	24,983	—	121,695
Mary Anne Citrino	96,712	34,976	—	131,688
Richard L. Clemmer	61,832	—	—	61,832
Yoky Matsuoka	—	—	—	—
Stacey Mobley	96,712	—	—	96,712
Subra Suresh	96,712	—	—	96,712

(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 2019 through February 2020 Board year and cash annual retainers earned for service during the first eight months of the March 2020 through February 2021 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 2023. 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 2019 through February 2020 Board year and fees earned for service during the first eight months of the March 2020 through February 2021 Board year.

(c) The members of the Board elected to waive their right to receive additional meeting fees.

Additional Information about Non-Employee Director Equity Awards

The following table provides additional information about equity awards, made to non-employee Directors during fiscal 2020, 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 2020:

Name	Stock Awards Granted During Fiscal 2020 (#)	Grant Date Fair Value of Stock and Option Awards Granted During Fiscal 2020[a] ($)	Stock Awards Outstanding at Fiscal Year End[b] (#)	Option Awards Outstanding at Fiscal Year End (#)
Aida Alvarez	14,459	215,005	26,568	—
Shumeet Banerji	14,459	215,005	—	—
Robert R. Bennett	14,459	215,005	26,043	—
Charles “Chip” V. Bergh	20,321	302,173	46,984	146,148
Stacy Brown-Philpot	14,459	215,005	68,338	—
Stephanie A. Burns	14,459	215,005	36,520	—
Mary Anne Citrino	14,459	215,005	49,494	159,671
Richard L. Clemmer	14,459	215,005	14,741	—
Yoky Matsuoka	20,321	302,173	—	—
Stacey Mobley	14,459	215,005	68,338	—
Subra Suresh	14,459	215,005	19,992	—

(a) Represents the grant date fair value of stock awards granted in fiscal 2020 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, 2020, as filed with the SEC on December 10, 2020.

(b) Includes dividend equivalent units accrued with respect to share awards granted in fiscal 2020 and RSUs granted in previous years that have been deferred at the election of the Director.

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 2020, 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

MANAGEMENT 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 2021 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, 2021. During fiscal 2020, 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 2021 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, 2020, 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
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 2020 and 2019. All fees paid to Ernst & Young LLP were pre-approved in accordance with the pre-approval policy, as discussed below.

	2020	2019
	In Millions	
Audit Fees[(1)]	$16.6	$15.9
Audit-Related Fees[(2)]	$ 1.9	$ 2.4
Tax Fees[(3)]	$ 1.5	$ 2.9
All Other Fees[(4)]	$ 0.2	$ —
Total	$20.2	$21.2

(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 2020 consisted primarily of accounting consultations, employee benefit plan audits and other attestation services. Audit-related fees for fiscal 2019 consisted primarily of accounting consultations, employee benefit plan audits and other attestation services.

(3) Tax fees consisted primarily of tax advice and tax planning fees of $858,000 and $2.2 million for fiscal 2020 and fiscal 2019, respectively. For fiscal 2020 and fiscal 2019, tax fees also included tax compliance fees of $625,000 and $650,000, respectively.

(4) 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

MANAGEMENT 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 2022.

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.

Overview

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 ***targeted*** at or near the ***median of our peer group*** to ensure that it is appropriate and competitive.
- ***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 Environment, Sustainability and Governance "ESG", Diversity, Equity, and Inclusion "DEI", Employee Engagement, and Talent.
- 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 49).
- A significant portion of our long-term incentives are delivered in the form of performance-adjusted restricted stock units, referred to as ***"PARSUs",*** which vest upon the achievement of **earnings per share ("EPS")** objectives which can be modified by ***relative total shareholder return ("TSR")***.
- For fiscal 2020, the payouts under annual incentive awards and under **PARSUs** are **capped at 200% of bonus target and 2x target shares, respectively.**
- We validate the ***pay-for-performance*** relationship on an annual basis and our Human Resources 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 a robust ***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 officers.***
- 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.

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
10%	**Base Salary**	— 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
14%	**Annual Incentive** *(i.e., Pay-for-Results ("PfR"))* Payments to executives for annual PfR 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, net earnings and free cash flow as a percent of revenue — To ensure leadership has a key focus on ESG, DEI, Employee Engagement and Talent each executive leadership team member has MBOs pertaining to these areas.
76%	**Long-term Incentive** — Performance-Adjusted Restricted Stock Units ("PARSUs") — Restricted Stock Units ("RSUs")	— Supports long-term sustained performance — 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 financial goals and relative TSR 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

* Breakdown does not include compensation paid or payable with respect to fiscal year 2020 to Marie Myers, who was hired on March 1, 2020 and whose service as acting Chief Financial Officer commenced on October 1, 2020.

Financial Highlights

As illustrated below for the three key financial measures used to fund our annual pay-for-performance incentive awards, we exceeded one of our three goals reflected in our business plan in fiscal 2020, even as the global-macroeconomic and foreign-currency environment was challenging.

GAAP Net Revenue

$56.6 BILLION

(as defined on page 50) compared to a target goal of $59.4 billion under our annual incentive plan.

Adjusted Non-GAAP Net Earnings

$3.6 BILLION

(as defined on page 50) compared to a target goal of $3.7 billion under our annual incentive plan.

Non-GAAP Free Cash Flow

6.9 PERCENT

(as a percentage of revenue; as defined on page 50) compared to a target goal of 5.9% under our annual incentive plan.

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 2020.

Named Executive Officers (NEOs)

Our NEOs for fiscal 2020 are:

- **Enrique J. Lores,** President and CEO
- **Marie Myers,** Chief Financial Officer*
- **Steven J. Fieler,** Former Chief Financial Officer**
- **Christoph Schell,** Chief Commercial Officer
- **Kim M. Rivera,** Former President, Strategy and Business Management and Chief Legal Officer***
- **Alex Cho,** President, Personal Systems

* 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. Fieler stepped down as our Chief Financial Officer and left the Company on October 2, 2020.

*** Ms. Rivera stepped down as President, Strategy and Business Management and Chief Legal Officer, effective February 1, 2021. Since stepping down from such positions, Ms. Rivera has continued to be employed by the Company as Special Advisor to the CEO, a non-executive officer role.

Executive Summary

The HRC Committee continues to review and refine our compensation programs to support our evolving business strategy and attract high caliber executive talent. The HRC Committee's assessment includes regular stockholder engagement and consideration of stockholder feedback.

Below are brief highlights of key compensation decisions with respect to NEOs:

We successfully executed on the Board's succession-planning process by transitioning to a new HP President & CEO at the start of fiscal 2020.

After a robust, in-depth succession planning assessment, Mr. Lores was appointed as President and CEO, effective November 1, 2019. In connection with his appointment as President and CEO, Mr. Lores' initial target Total Direct Compensation ("TDC") was set moderately below the peer group median. Over the period of the next two or three years, the HRC Committee intends to continually evaluate company and individual performance while progressively shifting Mr. Lores' TDC to the median or above median level, as appropriate.

During fiscal 2020, the HRC and Board continued their role overseeing succession planning and leadership development. The HRC discussed talent at every meeting and the Board had frequent top talent review sessions. Directors also had frequent informal interactions with talent across the company.

In response to the COVID-19 pandemic our executives took significant reductions in their base salaries.

In response to the impact of the COVID-19 pandemic, Mr. Lores and members of the Executive Leadership team, including the NEOs, agreed to reductions in their base salaries for the period from July 1, 2020 through October 31, 2020. The Board approved a reduction of 25% in the salary of Mr. Lores, and the HRC approved a 15% reduction in the base salaries of the members of the Executive Leadership team, including NEOs, for this period of service.

Updates Affecting Fiscal 2020 PARSUs.

For PARSUs granted during fiscal 2020, we transitioned from a two-year vesting schedule to a three-year vesting schedule to ensure alignment with our stockholders' interest and market practices. In addition, EPS became the primary driver of award payout and relative TSR will function as a market-based "modifier" to adjust payout for alignment with shareholder results.

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

Target TDC consists of base salary, percent-of-salary target annual incentives that would be earned for achieving 100% of goals, and regular long-term incentive grant-date value. TDC is targeted at or near the median of peers to ensure that it is appropriate and competitive but varies based on experience, individual performance, advancement potential and internal equitability.

We align real pay delivery with performance through rigorous goal setting and performance measurement.

While our target TDC opportunities reflect market practice, our real pay delivery reflects actual performance. Annual incentives reward short-term performance measured against applicable enterprise-wide, business unit, and individual goals. Goals were set for the overall Company and businesses against internal budgets for GAAP net revenues, adjusted non-GAAP net earnings, and non-GAAP free cash flow as a percent of revenue. For fiscal 2020 the HRC set short-term and long-term incentive plan goals at the beginning of the year. Plan goals were not modified during the performance year. Non-financial individual performance goals under the MBO provisions were set for each NEO.

Meanwhile, regular annual long-term incentive grant value was approximately 60% in PARSUs that reward strategic performance measured by EPS as the primary driver and modified based on relative TSR. Such PARSUs will vest after three years. The remaining portion of 40% of regular annual long-term incentive grant value was in the form of RSUs. Such RSUs are primarily intended to increase stock ownership among our NEOs, while also serving a retentive purpose and incentivizing our NEOs to increase our stock price. The value of such RSUs is tied to stock price and reinvested dividend equivalents.

For fiscal 2020, the performance metrics and performance goals used to determine earned short-term incentive and PARSUs remained unchanged.

NEOs earned annual incentives averaging 133.9% of target for fiscal 2020. Individual bonuses varied from 118.4% to 143.7% of target with HP's President & CEO individual bonus equal to 135.9% of target. The Company achieved below-target results with respect to HP adjusted non-GAAP net earnings and GAAP net revenue. Non-GAAP free cash flow as a percentage of revenue result was significantly above-target at 163%, but was capped at 150% of target since the HP adjusted non-GAAP net earnings was below target. Further, NEOs successfully delivered against their MBOs as detailed on pages 51-52.

NEOs received payout for Segment 2 FY18 and Segment 1 FY19 PARSUs (measurement periods ending in fiscal 2020). EPS FY19 and EPS FY20 were above target. Fiscal 2018-2020 relative TSR approximated the 33rd percentile of the S&P 500. Fiscal 2019-2020 relative TSR approximated the 23rd 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 2020, our say-on-pay proposal was approved by over 85% of the voted shares, indicating significant stockholder support. Consequently, we did not make extensive program design changes as a result of the vote.

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 2020, 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 ten times in fiscal 2020, and all ten of these meetings included an executive session. FW Cook participated in nine 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 Board considered market competitiveness, business results, experience, and individual performance when evaluating fiscal 2020 NEO compensation and the overall compensation structure. The Chief Human Resources 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, as well as 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 2020, 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 2020, 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 takes size differentiations into consideration when reviewing the results of market data analysis. 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 ~$11 billion and $290 billion and market cap between ~$6 billion and $150 billion.
- Select general industry companies (industrials, consumer products and telecom) generally meeting size and business criteria that are top-brands.
- 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 2020, the HRC Committee added Dell Technologies Inc. following its re-listing in December 2018. The HP peer group for fiscal 2020, as approved by HRC Committee, consisted of the following companies:

Fiscal 2020 Peer Group

Company	Revenue (FYE - $Bn)*
Apple Inc.	$274.5
Microsoft Corporation	$143.0
General Electric Company	$95.2
Dell Technologies Inc.	$92.2
IBM Corporation	$77.1
Intel Corporation	$72.0
PepsiCo, Inc.	$67.2
HP Inc.	**$56.6**
Cisco Systems, Inc.	$49.3
Oracle Corporation	$39.1
NIKE, Inc.	$37.4
Honeywell International Inc.	$36.7
Hewlett Packard Enterprise Company	$27.0
QUALCOMM Incorporated	$23.5
Micron Technology, Inc.	$21.4
Western Digital Corporation	$16.7
Texas Instruments Incorporated	$14.4
Seagate Technology plc	$10.5
Xerox Holdings Corporation	$9.1

* Represents fiscal 2020 reported revenue, except fiscal 2019 reported revenue is provided for Dell, 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. MBOs are set based on major shared and individual strategic, operating, ESG, DEI, Employee Engagement, Talent and tactical initiatives.

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 PfR incentive award to be approved by the independent members of the Board. See "2020 Annual Incentives" below for a further description of our results and corresponding incentive payouts.

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.

— Starting with new grants in fiscal 2020, to ensure alignment with our three-year financial plan, we have moved our long-term performance-based incentives (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 feel that this will increase focus on line-of-sight strategic performance while continuing close alignment between stockholder value creation and real pay delivery.

— 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 PfR incentive plan to encourage greater collaboration and teamwork among business leaders.

Determination of Fiscal 2020 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.

2020 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 at or near the market median for comparable positions. In fiscal 2020, salaries generally comprise on average 10% 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 2020, the HRC Committee approved changes to the base salary rates of our NEOs, other than Ms. Myers who was hired on March 1, 2020 and transitioned into the role of Acting Chief Financial Officer on October 1, 2020 and was subsequently appointed Chief Financial Officer on February 17, 2021. In the case of Mr. Lores, his base salary adjustment for fiscal 2020 reflects his promotion to President and CEO on November 1, 2019.

Changes in Base Salary

Executive	Fiscal Year-end 2019 Base Salary	Fiscal 2020 Base Salary	Percentage Change
Enrique Lores	$750,000	$1,200,000	+60.0%
Marie Myers(*)	N/A	$ 580,000	N/A
Steven Fieler	$690,000	$ 760,000	+10.1%
Christoph Schell	$740,000	$ 760,000	+2.7%
Kim Rivera	$725,000	$ 730,000	+0.7%
Alex Cho	$675,000	$ 740,000	+9.6%

(*) Ms. Myers was hired on March 1, 2020 and transitioned into the role of Acting Chief Financial Officer on October 1, 2020. Ms. Myers was subsequently appointed as Chief Financial Officer on February 17, 2021.

2020 Annual Incentives

The fiscal 2020 annual PfR incentive plan consisted of the following three core financial metrics: GAAP net revenue, adjusted non-GAAP net earnings, and non-GAAP free cash flow as a percentage of revenue. A fourth metric, MBOs, was used to further drive individual performance and achievement of key strategic goals. Each metric was weighted at 25% of the target award value. Each individual metric may fund up to 250% of target; however, the maximum annual PfR incentive for each executive is capped at 200% of target.

The target annual PfR incentive awards for fiscal 2020 were set at 200% of salary for the CEO and 125% of salary for the other NEOs. In addition, payment under the annual PfR incentive plan is contingent on an NEO's service through the end of the fiscal year. Mr. Fieler left the Company on October 2, 2020, and was not eligible to receive the annual PfR.

Fiscal 2020 Annual Incentive Plan

Key Design Elements	Corporate Goals: GAAP Net Revenue ($ in billions)	Corporate Goals: Adjusted Non-GAAP Net Earnings ($ 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	$59.4	$3.7	5.9%	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 net earnings achievement was below target and is capped at 100% of target if adjusted non-GAAP net earnings achievement was below threshold. If adjusted non-GAAP net earnings 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 PfR 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, Mr. Fieler, Mr. Schell and Ms. Rivera.

(4) The Business Unit Executives include Mr. Cho. Specific Business Unit GAAP net revenue and adjusted non-GAAP net earnings 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 enhance focus on business objectives, such as operational objectives, strategic initiatives, ESG, DEI, and Employee Engagement and Talent goals, succession planning, and people development, 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 2020 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 2020	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 2020	
Adjusted Non-GAAP net earnings[1]	Non-GAAP net earnings, as defined and reported in our fourth quarter fiscal 2020 earnings press release (of $3.2 billion in fiscal 2020) and summarized in footnote (1) below, further adjusted by excluding bonus net of income tax	Reflects bottom line financial performance, which is directly tied to stockholder value on a short-term basis
Non-GAAP Business Net Profit ("BNP")	Business net profit, excluding bonus net of income tax	
Non-GAAP Free Cash Flow as a Percentage of Revenue[2]	Net cash provided by operating activities adjusted for net investments in leases and net investments in property, plant and equipment, as reported in our fourth quarter fiscal 2020 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 2020 (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 net earnings is a non-GAAP measure that is defined as GAAP net earnings (of $2.8 billion in fiscal 2020), which excludes (i) after-tax costs of $390 million related to restructuring and other charges, acquisition-related charges, amortization of intangible assets, non-operating retirement-related credits/(charges), debt extinguishment costs, defined benefit plan settlement charges and tax adjustments as well as (ii) bonus net of income tax. Management uses adjusted non-GAAP net earnings 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 net earnings 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 earnings.

(2) As summarized above, non-GAAP free cash flow is a non-GAAP measure that is defined as net cash provided by operating activities ($4.3 billion in fiscal 2020) adjusted for net investments in leases ($152 million in fiscal 2020) and net investments in property, plant and equipment ($577 million in fiscal 2020). 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 2020, the HRC Committee reviewed performance against the financial metrics and certified the results as follows:

Fiscal 2020 Annual PfR 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%	59.4	56.6	13.5%
Adjusted Non-GAAP Net Earnings	25.0%	3.7	3.6	22.4%
Non-GAAP Free Cash Flow (% of revenue)[(4)]	25.0%	5.9%	6.9%	37.5%
Total	75.0%			73.4%

(1) Mr. Lores, Ms. Myers, Mr. Schell and Ms. Rivera received annual PfR incentive payments based on corporate financial metrics. Mr. Fieler left the Company on October 2, 2020 and was not eligible to receive the annual PfR. Mr. Cho received an annual PfR 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 Net Earnings 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 net earnings achievement is below target. Non-GAAP Free Cash Flow (% of revenue) is capped at 100% of target if HP Adjusted non- GAAP net earnings is below minimum.

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

(4) Based on plan governors, Non-GAAP Free Cash Flow (% of revenue) was capped at 150% of target since non-GAAP net earnings achievement was below target.

Mr. Lores. Mr. Lores' fiscal 2020 MBOs included but were not limited to: setting strategic direction for the Company to optimize sustainable stockholder value through strong cost management and growth; balancing investment choices across operating expenses, capital investments, dividends, share repurchases and M&A; optimizing the Company's balance sheet to create stockholder value; actively engaging with HP stockholders to discuss and analyze value creation, promote stockholder value in any extraordinary enterprise transactions, and ensure HP has a robust evaluation and 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:

- Launched and evolved new Company Strategy: Advance, Disrupt & Transform to capitalize on the changing market dynamics driven by the COVID-19 pandemic
- Developed and communicated the "value plan" as a robust 3-year set of Company financial targets and aggressive capital return commitments to accelerate HP's stockholder value
- Achieved growth goals in Personal Systems Premium PCs, Displays, Accessories and Solutions
- Maximized value of Print installed base while growing contractual and pivoting the business model
- Overachieved 2020 cost savings targets and drove digital transformation of organization
- Navigated the pandemic effectively maintaining employee safety and morale while delivering on partner and customer requirements
- Achieved substantial improvements in employee engagement; launched a strong and effective response to racial equality and social justice movement
- Successfully protected shareholder interest in defending against an unsolicited bid from Xerox Holdings Corporation
- Worked effectively with the Board of Directors ensuring sufficient briefing on the state of the business, Company strategy and strategic choice points facing the Company

Ms. Myers. The HRC Committee determined that Ms. Myers' MBO performance was achieved above target. In 2020, Ms. Myers did a remarkable job leading the transformation efforts across the company and the IT organization which were critical to operating effectively with all the pandemic challenges. Ms. Myers also did an excellent job as acting CFO, demonstrating strategic leadership running the Finance organization. Ms. Myers is a highly valuable 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 successfully implemented a new Commercial organization in 2020 and navigated unprecedented challenges with the global pandemic all while delivering very strong financial results. Mr. Schell managed supply chain disruptions and a difficult manufacturing environment, partnering effectively with business group leaders to deliver consistently to partners and clients. Mr. Schell also did an excellent job leading the business continuity plan (BCP) around the pandemic, stabilizing the organization and making critical business decisions that allowed us to keep delivering on our financial commitments. Mr. Schell is an outstanding global business leader and his skill and experience enhance our leadership.

Ms. Rivera. The HRC Committee determined that Ms. Rivera's MBO performance was achieved above target. Ms. Rivera effectively managed the company's response to Xerox's takeover proposal. She partnered in leading the BCP team making critical business decisions around health and on-site safety for employees and customer support. Ms. Rivera is a well-respected leader with a strong understanding of commercial decisions and a strong partner in business, technology and governance matters.

Mr. Cho. The HRC Committee determined that Mr. Cho's MBO performance was achieved above target. Mr. Cho did a remarkable job managing a complex environment and partnering with business and function group leaders to ensure development of innovative solutions that satisfied customers' needs. Mr. Cho navigated the pandemic effectively delivering for partners and customers throughout the pandemic leading to outstanding business results. Mr. Cho is a thoughtful and well-respected leader in the organization with a strong team to drive the business appropriately.

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:

Fiscal 2020 Annual PfR Incentive Performance Against Non-Financial Metrics (MBOs)

Named Executive Officer	Weight (%)	Percentage of Target Annual Incentive Funded (%)
Enrique J. Lores	25.0	62.5
Marie Myers	25.0	62.5
Christoph Schell	25.0	62.5
Kim M. Rivera	25.0	45.0
Alex Cho	25.0	45.0

Based on the level of performance described above on both the financial metrics and MBOs for fiscal 2020, the payouts to the NEOs under the annual PfR incentive were as follows:

Fiscal 2020 Annual PfR Incentive Payout

	Percentage of Target Annual Incentive Funded		Total Annual Incentive Payout	
Named Executive Officer[(1)]	Financial Metrics (%)	Non-Financial Metrics (%)	As % of Target Annual Incentive (%)	Payout ($)
Enrique J. Lores	73.4	62.5	135.9	3,261,085
Marie Myers[(2)]	73.4	62.5	135.9	605,084
Christoph Schell	73.4	62.5	135.9	1,290,846
Kim M. Rivera	73.4	45.0	118.4	1,080,204
Alex Cho	98.7	45.0	143.7	1,328,883

(1) Mr. Fieler left the Company on October 2, 2020, and was not eligible to receive the annual PfR.

(2) The MBO performance used to calculate Ms. Myers' PfR incentive took into account her transition into the role of Acting CFO.

Long-term Incentive Compensation – Awards from Fiscal 2020

The HRC Committee established a total long-term incentive target value for each NEO in early fiscal 2020 that was 60% weighted in the form of PARSUs and 40% weighted in the form of time-based RSUs. The high proportion of performance-based awards 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.

2020 PARSUs

The fiscal 2020 PARSUs cliff-vest following the end of a three-year performance period in 2022. The metrics for such PARSUs consist of EPS with a TSR "payout modifier". The EPS consists of three annual goals that roll up into our three-year annual average EPS. A TSR "payout modifier" will then be applied to the EPS average payout to ensure alignment with our stockholders' experience. 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. Final payout is subject to overall 200% of target shares maximum. This structure is depicted in the chart below:

Key Design Elements	EPS[1] vs. Internal Goals			Payout	Relative TSR vs. S&P 500
Weight	33.3%	33.3%	33.3%		+/- Modifier
Performance Periods[2]	Year 1	Year 2	Year 3	% of Target[4]	3 Years
Vesting Periods[3]		Year 3			
Performance Levels: Max > Target **Target** Threshold < Threshold		Target to be disclosed after the end of the three-year performance period		200% 150% 100% 50% 0%	— +25%: Relative TSR > S&P 500 75th percentile — No change: Relative TSR is equal to or between S&P 500 25th and 75th percentile — -25%: Relative TSR < S&P 500 25th percentile — Subject to overall 200% of target shares maximum

(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 one-, two-, and three-year periods.

(3) Vesting occurs at the end of the three-year period, subject to continued service.

(4) Interpolate for performance between discrete points.

2020 RSUs

2020 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 2020 Long-term Incentive Compensation at Target

The following table shows combined total grant values for grants attributable to fiscal 2020. It is important to note that these values are target opportunities to earn future value-based compensation and are not actual earned amounts, which will be determined after three years based on continued employment and performance against the EPS as adjusted based on the application of the TSR payout modifier. Ms. Myers was hired on March 1, 2020, and subsequently appointed as Acting Chief Financial Officer on October 1, 2020 and then Chief Financial Officer on February 17, 2021 and did not receive a grant of PARSUs. Instead, she received a new-hire grant of $1,750,000 in RSUs during fiscal 2020.

Named Executive Officer	PARSUs	RSUs	Total Fiscal 2020 Long-term Incentive Grant
Enrique J. Lores	$6,600,000	$4,400,000	$11,000,000
Marie Myers(*)	N/A	$1,750,000	$ 1,750,000
Steven J. Fieler(**)	$3,450,000	$2,300,000	$ 5,750,000
Christoph Schell	$3,450,000	$2,300,000	$ 5,750,000
Kim M. Rivera	$3,150,000	$2,100,000	$ 5,250,000
Alex Cho	$2,880,000	$1,920,000	$ 4,800,000

(*) Ms. Myers was hired on March 1, 2020 and subsequently appointed as Acting Chief Financial Officer on October 1, 2020 and then Chief Financial Officer on February 17, 2021 and did not receive a grant of PARSUs. Instead, she received a new-hire grant of $1,750,000 in RSUs during fiscal 2020.

(**) While Mr. Fieler received a grant of PARSUs and RSUs during fiscal 2020, he forfeited both awards upon his departure from the Company on October 2, 2020.

Values in the Summary Compensation Table are different than the target values described in the table above. In the Summary Compensation Table, consistent with accounting standards, amounts reflect the grant date fair value for the EPS component for Year 1 (2020), for which goals were approved in January 2020, and the grant date fair value for the TSR modifier. Grant date fair values for the EPS component for Year 2 (2021) and Year 3 (2022) 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 2020 also includes a portion of the fiscal 2019 PARSUs Year 2 EPS (2020) and 2018 PARSUs Year 3 EPS (2020) for which goals were approved in January 2020.

For more information on grants to the NEOs during fiscal 2020, see “Executive Compensation—Grants of Plan-Based Awards in Fiscal 2020.”

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

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 depicted in the chart below:

2019 PARSUs

Key Design Elements	EPS[1] vs. Internal Goals			Relative TSR vs. S&P 500		Payout
Weight	16.6%	16.6%	16.6%	25%	25%	
Performance Periods[2]	Year 1	Year 2	Year 3	2 Years	3 Years	% of Target[4]
Vesting Periods[3]	Year 2	Year 3	Year 3	Year 2	Year 3	
Performance Levels:						
Max					> 90th percentile	200%
> Target					70th percentile	150%
Target		Target to be disclosed after the end of the three-year performance period			**50th percentile**	**100%**
Threshold					25th percentile	50%
< 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 one-, two-, and three-year 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) will vest 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 periods (i.e., fiscal 2019 and fiscal 2019–2020) as a percentage of target for the PARSUs as of October 31, 2020 is summarized in the table below:

Actual Performance – Segment 1

	EPS[1] vs. Internal Goals		Relative TSR vs. S&P 500[2]	
Segment	Fiscal 2019 Result	Payout	Fiscal 2019-2020 Results	Payout
Segment 1 (42%)	$2.23	122.7%	23rd percentile	0.0%
	Target: $2.18			

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

(2) Through October 2020, HP’s relative TSR performance was at the 23rd percentile of the S&P 500 which corresponds to a payout of 0.0% of target.

2018 PARSUs

2018 PARSUs have the same vesting structure as 2019 PARSUs (chart described above). The actual performance achievement for the two-year period (i.e., fiscal 2018–2019), as a percentage of target for the HP PARSUs as of October 31, 2019, was summarized in our proxy statement for fiscal 2019. The actual performance achievement for the three-year period (i.e., fiscal 2018–2020) as a percentage of target for the HP PARSUs as of October 31, 2020 is summarized in the table below:

Actual Performance – Segment 2

	EPS[1] vs. Internal Goals				Relative TSR vs. S&P 500[2]	
Segment	2019	Payout	2020	Payout	Fiscal 2018-2020 Results	Payout
Segment 2 (58%)	$2.23	122.7%	$2.33	104.2%	33rd percentile	65.6%
	Target: $2.18		Target: $2.32			

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

(2) Through October 2020, HP's relative TSR performance was at the 33rd percentile of the S&P 500 which corresponds to a payout of 65.6% of target.

Fiscal 2021 Compensation Program

The HRC Committee regularly identifies and evaluates ways to improve our executive compensation program. We believe that our current compensation structure effectively aligns real pay delivery with critical financial and strategic non-financial goals, reinforces year-over-year improvement and growth, 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.

However, as we plan to discuss in further detail in the fiscal 2021 proxy statement, we made the following changes that we believe are in our stockholders' interests and are appropriate to the characteristics and business strategy of the Company, and to ensure our compensation is tied to our strategic and financial plan:

— Under the annual incentive plan for fiscal 2021, the metric of "Net Earnings" has been replaced by "Operating Profit". 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 HPCO metric to 17.5% for a total of 35% (compared to 25% under the annual incentive plan for fiscal 2020).

— With respect to long-term incentive compensation, the portion of 60% consisting of PARSUs has been split into 30% Performance-Contingent Stock Options "PCSOs" and 30% PARSUs. The PARSU relative TSR payout modifier has also been adjusted upwards from +/-25% to +/-50%.

In connection with her appointment as Chief Financial Officer, effective February 17, 2021, Ms. Myers will receive an annual base salary of $700,000, a target annual cash bonus under the Company's pay-for-performance program of 135% of her annual base salary, and other customary benefits, including annual equity grants, that are generally available to the Company's other senior executives. Ms. Myers was also awarded a one-time equity award with a February 17, 2021 grant date fair value of $1,000,000, consisting of restricted stock units that will vest ratably over three years beginning on the first anniversary of the grant date. If Ms. Myers is terminated by the Company without cause, she will be eligible to receive severance benefits provided under the Amended and Restated Severance and Long-term Incentive Change in Control Plan for Executive Officers.

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 2020. 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 2020 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 $11,400 in calendar 2020). 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 2020, please refer to the All Other Compensation Table on page 61.

Due to our global presence, we maintain one corporate aircraft. In the event an NEO is accompanied by a guest or family member on the aircraft for personal reasons, as approved by the CEO, the NEO is taxed on the value of this usage according to the relevant Code rules. We do not provide tax gross-up for the imputed income attributable to personal use. Among our NEOs, Mr. Lores is the only executive that used the corporate aircraft for personal use during fiscal 2020, which was for convenience and security.

Our Audit Committee periodically conducts global risk management reviews, which include reviewing home security services of NEOs. Services considered necessary by the Audit Committee may be paid for by HP, due to the range of security issues that may be encountered by key executives of any large, multinational corporation.

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 amended on February 28, 2020. During fiscal 2020, the HRC Committee undertook a review of the SPEO taking into consideration market data and recommendations provided by FW Cook and external counsel. Approved changes are aligned with market practice and support the objectives of the SPEO plan and overall compensation program. 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.

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 based on 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"), and in situations where equity awards are not assumed by the surviving corporation (a "modified double trigger"). In addition, the SPEO provides for full vesting of outstanding stock options, RSUs, 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. 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. The Board plans for succession of the CEO and annually reviews senior management selection and succession planning that is undertaken by the HRC Committee. As part of this process, the independent Directors annually review the HRC Committee's recommended 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 2020, 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 will be managed throughout the 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, there is a People Update at each HRC Committee meeting, which includes a review of key people processes and developments for that quarter.

In addition, the executive team participated in a robust development process that included individual assessments, interviews with executive coaches, and an individualized development plan that can be leveraged throughout the year. Development themes for the entire executive team will be addressed during quarterly face-to-face meetings for full team development.

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. 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, shares underlying time-vested RSUs, and shares underlying vested but unexercised stock options (50% of the in-the-money value of such options is used for this calculation). We 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.

Also, 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 Board discretion to cause forfeiture of 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, 2020.

HR and Compensation Committee of the Board of Directors

Stephanie A. Burns, Chair
Aida Alvarez
Shumeet Banerji
Charles “Chip” V. Bergh
Stacey Mobley

Executive Compensation Tables

Fiscal 2020 Summary Compensation Table

The following table sets forth information concerning the compensation of our NEOs for fiscal years 2020, 2019, and 2018, as applicable. Per SEC reporting guidelines, our NEOs for fiscal 2020 include our CEO (Mr. Lores), our current CFO (Ms. Myers), our former CFO (Mr. Fieler), and the next three most highly compensated individuals serving as executive officers at year end (Mr. Schell, Ms. Rivera, and Mr. Cho) as of the last day of the fiscal year (October 31, 2020).

Name and Principal Position	Year	Salary[3] ($)	Stock Awards[4] ($)	Non-Equity Incentive Plan Compensation[5] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings[6] ($)	All Other Compensation[7] ($)	Total ($)
Enrique J. Lores President and CEO	2020	1,100,000	7,976,875	3,261,085	—	141,855	12,479,815
	2019	750,000	5,527,211	873,522	—	48,155	7,198,888
	2018	750,000	4,623,686	1,579,331	—	43,973	6,996,990
Marie Myers[1] Chief Financial Officer	2020	329,313	1.749,997	605,084	—	4,302	2,688,696
Steven J. Fieler[1] Former Chief Financial Officer	2020	764,166	4,176,858	—	276	6,347	4,947,647
	2019	690,000	3,427,818	961,697	332	14,950	5,094,797
	2018	550,000	2,382,017	793,632	210	19,404	3,745,263
Christoph Schell Chief Commercial Officer	2020	722,000	4,462,000	1,290,846	—	40,600	6,515,446
Kim M. Rivera[2] Former President, Strategy and Business Management and Chief Legal Officer	2020	693,500	4,092,486	1,080,204	—	44,187	5,910,377
	2019	725,000	4,717,598	1,078,448	—	54,705	6,575,751
	2018	675,000	3,088,732	1,438,699	—	72,927	5,275,358
Alex Cho President, Personal Systems	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

(1) Mr. Fieler stepped down as our Chief Financial Officer and left the Company on October 2, 2020. 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) Ms. Rivera stepped down as President, Strategy and Business Management and Chief Legal Officer, effective February 1, 2021. Since stepping down from such positions, Ms. Rivera has continued to be employed by the Company as Special Advisor to the CEO, a non-executive officer role.

(3) Amounts shown represent base salary earned or paid during the fiscal year and take into account reductions in each NEO's annual base salary in response to the impact of the COVID-19 pandemic, as described under the heading "Compensation Discussion and Analysis—Determination of Fiscal 2020 Executive Compensation—2020 Base Salary." Mr. Fieler's amount includes $91,105 for accrued and unused floating holidays and vacation days that was paid out in connection with his departure from the Company.

(4) 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 2020, they include both internal (EPS) and market-related (TSR) performance goals as described under the "*Compensation Discussion and Analysis—Determination of Fiscal 2020 Executive Compensation—Long-Term Incentive Compensation*". Amounts shown reflect the grant date fair value of the 2020 PARSUs for its first tranche of the EPS with fiscal 2020 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 2020. This value also reflects grant date fair value of the EPS portion of the 2019 PARSU award for Year 2 (fiscal 2020 EPS) and the EPS portion of the 2018 PARSU award for Year 3 (fiscal 2020 EPS), for which goals were approved in January 2020. The table below sets forth the grant date fair value for the 2020 PARSUs granted on December 6, 2019; the fiscal 2020 EPS portion of the 2019 PARSUs granted on December 7, 2018 and the fiscal 2020 EPS portion of the 2018 PARSUs granted on December 7, 2017 (July 1, 2018 for Mr. Cho and Mr. Fieler). Mr. Fieler's PARSU grants were forfeited following his departure from the Company in October 2020, and Ms. Myers only received RSUs (new hire grant) and did not receive any PARSU grants during fiscal 2020:

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	12/6/2019	2,146,734	4,293,468	466,029
	12/7/2018	485,142	970,284	
	12/7/2017	478,973	957,946	
Steven J. Fieler	12/6/2019	1,122,151	2,244,302	243,606
	12/7/2018	343,470	686,940	
	7/1/2018	167,633	335,266	
Christoph Schell	12/6/2019	1,122,151	2,244,302	243,606
	12/7/2018	429,342	858,684	
	12/7/2017	366,903	733,806	
Kim M. Rivera	12/6/2019	1,024,583	2,049,166	222,423
	12/7/2018	429,342	858,684	
	12/7/2017	316,138	632,276	
Alex Cho	12/6/2019	936,761	1,873,522	203,358
	12/7/2018	343,470	686,940	
	7/1/2018	167,633	335,266	

* 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 2020. The grant date fair value of the 2020 PARSUs Year 1 EPS units awarded on December 6, 2019, 2019 PARSUs Year 2 EPS units awarded on December 7, 2018 and 2018 PARSUs Year 3 EPS units awarded on December 7, 2017 (or for Mr. Fieler's and Mr. Cho's grants, on July 1, 2018) was $21.42 per unit, which was the closing share price of our common stock on January 15, 2020 when the EPS goal was approved. The values of 2020 PARSUs Year 2 and Year 3 EPS units will not be available until January 2021 and January 2022 respectively, and therefore are not included for fiscal 2020, 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 6, 2019 was $1.55 per unit, which was determined using a Monte Carlo simulation model. The significant assumptions used in this simulation model were a volatility rate of 27.6%, a risk-free interest rate of 1.6%, 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, 2020, as filed with the SEC on December 10, 2020.

(5) Amounts shown represent payouts under the annual PfR incentive (amounts earned during the applicable fiscal year but paid after the end of that fiscal year). Mr. Fieler left the Company on October 2, 2020 and was not eligible to receive the annual PfR.

(6) 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 2020 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 and changes in other actuarial assumptions. The assumptions used in calculating the changes in pension benefits are described in footnote (2) to the "Fiscal 2020 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.

(7) The amounts shown are detailed in the "Fiscal 2020 All Other Compensation Table" below.

Fiscal 2020 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)] ($)	Miscellaneous[(6)] ($)	Total AOC ($)
Enrique J. Lores	11,400	11,200	7,675	37,135	56,445	18,000	141,855
Marie Myers	4,302	—	—	—	—	—	4,302
Steven J. Fieler	—	—	—	—	—	6,347	6,347
Christoph Schell	11,400	11,200	—	—	—	18,000	40,600
Kim M. Rivera	11,400	—	11,888	—	—	20,899	44,187
Alex Cho	11,303	11,200	—	—	—	1,060	23,563

(1) Represents matching contributions made under the HP 401(k) Plan that were earned for 2020.

(2) Represents matching contributions credited during fiscal 2020 under the HP Executive Deferred Compensation Plan with respect to the 2019 calendar year of that plan.

(3) For Ms. Rivera, represents benefits provided under our domestic executive mobility program. For Mr. Lores, 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 expense is reported here as a perquisite since there is an incidental personal benefit. The amount reported for Mr. Lores reflects the cost of security services, based on an overall assessment completed by an independent consultant and approved by the HRC Committee in June 2020.

(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) Includes amounts paid either directly to the executives or on their behalf for financial counseling, tax preparation and estate planning services. For Ms. Rivera, the amount includes $8,660 for financial counseling services that was incurred in fiscal 2019 but not billed until fiscal 2020.

Grants of Plan-Based Awards in Fiscal 2020

The following table provides information on annual PfR incentive awards for fiscal 2020 and awards of RSUs and PARSUs granted during fiscal 2020 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]			All Other Stock Awards: Number of Shares of Stock or Units[3]	Grant-Date Fair Value of Stock and Option Awards[2]
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	($)
Enrique J. Lores									
PfR		24,000	2,400,000	4,800,000					
RSU	12/6/2019							214,634	4,399,997
PARSU	12/6/2019				50,111	100,221	200,442		2,612,763
PARSU	12/7/2018				11,325	22,649	45,298		485,142
PARSU	12/7/2017				11,181	22,361	44,722		478,973
Marie Myers									
PfR		4,453	445,313	890,625					
RSU	3/30/2020							98,094	1,749,997
Steven J. Fieler									
PfR		9,500	950,000	1,900,000					
RSU	12/6/2019							112,195	2,299,998
PARSU	12/6/2019				26,194	52,388	104,776		1,365,757
PARSU	12/7/2018				8,018	16,035	32,070		343,470
PARSU	7/1/2018				3,913	7,826	15,652		167,633
Christoph Schell									
PfR		9,500	950,000	1,900,000					
RSU	12/6/2019							112,195	2,299,998
PARSU	12/6/2019				26,194	52,388	104,776		1,365,757
PARSU	12/7/2018				10,022	20,044	40,088		429,342
PARSU	12/7/2017				8,565	17,129	34,258		366,903
Kim M. Rivera									
PfR		9,125	912,500	1,825,000					
RSU	12/6/2019							102,439	2,100,000
PARSU	12/6/2019				23,917	47,833	95,666		1,247,006
PARSU	12/7/2018				10,022	20,044	40,088		429,342
PARSU	12/7/2017				7,380	14,759	29,518		316,138
Alex Cho									
PfR		9,250	925,000	1,850,000					
RSU	12/6/2019							93,659	1,920,010
PARSU	12/6/2019				21,867	43,733	87,466		1,140,119
PARSU	12/7/2018				8,018	16,035	32,070		343,470
PARSU	7/1/2018				3,913	7,826	15,652		167,633

(1) Amounts represent the range of possible cash payouts for fiscal 2020 PfR incentive awards under the Stock Incentive Plan based upon annual salary. In the case of Ms. Myers, the range of possible cash payments is prorated to reflect her actual service during the year following her commencement of employment.

(2) For the 2018 and 2019 PARSUs, amounts represent the range of shares that may be released at the end of the two- and three-year vesting periods 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 TSR performance over two years with continued service over two years, 25% of the units are eligible for vesting based on relative TSR PARSU performance over three years with continued service over three years. For the 2020 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 2020 PARSUs, year 1, fiscal 2020 EPS units are reflected in this table, including the grant date fair value of the market related TSR goal modifier of the PARSUs, for which expense

recognition is not subject to probable or maximum outcome assumptions. Further, the 2019 PARSUs – fiscal 2020 EPS units and the 2018 PARSUs – fiscal 2020 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 2020 Executive Compensation—Long-Term Incentive Compensation—2020 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 2020 Fiscal Year-End

The following table provides information on stock and option awards held by the NEOs as of October 31, 2020:

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price[1] ($)	Option Expiration Date[2]	Number of Shares or Units of Stock That Have Not Vested[3] (#)	Market Value of Shares or Units of Stock That Have Not Vested[4] ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[5] (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[4] ($)
Enrique J. Lores	156,976			12.47	10/29/2023	353,782	6,353,919	226,646	4,070,562
Marie Myers	—			—	—	100,010	1,796,171	—	—
Steven J. Fieler[6]	—			—	—	—	—	—	—
Christoph Schell	—			—	—	802,933	14,420,673	125,069	2,246,239
Kim M. Rivera	—			—	—	214,248	3,847,899	115,595	2,076,086
Alex Cho	9,566			17.29	12/9/2022	194,386	3,491,180	103,846	1,865,074
	32,812			13.83	11/1/2023				

(1) 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.

(2) All options have an eight-year term.

(3) The amounts in this column include shares underlying dividend equivalent units credited with respect to outstanding stock awards through October 31, 2020. The amounts also include PARSUs granted in fiscal 2019 (Year 2 EPS units) plus accrued dividend equivalent shares. The 2019 PARSUs Year 2 EPS units are reported based on actual performance since those results have been certified (fiscal 2020 EPS period). 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, 2020 (136,190 shares plus accrued dividend equivalent shares); December 7, 2021 (104,399 shares plus accrued dividend equivalent shares); December 7, 2022 (71,545 shares plus accrued dividend equivalent shares). The number of PARSUs and dividend equivalent shares, as described above, that will be paid out at the end of the three-year vesting period is 25,299.
- Ms. Myers: March 30, 2021 (32,698 shares plus accrued dividend equivalent shares); March 30, 2022 (32,698 shares plus accrued dividend equivalent shares); March 30, 2023 (32,698 shares plus accrued dividend equivalent shares.
- Mr. Schell: December 7, 2020 (90,825 shares plus accrued dividend equivalent shares); May 4, 2021 (76,876 shares plus accrued dividend equivalent shares); December 7, 2021 (66,472 shares plus accrued dividend equivalent shares); July 25, 2022 (468,823 shares plus accrued dividend equivalent shares); December 7, 2022 (37,399 shares plus accrued dividend equivalent shares). The number of PARSUs and dividend equivalent shares, as described above, that will be paid out at the end of the three-year vesting period is 22,389.
- Ms. Rivera: December 7, 2020 (84,203 shares plus accrued dividend equivalent shares); December 7, 2021 (63,220 shares plus accrued dividend equivalent shares); December 7, 2022 (34,147 shares plus accrued dividend equivalent shares). The number of PARSUs and dividend equivalent shares, as described above, that will be paid out at the end of the three-year vesting period is 22,389.
- Mr. Cho: December 7, 2020 (69,579 shares plus accrued dividend equivalent shares); July 1, 2021 (11,753 shares plus accrued dividend equivalent shares); December 7, 2021 (54,480 shares plus accrued dividend equivalent shares); December 7, 2022 (31,220 shares plus accrued dividend equivalent shares). The number of PARSUs and dividend equivalent shares, as described above, that will be paid out at the end of the three-year vesting period is 17,911.

(4) Value calculated based on the $17.96 closing price of our stock on October 30, 2020.

(5) The amounts in this column include the amounts of PARSUs granted in fiscal 2019 (50% of TSR units) and fiscal 2020 (Year 1 EPS units) plus accrued dividend equivalent shares. The TSR units for PARSUs granted in fiscal 2019 are reported based on threshold performance (50%), and the EPS units for PARSUs granted in fiscal 2020 are reported based on maximum (200%) performance. Actual payout will be on achievement of performance goals at the end of the three-year vesting period.

(6) Mr. Fieler has no outstanding equity awards as all unvested shares were forfeited when he departed the Company.

Option Exercises and Stock Vested in Fiscal 2020

The following table provides information about options exercised and stock awards vested for the NEOs during the fiscal year ended October 31, 2020:

	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	—	—	210,690	4,040,903
Marie Myers	—	—	—	—
Steven J. Fieler	—	—	248,927	5,079,912
Christoph Schell	—	—	254,140	4,529,727
Kim M. Rivera	—	—	155,854	2,994,345
Alex Cho	16,000	98,720	122,221	2,338,785

(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, 2020) 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 2020 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]	—	—	—	—
Steven J. Fieler	CAPP	1.3	$ 10,231	—
Christoph Schell[3]	—	—	—	—
Kim Rivera[3]	—	—	—	—
Alex Cho	RP	7.6	106,156	—
	EBP	7.6	15	—
	IRG	25.3	173,260	—

(1) The “RP” and the “EBP” are the qualified HP Retirement Plan and the non-qualified HP Excess Benefit Plan, respectively. “CAPP” is the qualified Cash Account Pension Plan. All benefits are frozen under these plans. The RP and CAPP have 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, and the immediate unreduced benefit from the CAPP using the assumptions under Accounting Standards Codification (ASC) Topic 715-30 Defined Benefit Plans—Pension for the 2020 fiscal year-end measurement (as of October 31, 2020). The present value is based on a discount rate of 2.77% for the RP (this discount rate also applies for CAPP but since the benefit is currently unreduced, there is no discounting applied), 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. As of October 31, 2019 (the prior measurement date), the ASC Topic 715-30 assumptions included a discount rate of 3.21% for the RP, 2.39% for the EBP, and 2.50% for the IRG, lump sum interest rates of 2.13% for the first five years, 3.07% for the next 15 years and 3.65% thereafter, and applicable mortality for lump sums with the respective mortality improvement scale applied for future years.

(3) Mr. Lores, Mr. Schell, and Ms. Rivera 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 2020 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. Fieler under CAPP and those accrued by Mr. Cho under the RP, EBP and IRG 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 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. 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.

Benefits not payable from the RP due to IRS limits are paid from the EBP under which benefits are unfunded and unsecured. When an EBP participant with relatively small benefits terminates they are paid their EBP benefit in January of the year following their termination, subject to any delay required by Section 409A of the Code.

Terms of the Cash Account Pension Plan (CAPP)

Mr. Fieler earned benefits under the CAPP based on his compensation beginning in September 2004 through the end of 2005, when benefits were frozen. While interest continues to accrue on the CAPP balance, no pay credits have been applied since the end of 2005. CAPP provided for 4% of pay credits to a cash balance account with interest credited at a 1-year Treasury bill plus 1% interest rate. The CAPP balance can be paid as a lump sum with the appropriate election and spousal consent if married or can be converted to annuity forms of payment.

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 2020 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	550,057	11,200	98,975	—	2,849,306
Marie Myers	212,926	—	1,483	—	214,409
Steven J. Fieler	—	—	1,437	20,109	—
Christoph Schell	11,368	11,200	4,565	25,945	58,731
Kim M. Rivera	—	—	2,008	—	30,320
Alex Cho	11,400	11,200	3,620	—	62,205

(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 2020 with respect to calendar year 2019 participant base pay deferrals. During fiscal 2020, 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 $1,251,677, Ms. Myers $0, Mr. Fieler $9,932, Mr. Schell $0, Ms. Rivera $8,840, and Mr. Cho $15,240. 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 2020 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 PfR incentive bonus payable under the annual PfR 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 year 2020 pertained to base pay from $280,000 to $560,000 during calendar year 2019). During fiscal 2020, 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 2020, 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, 2020 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	$ 8,661,743	$ 0	$0	$ 5,889,549	$2,762,194
	Disability	$ 13,059,334	$ 0	$0	$ 5,889,549	$7,159,785
	Retirement	$ 8,661,743	$ 0	$0	$ 5,889,549	$2,762,194
	Death	$ 13,059,334	$ 0	$0	$ 5,889,549	$7,159,785
	Not for Cause	$ 15,888,875	$7,227,132	$0	$ 5,889,549	$2,762,194
	Change in Control	$ 20,286,466	$7,227,132	$0	$ 5,889,549	$7,159,785
Marie Myers	Voluntary/For Cause	$ 0	$ 0	$0	$ 0	$ 0
	Disability	$ 1,796,171	$ 0	$0	$ 1,796,171	$ 0
	Retirement	$ 0	$ 0	$0	$ 0	$ 0
	Death	$ 1,796,171	$ 0	$0	$ 1,796,171	$ 0
	Not for Cause	$ 2,384,226	$1,985,065	$0	$ 399,161	$ 0
	Change in Control	$ 3,781,236	$1,985,065	$0	$ 1,796,171	$ 0
Christoph Schell	Voluntary/For Cause	$ 0	$ 0	$0	$ 0	$ 0
	Disability	$ 18,320,640	$ 0	$0	$ 14,018,566	$4,302,074
	Retirement	$ 0	$ 0	$0	$ 0	$ 0
	Death	$ 18,320,640	$ 0	$0	$ 14,018,566	$4,302,074
	Not for Cause	$ 11,203,959	$3,146,636	$0	$ 6,290,903	$1,766,420
	Change in Control	$ 21,467,276	$3,146,636	$0	$ 14,018,566	$4,302,074

Name	Termination Scenario	Total[1]	Severance[2]	Long Term Incentive Programs[3] Stock Options	Restricted Stock	PARSU
Kim M. Rivera[5]	Voluntary/For Cause	$ 0	$ 0	$0	$ 0	$ 0
	Disability	$ 7,492,636	$ 0	$0	$ 3,445,792	$4,046,844
	Retirement	$ 0	$ 0	$0	$ 0	$ 0
	Death	$ 7,492,636	$ 0	$0	$ 3,445,792	$4,046,844
	Not for Cause	$ 6,068,827	$2,902,335	$0	$ 1,485,149	$1,681,343
	Change in Control	$ 10,394,971	$2,902,335	$0	$ 3,445,792	$4,046,844
Alex Cho	Voluntary/For Cause	$ 0	$ 0	$0	$ 0	$ 0
	Disability	$ 6,713,275	$ 0	$0	$ 3,169,499	$3,543,776
	Retirement	$ 0	$ 0	$0	$ 0	$ 0
	Death	$ 6,713,275	$ 0	$0	$ 3,169,499	$3,543,776
	Not for Cause	$ 5,276,638	$2,525,687	$0	$ 1,303,770	$1,447,181
	Change in Control	$ 9,238,962	$2,525,687	$0	$ 3,169,499	$3,543,776

(1) Total does not include amounts earned or benefits accumulated due to continued service by the NEO through October 31, 2020, 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—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 certified. 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 year 2020, only Mr. Lores is retirement eligible.

(4) As of the end of fiscal 2020, Mr. Lores is retirement eligible (a minimum age of 55 plus years of service equal to or greater than 70 points).

(5) Ms. Rivera stepped down as President, Strategy and Business Management and Chief Legal Officer, effective February 1, 2021. Since stepping down from such positions, Ms. Rivera has continued to be employed by the Company as Special Advisor to the CEO, a non-executive officer role. In connection with this transition, Ms. Rivera entered into an agreement with the Company, pursuant to which Ms. Rivera will continue to be paid her annual base salary through December 31, 2021, her previously granted equity awards will continue to vest in accordance with their terms through such date, and she will be paid an annual cash bonus at target for fiscal year 2021, in each case subject to the terms of such agreement. Upon her termination, Ms. Rivera will be eligible to receive, unless terminated for cause, severance benefits which are consistent with the severance benefits provided for under the SPEO, as described under "Executive Compensation—Compensation Discussion and Analysis—Severance and Long-term Incentive Change in Control Plan for Executive Officers."

Mr. Fieler stepped down as our Chief Financial Officer and left the Company on October 2, 2020. Given that Mr. Fieler's departure was a voluntary resignation, he did not receive any severance payments or benefits in connection with his departure. He also did not receive any accelerated vesting of his outstanding equity awards.

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

Voluntary or "For Cause" Termination

In general, an NEO who remained employed through October 31, 2020 (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 2020 under the annual PfR 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, 2020, either voluntarily or in a "for cause" termination, would generally not have been eligible to receive any amount under the annual PfR 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, 2020 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 payable 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 Committee within 30 days of change in control.

Death or Disability Terminations

An NEO who continued in employment through October 31, 2020 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 2020 under the annual PfR 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, 2020 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 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 PfR 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 2020, 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.

Equity Compensation Plan Information

The following table summarizes our equity compensation plan information as of October 31, 2020.

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	34,775,994[3]	$16.3182	229,333,681[4]
Equity compensation plans not approved by HP stockholders	—	—	—
Total	34,775,994	$16.3182	229,333,681

(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, 2020. As of October 31, 2020, 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. 2011 Employee Stock Purchase Plan (the “2011 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 2004 Plan and 2011 ESPP. Also includes awards of PARSUs representing 2,879,350 shares that may be issued under the 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 200% of the target number of shares.

(4) Includes (i) 150,305,765 shares available for future issuance under the 2004 Plan; (ii) 74,935,925 shares available for future issuance under the 2011 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 229,333,681 shares were available for future grants as of October 31, 2020. The HP Inc. 2021 Employee Stock Purchase Plan (the “2021 ESPP”), which was approved by stockholders at the 2020 annual meeting of stockholders, will be effective on May 1, 2021. 50,000,000 shares will be available for future issuance under the 2021 ESPP. The 2021 ESPP will replace the 2011 ESPP, which will terminate on May 1, 2021.

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 2020 was $12,479,815. Our median employee’s annual total compensation was $88,448, resulting in a CEO pay ratio of 141:1.

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 are using the same median employee for our fiscal 2020 pay ratio calculation as we used in fiscal 2019 and 2018, as there have been no changes in employee population or compensation arrangements, such as any mergers, spinoffs, or mass layoffs, that would result in a significant change to our pay ratio disclosure.

— We calculated the median employee’s annual total compensation for fiscal 2020 using the same methodology that was used for our named executive officers, as set forth in the Summary Compensation Table.

Ownership of Our Stock

Common Stock Ownership of Certain Beneficial Owners and Management

The following table sets forth information as of December 31, 2020 (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 59; 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, 2021 (60 days after December 31, 2020) 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, 2021 and any RSUs vesting/settling, as applicable, on or before March 1, 2021 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
Dodge & Cox[(1)]	149,699,491	12.0%
The Vanguard Group[(2)]	119,024,801	9.5%
BlackRock, Inc.[(3)]	113,755,211	9.1%
Aida M. Alvarez	65,864	*
Shumeet Banerji	45,770	*
Robert R. Bennett	153,259	*
Charles "Chip" V. Bergh[(4)]	203,228	*
Stacy Brown-Philpot	68,338	*
Stephanie A. Burns	78,787	*
Mary Anne Citrino[(5)]	213,844	*
Richard L. Clemmer	20,006	*
Yoky Matsuoka	37,459	*
Judith ("Jami") Miscik	—	*
Stacey Mobley	68,338	*
Subra Suresh	73,077	*
Alex Cho	64,435	*
Steven J. Fieler	—	*
Enrique J. Lores[(6)]	689,026	*
Marie Myers	—	*
Kim M. Rivera	92,208	*
Christoph Schell	110,827	*
All current Executive Officers and Directors as a Group (20 persons)[(7)]	2,344,680	*

* Represents holdings of less than 1% based on shares of our common stock outstanding as of December 31, 2020.

(1) Based on the most recently available Schedule 13G/A filed with the SEC on February 11, 2021 by Dodge & Cox. According to its Schedule 13G/A, Dodge & Cox reported having sole voting power over 142,703,810 shares, shared voting power over no shares, sole dispositive power over 149,699,491 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 90,500,337 shares. The Schedule 13G/A contained information as of December 31, 2020 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.

(2) Based on the most recently available Schedule 13G/A filed by the Vanguard Group on February 10, 2021. According to its Schedule 13G/A, the Vanguard Group reported having sole voting power over no shares, shared voting power over 2,278,744 shares, sole dispositive power over 112,849,039 shares, and shared dispositive power over 6,175,762 shares. The Schedule 13G/A contained information as of December 31, 2020 and may not reflect current holdings of HP's stock. The address for the Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

(3) Based on the most recently available Schedule 13G/A filed with the SEC on January 29, 2021 by BlackRock, Inc. According to its Schedule 13G/A, BlackRock, Inc. reported having sole voting power over 99,361,029 shares, shared voting power over no shares, sole dispositive power over 113,755,211 shares and shared dispositive power over no shares. The Schedule 13G/A contained information as of December 31, 2020 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) Includes 146,148 shares that Mr. Bergh has the right to acquire by exercise of stock options.

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

(6) Includes 156,976 shares that Mr. Lores has the right to acquire by exercise of stock options.

(7) Includes 557,720 shares that current executive officers and Directors have the right to acquire by exercise of stock options.

Stockholder Proposal

STOCKHOLDER PROPOSAL:

Right to Act by Written Consent

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 4 – Shareholder Right to Act by Written Consent

Shareholders request that our board of directors take such steps as may be necessary to permit written consent by the shareholders entitled to cast the minimum number of votes that would be necessary to authorize an action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent.

This proposal topic won 88%-support at an AT&T annual meeting. We gave 51% support to this proposal topic in 2018. Plus we gave 49% support to this proposal topic in 2020. The 2020 vote was in effect a 51% vote because management put its hand on the scale in regard to the 2020 proposal. Management spent shareholder money to do extra advertisements against the 2020 proposal. Plus management also made it less difficult for shareholders to call a special shareholder meeting in an attempt to pacify shareholders. And this was before the shareholder right to call a special in-person shareholder meeting was eliminated by the 2020 pandemic.

The Bank of New York Mellon Corporation (BK) said it adopted written consent in 2019 after 45%-support for a written consent shareholder proposal. This was clearly less than our 51% vote. And this BK action was a year before the pandemic made in-person shareholder meetings a dinosaur - perhaps forever. It is so much easier for management to conduct an online shareholder meeting that management is now spoiled and will never want to return to an in-person shareholder meeting.

Shareholders need to be able to accomplish more outside of a shareholder meeting due to the onslaught of tightly controlled online shareholder meetings.

With the near universal use of online annual shareholder meetings, which can last only 10-minutes, shareholders are severely restricted in making their views known because all challenging questions and comments can be screened out.

For instance Goodyear management hit the mute button right in the middle of a formal shareholder proposal presentation at its 2020 shareholder meeting. Goodyear management simply did not want shareholders to hear constructive criticism.

Plus AT&T management would not allow any sponsors of shareholder proposals to speak at the 2020 AT&T online annual meeting during the pandemic.

Please see:

AT&T investors denied a dial-in as annual meeting goes online https://whbl.com/2020/04/17/att-investors-denied-a-dial-in-as-annual-meeting-goes-online/1007928/

Online meetings also give management a blank check to make false statements. For instance management at scores of 2020 online annual meetings falsely stated that there were no more shareholder questions. Online shareholders were powerless to point out that their questions were not answered.

Please see:

Schwartz-Ziv, Miriam, *How Shifting from In-Person to Virtual Shareholder Meetings Affects Shareholders' 'Voice* (August 16, 2020).

Available at SSRN: https://ssrn.com/abstract=3674998 or http://dx.doi.org/10.2139/ssrn.3674998

Now more than ever shareholders need to have the option to take action outside of a shareholder meeting since tightly controlled online shareholder meetings are a shareholder engagement wasteland.

Please vote yes:
Shareholder Right to Act by Written Consent - Proposal 4

Statement in Opposition

The Board has carefully reviewed this proposal and unanimously recommends a vote **AGAINST** it for the following key reasons:

— a nearly identical proposal was considered and rejected by stockholders at our 2020 Annual Meeting;

— the existing right of HP stockholders to call a special meeting of stockholders at a 15% threshold;

— HP's strong stockholder engagement practices year-round, including recently and specifically with respect to a proposal to permit stockholders to act by written consent without a meeting of stockholders; and

— the Board's belief that the proposal would circumvent the protections, procedural safeguards and advantages provided to all stockholders by stockholder meetings.

HP continually evaluates stockholder feedback and developments in corporate governance and implements appropriate changes to its corporate governance policies and practices that it believes are in the best interests of HP and its stockholders.

Our stockholders were given an opportunity to consider a nearly identical proposal at our 2020 Annual Meeting. At that meeting, an advisory proposal to provide stockholders with the ability to act by written consent without a meeting of stockholders failed to receive support from a majority of the shares present and entitled to vote on the proposal. Specifically, of the share present and entitled to vote, 49.7% supported the proposal, while 50.3% voted against the proposal or abstained from voting (which has the same effect as a vote against). As a percentage of outstanding shares, 37.5% supported the proposal.

Following the receipt of this proposal, the Board revisited its review and analysis from last year. Specifically, the Board considered whether there have been any material changes to the factors that the Board considered last year with respect to the potential adoption of a written consent right. After thorough consideration, the Board determined that adopting a written consent right is not in the best interests of HP or our stockholders at this time for the following reasons:

— a nearly identical written consent stockholder proposal having failed at our 2020 Annual Meeting;

— HP's most recent stockholder engagement conducted in January 2021, which included stockholders representing approximately 30% of our outstanding stock as of December 31, 2020, confirmed once again that many of our stockholders continue to be satisfied with our current corporate governance profile, robust record of engagement with and responsiveness to stockholders, and commitment to transparency;

— other governance rights we already provide our stockholders, including a meaningful proxy access right;

— the fact that the written consent process is less transparent and less democratic than action at a stockholder meeting, because stockholder action by written consent may not result in all stockholders receiving advance notice of a proposed action prior to its approval by written consent and does not permit a variety of views on a proposal to be exchanged;

— the fact that action by written consent can create substantial confusion and disruption, as different stockholder groups may solicit multiple written consents simultaneously, some of which may be duplicative or contradictory; and

— our current stockholder base and the relatively consistent presence of at least one stockholder that has owned or controlled the vote of more than 10% of our outstanding shares over the past few years, which makes the 15% threshold to call a special meeting realistic to achieve.

The Board also took note of the closeness of the vote on a written consent proposal at the 2018 Annual Meeting, where, of the shares present and entitled to vote, 50.4% (or 37.5% of our outstanding shares) supported the proposal. In response to the vote at the 2018 Annual Meeting, the Board conducted further engagement with our stockholders to better understand the vote results and incorporate stockholder feedback into the Board's ultimate response to that vote. Based on the feedback received from stockholders during such engagement, the Board determined it would be consistent with the wishes of the broadest group of our stockholders and responsive to the vote on the written consent proposal at the 2018 Annual Meeting to further facilitate the ability of stockholders to act in between annual meetings. Specifically, in lieu of adopting a written consent right, effective as of February 7, 2019, the Board amended our Bylaws to lower the threshold share ownership required to call a special meeting from 25% to 15% of our outstanding shares. We believe that stockholder support of the Board's response to the vote on the written consent proposal at the 2018 Annual Meeting is evidenced by our stockholders rejecting a nearly identical proposal at the 2020 Annual Meeting.

For all of the above reasons, the Board continues to believe that the risk of abuse associated with stockholder action by written consent, including bypassing procedural protections that offer transparency and advance notice, both of which are afforded with a stockholder meeting, as well as HP's commitment to good corporate governance, HP's strong stockholder engagement program and HP stockholders' existing right to call a special meeting with a 15% threshold, make this proposal not in the best interest of all of our stockholders.

Board Recommendation

The Board believes that adoption of this proposal is unnecessary and not in HP's or our stockholders' best interests for the reasons described above. Accordingly, the Board recommends that you vote AGAINST this proposal.

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 13, 2021. 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 2020 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 2021 annual meeting of stockholders; and

— our 2020 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended October 31, 2020.

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:

INTRADO
Attn: Client Support (HPQ Materials Request)
11 Farnsworth Street, 4th Floor
Boston, MA 02210

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 2020 Form 10-K and other financial information?

Stockholders may request a free copy of our combined 2020 Annual Report and 2021 Proxy Statement, which includes our 2020 Form 10-K and the financial statements and the financial statement schedules for the last completed fiscal year, from:

INTRADO
Attn: Client Support (HPQ Materials Request)
11 Farnsworth Street, 4th Floor
Boston, MA 02210
https://investor.hp.com/resources/information-request/default.aspx

Alternatively, stockholders can access the 2020 Annual Report on HP's Annual Meeting site:

www.hpannualmeeting.com

All of HP's filings, including the 2020 Form 10-K are also available on HP's Investor Relations site:

https://investor.hp.com

We also will furnish any exhibit to the 2020 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
Stockholder Proposal: Right to Act by Written Consent	**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), and AGAINST the stockholder proposal regarding written consent).

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 8, 2021, 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 16, 2021, 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 1,246,598,418 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/HPQ2021

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 8, 2021 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 8, 2021 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 8, 2021 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 16, 2021 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/HPQ2021*. 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/HPQ2021*. 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 four 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 25, 2021. 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 14, 2021; and
- not later than the close of business on January 13, 2022.

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), in general the notice must be received by the Corporate Secretary between the close of business on December 14, 2021 and the close of business on January 13, 2022, 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 14, 2021; and

— not later than the close of business on December 14, 2021.

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

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2020 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, 2020

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 $22,154,410,824 based on the last sale price of common stock on April 30, 2020.

The number of shares of HP Inc. common stock outstanding as of November 30, 2020 was 1,289,636,312 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Document Description	10-K Part
Portions of the Registrant's definitive proxy statement related to its 2021 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A within 120 days after Registrant's fiscal year end of October 31, 2020 are incorporated by reference into Part III of this Report.	III

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HP Inc. and Subsidiaries

Form 10-K

For the Fiscal Year ended October 31, 2020

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, performance, market share or competitive performance relating to products or services; 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 or disputes; 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; 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 need to address the many challenges facing HP's businesses; 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 and reseller landscape; the development and transition of new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends; successfully competing and maintaining the value proposition of HP's products, including supplies; the need to manage third-party suppliers, 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; 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; 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; risks associated with HP's international operations; the execution and performance of contracts by HP and its suppliers, customers, clients and partners; disruptions in operations from system security risks, data protection breaches, cyberattacks, extreme weather conditions, medical epidemics or pandemics such as the COVID-19 pandemic, and other natural or manmade disasters or catastrophic events; the impact of changes in 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.

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, an employee matters agreement and various other agreements which remain enforceable that provide a framework for the continuing relationships between the parties.

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 other related accessories, software, support and services. The Printing segment provides consumer and commercial printer hardware, supplies, services and solutions, as well as scanning devices. 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 other related accessories, 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 a multi-operating system, multi-architecture strategies using Microsoft Windows, Google Chrome, Android operating systems and use predominantly 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 designs, security, serviceability, connectivity, reliability and manageability in networked and cloud-based environments. 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 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, staying informed and secure. These systems include HP Spectre, HP Envy, HP Pavilion, HP Chromebook, HP Stream, Omen by HP lines of notebooks and hybrids and HP Envy, HP Pavilion desktops and all-in-one lines, and Omen by HP desktops.

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 and commercial mobility devices;
- *Desktops* includes consumer desktops, commercial desktops, thin clients, and retail POS systems;
- *Workstations* consists of desktop workstations and accessories; 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. HP goes to market through its extensive channel network and directly with HP sales. 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 Hardware* consists of office printing solutions, graphics solutions and 3D printing and digital manufacturing, excluding supplies;
— *Consumer Hardware* 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 small businesses 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 alternate sources of supply or alternate sources of supply are readily available. 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 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 depend on third-party suppliers, and our financial results could suffer if we fail to manage our suppliers effectively" 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 depend on third-party suppliers, and our financial results could suffer if we fail to manage our suppliers effectively" 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, for example, regarding 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. In addition, we believe that future growth is dependent in part on our ability to develop products and sales models that target developing countries. In this regard, 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. 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 and services, 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, 2020, 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 continue to develop, 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. 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 and support, security, availability of application software and internet infrastructure offerings, 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 in the power of technology to enable people and communities to change the world for the better. Sustainable impact is fundamental to our reinvention journey, fueling our innovation and growth, strengthening our business for the long term and enabling us to develop and deliver the best solutions to our customers.

Our approach covers a broad range of sustainability issues across three pillars: Planet, People and Community. We prioritize issues based on their relative importance to our culture, business success and sustainable development.

Planet. We aim to grow our business, not our footprint, and support our customers to do the same by transforming our entire business to drive a more efficient, circular, and low-carbon economy and by enabling our customers to invent the future through our most sustainable portfolio of products and services.

People. We champion dignity, respect and empowerment for all people with whom we work, and strive to respect human rights and embed diversity and inclusion in everything we do. We are committed to doing our part to enable all people who help bring our products to market to thrive at work, at home and in their communities.

Community. Through our technology, time and resources, we work to catalyze positive change in communities where we live, work and do business. As a result, we aim to unlock educational and economic opportunity through the power of technology and improve the vitality and resilience of our local communities.

Goals. Our current long-term sustainability goals are:

Planet

- Use 30% post-consumer recycled content plastic ("RCP") across our personal systems and print portfolio by 2025 (which refers to RCP as a percentage of total plastic used in all HP personal systems, printer hardware, and print cartridges shipped during the reporting year);
- Eliminate 75% of single-use plastic packaging by 2025, compared to 2018. (Calculated as the percentage of primary plastic packaging (by weight) reduced per unit shipped).
- Use 100% renewable electricity in our global operations by 2035, with an interim goal of 60% by 2025;
- Consistent with a science-based reduction target in line with 1.5°C, reduce Scope 1 and Scope 2 greenhouse gas ("GHG") emissions in our global operations by 60% by 2025, compared to 2015;
- Reduce the GHG emissions intensity of HP's product portfolio use (which refers to per unit GHG emissions during anticipated product lifetime use weighted by contribution of personal systems and printing products to overall revenue arising from the use of more than 99% of HP product units shipped each year) by 30% by 2025, compared to 2015;
- Reduce first-tier production supplier and product transportation-related GHG emissions intensity (which refers to the portion of first-tier production and product transportation suppliers' reported GHG emissions attributable to HP divided by HP's annual net revenue) by 10% by 2025, compared to 2015;
- Help suppliers cut 2 million tonnes of carbon dioxide equivalent (CO_2e) emissions between 2010 and 2025;
- Recycle 1.2 million tonnes of hardware and supplies by 2025, since the beginning of 2016; and
- Reduce potable water consumption across global operations by 35% by 2025, compared to 2015 with a focus on high risk sites;

People

- Double our number of Black and African American executives by 2025.
- Develop skills and improve well-being of 500,000 factory workers by 2025, since the beginning of 2015;
- Double factory participation in our supply chain sustainability programs by 2025, compared to 2015; and
- Maintain greater than 99% completion rate of annual Integrity@HP training among active HP employees and the Board of Directors.

Community

- 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;
- Contribute $100 million in HP Foundation and employee community giving cumulatively by 2025 since the beginning of 2016; and
- Contribute 1.5 million employee volunteering hours cumulatively by 2025, since the beginning of 2016.

For more information on our sustainability goals, programs, 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, 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 carbon pricing or product energy efficiency requirements. As these and other new laws, regulations, treaties and similar initiatives and programs are adopted and implemented throughout the world, we will be required 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 less greenhouse gas-intensive 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" 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

HP's approximately 53,000 employees worldwide power our innovation, contributing unique perspectives and a growth mindset to create breakthrough technologies and transformative solutions. We are committed to fostering a diverse and inclusive workplace that attracts and retains exceptional talent. Through ongoing employee development, comprehensive compensation and benefits, and a focus on health, safety and employee wellbeing, we strive to help our employees in all aspects of their lives so they can do their best work, every single day.

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.

Our commitment to diversity and inclusion starts at the top with a highly skilled and diverse board. We are among the top technology companies for women in executive positions. Women represent 29.6% of HP's full-time executive positions and 32.3% of full-time director-level employees. We are committed to increasing representation of women at HP overall, but particularly in leadership and technical roles globally.

This focus also extends to underrepresented minorities in the United States. HP is committed to doubling the number of Black and African American executives by 2025.

Women represent 36.9% of HP's worldwide employees and racial and ethnic minorities represent 28.9% of HP's U.S. employees as of October 31, 2020. In 2020, 62.0% of our U.S. hires were from underrepresented groups, including women, U.S. Ethnicities, veterans and people with disabilities.

To ensure leadership maintains a strong focus on diversity and inclusion, each executive leader has individual performance goals under the Management by Objectives ("MBOs") program tied to diversity and inclusion. The board also has ongoing oversight of diversity and inclusion programs.

For additional information regarding our diversity and inclusion programs, please see the section titled "Our Approach to Human Capital Management" in HP's 2021 Proxy Statement.

Pay Equity

We believe people should be paid 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 market data and consider factors such as an employee's role and experience, the location of their job, 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 and with the support of independent third-party experts in this field, HP has reviewed the compensation of employees to ensure consistent pay practices by conducting a pay equity analysis annually comparing employees in the same role within a country/location.

HP expanded its annual pay equity assessment in 2020 - evaluating eight countries with our largest employee populations, representing 65% of our global workforce. The independent analysis found no systemic issues and any outliers were addressed as part of the normal off-cycle compensation review process.

Employee Engagement

We regularly collect feedback to better understand and improve the employee experience and identify opportunities to continually strengthen our culture. In 2020, 96% of employees participated in our annual employee survey. Last year we achieved highest level of employee engagement (top quartile). Employees' highest rated areas were the following: diversity and inclusion (95%) and ethics and integrity (95%).

Training and Development

Human capital development underpins our efforts to execute our strategy and continue to develop, manufacture and market innovative products and services. We continually invest in our employees' career growth and provide employees with a wide range of development opportunities, including face-to-face, virtual, social and self-directed learning, mentoring, coaching, and external development. In 2020, 98% of employees participated in learning and development activities.

Health, Safety and Wellness

The physical health, financial wellbeing, life balance and mental health of our employees is vital to HP's success.

Our environmental, health, and safety leadership team uses our global injury and illness reporting system to assess trends regionally and worldwide 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. Managing and reducing 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.

Since the onset of the COVID-19 pandemic, we have taken an integrated approach to helping our employees manage their work and personal responsibilities, with a strong focus on employee wellbeing, health and safety. Refer to "Our COVID-19 Response" included in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for information on actions taken by HP to support its employees during the COVID-19 pandemic.

Information about our Executive Officers

The following are our current executive officers:

Claire Bramley; age 43; Global Controller

Ms. Bramley has served as Global Controller since December 2018. Previously, Ms. Bramley served as the Regional Head of Finance for Europe-Middle East-Africa from June 2015 to December 2018 and Vice President of Worldwide Financial Planning and Analysis from May 2013 to June 2015.

Alex Cho; age 48; 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.

Tracy S. Keogh; age 59; Chief Human Resources Officer

Ms. Keogh has served as Chief Human Resources Officer since November 2015. Previously, Ms. Keogh served as Executive Vice President, Human Resources of Hewlett-Packard Company from April 2011 to November 2015. Prior to joining Hewlett-Packard Company, Ms. Keogh served as Senior Vice President of Human Resources at Hewitt Associates, a provider of human resources consulting services, from May 2007 until March 2011.

Enrique Lores; age 55; President and Chief Executive Officer

Mr. Lores has served as President and Chief Executive Officer since November 2019. Throughout his 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.

Marie Myers; age 52; Acting Chief Financial Officer and Chief Transformation Officer

Ms. Myers has served as Acting Chief Financial Officer since October 2020 and as Chief Transformation Officer since June 2020. Previously she served 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.

Kim Rivera; age 52; President, Strategy and Business Management and Chief Legal Officer

Ms. Rivera has served as President, Strategy and Business Management and Chief Legal Officer since January 2019. Previously, she served as Chief Legal Officer and General Counsel from November 2015 to January 2019. Prior to joining us, she served as the Chief Legal Officer and Corporate Secretary at DaVita Health Care Partners where she was employed from 2010 to 2015. From 2006 to 2009, she served as Vice President and Associate General Counsel at The Clorox Company. Prior to that, Ms. Rivera served as Vice President Law and Chief Litigation Counsel to Rockwell Automation as well as General Counsel for its Automation Controls and Information Group.

Christoph Schell; age 49; 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 53; 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.

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, adversely 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 substantial curtailment of business activities (including the decrease in demand for a broad variety of goods and services), weakened economic conditions, supply chain disruptions, significant economic uncertainty and volatility in the financial markets, both in the United States and abroad.

The COVID-19 pandemic is adversely impacting, and is expected to continue to 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 and as people moved to spending 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, we expect decreased sales of products for in-office consumption in some markets and channels. While this decrease in demand has been partially offset by increased sales of certain products for in-home consumption, we are unable to predict for how long or to what extent this increase will continue. 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 to continue to have a negative impact on our results of operations.

Additionally, we have experienced temporary factory closures and other supply chain disruptions as a result of COVID-19, and we may continue to experience such disruptions. For example, our manufacturing sites, including in China and Southeast Asia, as well as those of our suppliers and outsourcing partners, were adversely impacted by COVID-19 as a result of quarantines, facility closures, and travel and logistics restrictions. As of the end of fiscal year 2020, our factories have returned to largely normalized levels. These disruptions in Asia resulted in temporary supply shortages that affected 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 and financial condition.

We continue to have significant sources of cash and liquidity and access to committed credit lines, but a prolonged period of generating lower cash from operations could adversely affect our 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, closing facilities and offices, and implementing work-from-home policies for employees. In particular, our remote work arrangements, coupled with stay-at-home orders and quarantines, 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.

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: 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. Further, 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.

If we are unsuccessful at addressing our business challenges, our business and results of operations may be adversely affected and our ability to invest in and grow our business could be limited.

Our business faces many challenges we must address. One set of challenges relates to dynamic and accelerating market trends, which may include declines in the markets in which we operate. For example, a competitive pricing environment and weakened market in certain geographies with associated customer pricing sensitivity has presented market challenges in Printing. A second set of challenges relates to changes in the competitive landscape. Our primary competitors are exerting increased 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. For example, we may fail to develop innovative products and services, maintain the manufacturing quality of our products, manage our global, multi-tier distribution network, limit potential misuse of pricing programs by our channel partners, exclude imitation print supplies from our printers with technological protection measures, adapt to new or changing marketplaces or successfully market new products and services, any of which could adversely affect our business and financial condition. In addition, we currently face, and may face in the future, an unpredictable macroeconomic environment, which may exacerbate these challenges. If we do not succeed in our efforts to mitigate these challenges, or if these efforts are more costly or time-consuming than expected, our business and results of operations may be adversely affected, which could limit our ability to invest in and grow our business.

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. 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 harmed.

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 to their products and services compared to the resources allocated to our competing products and services.

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 results of operations could be adversely affected.

We face aggressive price competition and may have to continue lowering 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, we may spend a proportionately greater amount 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 a 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. For example, non-original supplies (including imitation, refill or remanufactured alternatives) for some of our LaserJet toner and InkJet cartridges compete with our Printing Supplies business.

Customers are increasingly using online and omnichannel resellers and distributors to purchase our products. These resellers and distributors often sell our products alongside competing products, including non-original print 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 successfully execute our strategy and continue to develop, manufacture and market innovative products and services, our business and financial performance may suffer.

Our strategy is focused on leveraging our existing portfolio of products and services to meet the demands of a changing technological landscape and to offset certain areas of industry decline. To successfully execute this strategy, we must emphasize the aspects of our core business where demand remains strong, identify and capitalize on natural areas of growth, innovate and develop new products and services that will enable us to expand beyond our existing technology categories and adapt to new and changing marketplaces for our products. For example, our go-to-market strategy, including online, omnichannel and contractual sales, needs to evolve with market dynamics, forces and demand. In fiscal year 2020, we created a single commercial organization led by a newly-created chief commercial officer role. If we cannot innovate, develop and execute evolutionary strategies in this changing environment (including our end to end business model in Print), then we may not be able to successfully compete and maintain the value proposition of our products, including supplies. Any failure to successfully execute this strategy, including any failure to invest sufficiently in strategic growth areas, could adversely affect our business, results of operations, cash flows and financial condition. Moreover, the process of developing new high-technology products and services and enhancing existing products and services is complex, costly and uncertain, and any failure by us to anticipate customers' changing needs and emerging technological trends accurately could significantly harm our market share, cash flows, results of operations and financial condition.

To execute our strategy, we must optimize our cost structure, make long-term investments, develop or acquire and appropriately protect intellectual property, and commit significant research and development and other resources before knowing whether our predictions will accurately reflect customer demand for our products and services. Any failure to accurately predict technological and business trends, control research and development costs or execute our strategy could harm our business and financial performance. Our research and development initiatives or other investments may not be successful in whole or in part, including research and development projects which we have prioritized with respect to funding and/or personnel, and our customers may not adopt our new business models.

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 may eventually supplant ours if we are unable to keep pace with technological advances and end-user requirements and preferences and timely enhance our existing products and technologies or develop new ones. Our competitors may also create products that replace ours. As a result, any of our products and technologies may be rendered obsolete or uneconomical.

After we develop a product, we must be able to manufacture appropriate volumes quickly 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 at 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, operating margins for some new products and businesses may not be as high as the margins we have experienced historically or that we had expected.

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 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 or their employees. 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 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 defective 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. 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 could face possible 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.

The net revenue and profitability of our operations have historically varied, which makes our future financial results less predictable.

Our net revenue, gross margin and profit vary among our portfolio of products and services, customer groups and geographic markets and therefore will likely be different in future periods than our current results. 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. For example, a combination of a higher consumer mix within both Personal Systems and Print hardware and lower rate in commercial print negatively impacted gross margin in fiscal 2020. 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 and profitability. In addition, newer geographic markets can be relatively less profitable due to our investments associated with entering those markets and local pricing pressures, and we can have 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 recently experienced declining revenues due to declines in market share, installed base and usage, and increased customer pricing sensitivity. 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.

We depend on third-party suppliers, and our financial results could suffer if we fail to manage our suppliers effectively.

Our operations depend on our ability to anticipate our needs for components, products and services, as well as our suppliers' ability to deliver sufficient quantities of quality components, products and services at reasonable prices and in time for us to meet schedules for the delivery of our products and services. 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 could 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 and increased tariffs, which could increase the cost of certain components, products and services that we may not be able to offset. 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 may decide to discontinue business with us. 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 may 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 faced during the transition to new suppliers. For example, we experienced disruptions in our manufacturing and supply chain during the COVID-19 pandemic, which resulted in temporary supply shortages that negatively affected our ability to fulfill demand for Personal Systems and Printing products worldwide. Additionally, our Personal Systems business relies heavily upon OMs to manufacture its products and is therefore dependent upon the continuing operations of those OMs to fulfill demand for our products. We represent a substantial portion of the business of some of these 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 products from that OM. If shortages or delays persist, the price of certain components may increase, 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. If we cannot adequately address supply issues, we might 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 may make advance payments to suppliers or enter into non-cancelable commitments with vendors. In addition, we may purchase components strategically 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 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, and 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, our OMs and suppliers may decide to discontinue business with 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 our use of such workers could adversely affect our results of operations. We have been exposed to legal claims relating to the status of contingent workers in the past and could face similar claims in the future. We may be subject to shortages, oversupply or fixed contractual terms relating to contingent workers. Our ability to manage the size of, and costs associated with, the contingent workforce may be subject to additional constraints imposed by local laws.

— *Working conditions, human rights and materials sourcing.* We work with our suppliers to improve their labor practices, working conditions, and respect for human rights, such as by including requirements in our agreements with our suppliers that workers receive fair treatment, safe working conditions and freely chosen employment, that materials are responsibly sourced and that business operations are conducted in a socially and environmentally responsible and ethical way. Brand perception, customer loyalty and legal compliance could be adversely impacted by a supplier's improper practices or failure to comply with the above-mentioned requirements or those included in our Supplier Code of Conduct, General Specification for the Environment and other related provisions and requirements of our procurement contracts, including supplier audits, reporting of smelters, human rights due diligence, wood fiber certification (for HP brand paper and product packaging) and GHG emissions, water and waste data.

— *Single-source suppliers.* We obtain a significant number of components from single sources 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 from only one source initially until we have evaluated 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, such as customized components and some of the processors that we obtain from Intel, or the laser printer engines and toner cartridges that we obtain from Canon, alternative sources either may not exist or may be unable to produce the quantities of those components necessary to satisfy our production requirements. In addition, we sometimes 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 such 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 a single-source supplier, the deterioration of our relationship with 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 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 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 or the loss or deterioration of any alliance or distribution arrangement or reduced assortments of our products. 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. Considerable 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. 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 therefore make forecasting and managing multi-tiered channel inventory more difficult. Further, if we were to expand direct distribution initiatives, distributors could consider such initiatives to conflict with their business interests and reduce their investment in the distribution and sale of our products, or to cease all sales of our products. Sales of our products by channel partners to unauthorized resellers or unauthorized resale of our products could also 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 and maintain consistent pricing, and negatively impacting gross margins. If we have excess or obsolete inventory, we may have to reduce our prices and write down inventory. 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 channel partners globally to comply with applicable regulatory requirements. To the extent they fail to do so, that could have a material adverse effect on our business, operating results, 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 or global logistics disruptions 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 some seasonal trends in the sale of our products that also 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 prior to new budget constraints in the first calendar quarter of the following year. Consumer sales are often higher in the fourth calendar quarter due in part to seasonal holiday demand. European sales are often weaker during the summer months. Demand during the spring and early summer also may be adversely impacted by market anticipation of seasonal trends. 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 margin prior to or shortly after such product launches. Typically, our fourth fiscal quarter is our strongest by revenues. Many of the factors that create and affect seasonal trends are beyond our control.

Any failure by us to identify, manage and complete acquisitions, divestitures and other significant transactions successfully could harm our financial results, business and prospects.

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:

- Managing these transactions requires varying levels of management resources, which may divert our attention from other business operations.
- We may not fully realize the anticipated benefits of any particular transaction, and the timeframe for realizing the benefits of a particular transaction may depend upon the actions of employees, advisors, suppliers, other third-parties, competition or market trends.
- Certain transactions have resulted, and in the future may result, in significant costs and expenses, including those related to severance pay, early retirement costs, employee benefit costs, goodwill and impairment charges, charges from the elimination of duplicative facilities and contracts, inventory adjustments, assumed litigation and other liabilities, legal, accounting and financial advisory fees, and required payments to executive officers and key employees under retention plans.
- Any increased or unexpected costs, unanticipated delays or failures to meet contractual obligations could make these transactions less profitable than anticipated or unprofitable.
- 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.
- The pricing and other terms of our contracts for these transactions require us to make estimates and assumptions at the time we enter into these contracts, and we may not identify all factors necessary to estimate accurately our costs, timing and other matters or we may incur costs if a transaction is not consummated.
- In order to complete a transaction, we may issue common stock, potentially creating dilution for our existing stockholders.
- We may borrow to finance these transactions, and the amount and terms of any such debt, as well as other factors, could affect our liquidity and financial condition.
- These transactions could adversely impact our effective tax rate.
- Any announced transaction may not close on the expected timeframe or at all, which may cause our financial results to differ from expectations in a given quarter.
- These transactions may lead to litigation.
- If we fail to identify and 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 greater dis-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, including jurisdictions with opaque regulatory frameworks, and any delays in the timing of such approvals could materially delay the transaction or prevent it from closing.

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 of the businesses.

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, including the plans announced in October 2016 (as amended in May 2018), and the plan announced in October 2019. 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 the cost savings and benefits that were initially anticipated. We currently plan to invest some of the savings from our 2020 restructuring plan across our businesses, including investing to build our digital capabilities, and if we are unable to obtain the anticipated cost savings, our ability to make those investments 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, adverse effects on employee morale, loss of key employees and/or other retention issues during transitional periods. Reorganization and 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 continue to develop, 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, our enforcement of our IP rights of our InkJet printer supplies against infringers may be successfully challenged or our IP rights may be successfully circumvented. 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; this, too, 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.

Some of our business and some of our 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, or 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 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. For instance, we rely on Canon to enforce IP rights associated with certain LaserJet products. Failure by Canon to do so could impair our ability to protect our market share for those products.

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. These assertions have increased over time, particularly in the United States. 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, multifunction devices and printers) alleged to be copying devices under applicable laws. Other such groups have also sought to modify existing levy schemes to increase the amount of the levies that can be collected from us. Other countries that have not imposed levies on these types of devices are expected to extend existing levy schemes, and countries that do not currently have levy schemes may decide to impose copyright levies. 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 or nation-states, 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 also involve the deployment of viruses, worms, ransomware and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products, or attempt to fraudulently induce our employees, customers, or others to disclose passwords or other sensitive information or unwittingly 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 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 harming 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 us to combat cyber or other security problems 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, even if nothing has been attempted or occurred, 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 problems, such measures cannot provide absolute security and may not be successful in preventing future security breaches. Moreover, these threats are constantly evolving, thereby increasing the difficulty of successfully defending against them or implementing adequate preventative measures. In some instances, we may have no current capability to detect certain vulnerabilities, which may allow them to persist in the environment 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 impacts will not be material in the future.

We manage and store proprietary information and sensitive or confidential data relating to our business and our customers. Breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about us, our clients or our customers, including the potential loss or disclosure of such information or data as a result of deception, can expose us, our customers or the individuals affected to a risk of loss or misuse of this information, damage our brand and reputation or otherwise harm our business, and result in government enforcement actions and 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 of up to the greater of 4% of worldwide annual turnover and/or €20 million. Additionally, in the United States, California has adopted, and several states are considering adopting, laws and regulations imposing varying obligations regarding the handling of personal data. We also 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 further data protection measures could be significant.

Portions of our IT infrastructure, including portions 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. Any such events 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 depends to a significant degree on attracting clients to our services, retaining these clients and maintaining or increasing the level of revenues from these clients. 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 clients, or our clients 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 attached to services we provide, our retirement or lack of support for our services, our clients selecting alternative technologies to replace us, the cost of our services as compared to the cost of services offered by our competitors, general market conditions or other reasons. We may not be able to replace the revenue and earnings from lost clients 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 in the event a client terminates a services agreement early or reduces the scope of the agreement. Our clients 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 some of our 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 engagements, including delays caused by factors outside our control, 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 we may have anticipated from our services businesses within the timelines anticipated, 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 and other key employees, including those in managerial, technical, development, sales, marketing and IT support positions. 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 IT industry can be intense. In order to attract and retain executives and other 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 the anticipated value of equity-based incentive awards does not materialize, if our equity-based compensation otherwise ceases to be viewed as a valuable benefit, if our total compensation package is not viewed as being competitive, or if we do not obtain the stockholder approval needed to continue granting equity-based incentive awards in the amounts we believe are necessary, our ability to attract, retain and motivate executives and key employees could be weakened. Our employee hiring and retention also depend on our ability to build and maintain a diverse and inclusive workplace culture that enables our employees to thrive. Additionally, changes in immigration policies may impair our ability to recruit and hire technical and professional talent. Our failure to successfully hire executives and key employees or the loss of executives and key employees could have a significant impact on our 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.

Our business could be negatively impacted as a result of actions by activist stockholders or others.

Recently, HP was the target of a proxy contest and exchange offer by Xerox Holdings Corporation in connection with its unsolicited offer to acquire HP. While Xerox ultimately terminated its offer and withdrew the slate of director candidates it had nominated, if similar actions were taken in the future or we were the target of other activist shareholders in the future, our business could be adversely affected because responding to such actions can be costly and time-consuming, disruptive to our operations and divert the attention of management and our employees. Moreover, such actions may create perceived uncertainties among current and potential customers, clients, suppliers, employees and other constituencies as to our future direction, which could result in lost sales and the loss of business opportunities and make it more difficult to attract and retain qualified personnel and business partners. In addition, actual or perceived actions of activist stockholders may cause significant fluctuations in our stock price that do not necessarily reflect the underlying fundamentals and prospects of our business.

Some anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

We have provisions in our certificate of incorporation and bylaws each of which could have the effect of rendering more difficult or discouraging an acquisition of HP judged as undesirable by our Board of Directors. These include provisions: 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 conduct of 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. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, which prevents some stockholders from engaging in certain business combinations without approval of the holders of substantially all our outstanding common stock.

Any provision of our certificate of incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control of HP could limit the opportunity for our stockholders to receive a premium for their shares of our stock and also could affect the price that some investors are willing to pay for 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 and uncertainty in markets throughout the world 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. 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, including continued uncertainty surrounding Brexit, 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.

Economic weakness and uncertainty and political or nationalist sentiment impacting global trade, including the willingness of non-U.S. consumers to purchase goods or services from U.S. corporations, may adversely affect demand for our products and services, may result in increased expenses due to higher allowances for doubtful accounts and potential goodwill and asset impairment charges, and may make it more difficult for us to accurately forecast revenue, gross margin, cash flows and expenses.

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.

Continued 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 discontinuation, modification or reform of LIBOR and the implementation of alternative reference rates could result in an increase in our interest expense. 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 64% of our net revenue for fiscal year 2020 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 any other changes resulting from Brexit;
- 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 the impact of tariffs between the United States and China on a wide variety of products;
- trade regulations and procedures and actions 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;
- political or nationalist sentiment impacting global trade, including the willingness of non-U.S. consumers to purchase goods or services from U.S. corporations;
- 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;
- managing a geographically dispersed workforce;
- changes or uncertainty in the international, national or local regulatory and legal environments;
- 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;
- changes in tax laws; and
- fluctuations in freight costs, limitations on shipping and receiving capacity, and other disruptions in the transportation and shipping infrastructure at important geographic points of exit and entry 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. For example, we rely on manufacturers in Taiwan for the production of notebook computers and other suppliers in Asia for product assembly and manufacture.

Beginning in 2018, the United States commenced certain trade actions, including imposing tariffs on certain goods imported from China and other countries, which has resulted in retaliatory tariffs by China and other countries. Additional tariffs imposed by the United States on a broader range of imports, or further retaliatory trade measures taken by China or other countries in response, could increase the cost of our products and the components that go into making them. Tariffs or other trade restrictions could adversely impact our overall gross margin and profitability. Tariffs or other trade-related actions could also disrupt our manufacturing and supply chain, or those of our key suppliers. For example, we rely on manufacturers and suppliers in Asia for the production of notebook computers.

In many countries, particularly in those with developing economies, there are companies that engage in business practices prohibited by laws and regulations applicable to us, such as the Foreign Corrupt Practices Act of 1977, as amended. Although we implement policies, procedures and training designed to facilitate compliance with these laws, our employees, contractors and agents, as well as those of the companies to which we outsource certain of our business operations, may take actions in violation of our policies. Any such violation, even if prohibited by our policies, could have an adverse effect on our business and reputation.

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 associated uncertainty may cause currencies to fluctuate, which may contribute to variations in our sales of products and services in impacted jurisdictions. For example, the United Kingdom's withdrawal from the European Union (commonly known as "Brexit") has caused significant volatility in currency exchange rates, especially between the U.S. dollar and the British pound, and continued uncertainty regarding the withdrawal may continue to cause exchange rate volatility. In addition, if one or more European countries were to replace the euro with another currency, our sales into such countries, or into Europe generally, would likely be adversely affected until stable exchange rates are established. 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. The effectiveness of our hedges depends on our ability to accurately forecast future cash flows, which is particularly difficult during periods of uncertain demand for our products and services and highly volatile exchange rates. We may incur significant losses from our hedging activities due to factors such as demand volatility. In addition, our hedging activities 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 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, power or water shortages, natural disasters, fires, extreme weather conditions (whether as a result of climate change or otherwise), 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. In addition, global climate change may result in certain natural disasters occurring more frequently or with greater intensity, such as drought, wildfires, storms, sea-level rise, and flooding. 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. 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 issues. The ultimate impact on us, our significant suppliers, our distributors and our general infrastructure of being located near locations more vulnerable to the occurrence of the aforementioned business disruptions and being 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 results of operations.

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 further impact us in a similar manner and may have a negative impact on our liquidity, capital position and access to capital markets.

Our level of indebtedness and related debt service obligations could adversely affect our business and financial condition.

As of October 31, 2020, we had an aggregate of $6.2 billion of outstanding indebtedness that will mature between fiscal year 2021 and fiscal year 2041 and we had availability under our revolving credit facility of $4.0 billion, availability under our 364-day revolving credit facility of $1.0 billion, and $725 million available from uncommitted lines of credit. 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. Moreover, our indebtedness increases our vulnerability to general adverse economic and industry conditions. Further, we may be required to raise additional financing for working capital, capital expenditures, debt service obligations, debt refinancing, future acquisitions or other general corporate purposes. Our ability to arrange additional financing or refinancing 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, which could adversely impact our ability to service our outstanding indebtedness or to repay our outstanding indebtedness as it becomes due and adversely impact our business and financial condition. Additionally, further borrowings may increase the risk of a future downgrade in our credit ratings, which could increase future debt costs and limit the future availability of debt financing.

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. While we believe that these estimates and assumptions are reasonable under the circumstances, they 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 prohibiting them outright. For example, we are subject to environmental laws, regulations and standards, including laws addressing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the clean-up of contaminated sites, the content of our products and the recycling, reuse, treatment and disposal of our products, including print supplies and batteries. 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. If we were to violate or become liable under environmental laws or if our products become non-compliant with environmental laws, we could incur substantial costs or face other sanctions, which may include restrictions on our products entering certain jurisdictions. 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 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 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. In addition, Hewlett-Packard Company has in the past been, and we may in the future be, subject to qui tam litigation brought by private individuals on behalf of the government relating to our government contracts, which could include claims for treble damages. Further, any negative publicity related to our customer contracts or any proceedings surrounding them, regardless of its accuracy, may damage our business by affecting 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.

Unanticipated changes in our tax provisions, the adoption of new tax legislation or exposure to additional tax liabilities could affect our financial performance.

We are subject to income and other taxes in the United States and various foreign jurisdictions. Our tax liabilities are affected by the amounts we charge in intercompany transactions for inventory, services, licenses, funding and other items. We are subject to ongoing tax audits in various jurisdictions. Tax authorities may disagree with these intercompany transactions or other matters and may assess additional taxes or adjust taxable income on our tax returns as a result. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, 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 expense and therefore could have a material impact on our 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, tax legislation has been introduced or is being considered in various jurisdictions that could significantly impact our tax rate, the carrying value of deferred tax assets, or our deferred tax liabilities. Any of these changes could affect our financial performance.

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 into several agreements, including among others a separation and distribution agreement and an employee matters agreement. The separation and distribution agreement and employee matters agreement determine the allocation of assets and liabilities between the companies following the Separation for those respective areas and include any necessary indemnifications related to liabilities and obligations. Hewlett Packard Enterprise has spun off or separated certain of its businesses since the Separation, and some of its obligations under these and other agreements have transferred to the successor entities. We will rely on Hewlett Packard Enterprise or its successor entities to satisfy their performance and payment obligations under these agreements. If Hewlett Packard Enterprise or its successor entities are unable to satisfy their obligations under these agreements, we could incur operational difficulties or losses that could have a material and adverse effect on our business, financial condition and results of operations.

ITEM 1B. Unresolved Staff Comments.

None.

ITEM 2. Properties.

As of October 31, 2020, we owned or leased approximately 19.0 million square feet of space worldwide, a summary of which is provided below.

	Fiscal year ended October 31, 2020		
	Owned	Leased	Total
	(square feet in millions)		
Administration and support	2.0	6.4	8.4
(Percentage)	24%	76%	100%
Core data centers, manufacturing plants, research and development facilities and warehouse operations	2.6	6.7	9.3
(Percentage)	28%	72%	100%
Total[1]	4.6	13.1	17.7
(Percentage)	26%	74%	100%

(1) Excludes 1.3 million square feet of vacated space, of which 0.8 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, Aguadilla, Puerto Rico

Europe, Middle East, Africa

Israel—Kiryat-Gat, Rehovot, Netanya
Spain—Barcelona

Asia Pacific

China—Weihai, Chongqing, Shanghai
India—Pantnagar, Bangalore
Malaysia—Penang
Singapore—Singapore
South Korea—Suwon
Taiwan—Taipei

Technology office (HP Labs)

United Kingdom—Bristol
United States—Palo Alto

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 Item 6, "Selected Financial Data" and Note 12, "Stockholders' Deficit" to the Consolidated Financial Statements in Item 8.

As of November 30, 2020, there were approximately 56,084 stockholders of record.

Recent Sales of Unregistered Securities

There were no unregistered sales of equity securities in fiscal year 2020.

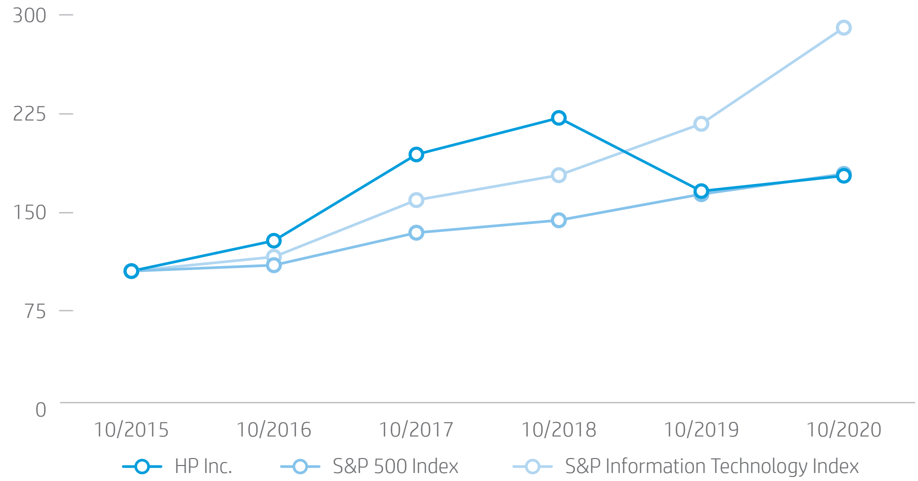
Issuer Purchases of Equity Securities

	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 2020	18,993	$18.18	18,993	$13,673,430
September 2020	24,274	$19.08	24,274	$13,210,200
October 2020	27,767	$19.11	27,767	$12,679,450
Total	71,034		71,034	

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 expects to continue share repurchases at an elevated level of at least $1.0 billion per quarter in the coming quarters, unless higher return opportunities emerge. All share repurchases settled in the fourth quarter of fiscal year 2020 were open market transactions. As of October 31, 2020, HP had approximately $12.7 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, 2015 (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.



	10/15	10/16	10/17	10/18	10/19	10/20
HP Inc.[1]	$100.00	$123.10	$188.69	$216.50	$160.83	$172.49
S&P 500 Index	$100.00	$104.50	$129.19	$138.66	$158.52	$173.89
S&P Information Technology Index	$100.00	$110.83	$154.00	$172.95	$212.01	$285.12

(1) Historical stock prices of HP Inc. prior to the Separation, which occurred on November 1, 2015, have been adjusted to reflect the impact of the Separation. The adjustment was established using the conversion ratio based on the market value of stock on the Separation close at October 31, 2015.

ITEM 6. Selected Financial Data.

The information set forth below is not necessarily indicative of results of future continuing operations and should be read in conjunction with Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements and notes thereto included in Item 8, “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K, which are incorporated herein by reference, in order to understand further the factors that may affect the comparability of the financial data presented below.

HP Inc. and Subsidiaries

Selected Financial Data

	For the fiscal years ended October 31				
	2020	2019	2018	2017	2016
	In millions, except per share amounts				
Net revenue	$56,639	$58,756	$58,472	$52,056	$48,238
Earnings from continuing operations	$ 3,462	$ 3,877	$ 3,831	$ 3,368	$ 3,549
Net loss from discontinued operations net of taxes	$ —	$ —	$ —	$ —	$ (170)
Net earnings	$ 2,844	$ 3,152	$ 5,327	$ 2,526	$ 2,496
Net earnings per share:					
Basic					
Continuing operations	$ 2.01	$ 2.08	$ 3.30	$ 1.50	$ 1.54
Discontinued operations	$ —	$ —	$ —	$ —	$ (0.10)
Total basic net earnings per share	$ 2.01	$ 2.08	$ 3.30	$ 1.50	$ 1.44
Diluted					
Continuing operations	$ 2.00	$ 2.07	$ 3.26	$ 1.48	$ 1.53
Discontinued operations	—	—	—	$ —	$ (0.10)
Total diluted net earnings per share	$ 2.00	$ 2.07	$ 3.26	$ 1.48	$ 1.43
Cash dividends declared per share	$ 0.70	$ 0.64	$ 0.56	$ 0.53	$ 0.50
At year-end:					
Total assets	$34,681	$33,467	$34,622	$32,913	$28,987
Long-term debt[1]	$ 5,543	$ 4,780	$ 4,524	$ 6,747	$ 6,735

[1] The increase in Long-term debt in fiscal year 2020 was due to issuance of unsecured senior debt of $3.0 billion in aggregate principal amount partially offset by payment of $1.6 billion for the repurchase and redemption of existing notes. The decrease in Long-term debt in fiscal year 2018 was due to the payment for the repurchase of approximately $1.85 billion in aggregate principal amount of U.S. Dollar Global Notes.

HP Inc. and Subsidiaries

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.* An analysis of our financial results comparing fiscal year 2020 to fiscal year 2019 and fiscal year 2019 to fiscal year 2018. A discussion of the results of operations is followed by a more detailed discussion of the results of operations by segment.
- *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 other related accessories, software, support, and services. The Printing segment provides consumer and commercial printer hardware, supplies, solutions and services, as well as scanning devices. 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. We are driving innovation to enable productivity and collaboration as near-term demand continues for work from home and distance learning as the PC has become an essential tool to create, consume and collaborate. We believe that we are well positioned due to our competitive product lineup.
- In Printing, our strategic focus is on contractual solutions to serve consumers, SMBs and large enterprises through our Instant Ink Services and Managed Print Services ("MPS") offerings, providing digital printing solutions for graphics segments and applications including commercial publishing, labels, packaging and textiles; as well as expanding our footprint in the 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, such as forecasted declining home printing markets. 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 and a competitive pricing environment.
- In Printing, a competitive pricing environment, including from non-original supplies (which includes imitation, refill or remanufactured alternatives), and a weakened market in certain geographies with associated pricing sensitivity of our customers present challenges. We also obtain many Printing components from single sources 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.

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 management, strengthening our capabilities in our areas of strategic focus, strengthening our pricing discipline, and developing and capitalizing on market opportunities.

Specifically, 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 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.

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 should not be considered reliable indicators of our future net revenues or financial performance.

Our COVID-19 Response

In late 2019, COVID-19 was first identified, and in March 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. The rapid spread of COVID-19 prompted governments and businesses to take unprecedented measures in response, including restrictions on travel and business operations, temporary closures of businesses, and quarantines and shelter-in-place orders.

As reflected in the discussions that follow, the COVID-19 pandemic and the actions taken by governments, businesses and individuals in response to the pandemic have had a variety of impacts on our results of operations and cash flows for the fiscal year ended October 31, 2020, some of which have been significant. This section summarizes our response to the significant impacts that we have experienced to date, and we have also included additional details as applicable throughout other sections of this report. We continue to actively monitor the situation and review our plans based on the requirements and recommendations of federal, state, and local authorities.

- Our employees. We have been focused on protecting the health and safety of our employees during the COVID-19 pandemic, and we quickly pivoted the vast majority of our employees to work from home as a safety measure in the second quarter of fiscal year 2020. These arrangements have been designed to allow for continued operation of non-production business-critical functions, including financial reporting systems and internal controls. In the third quarter of fiscal year 2020, we implemented a one-time work-from-home reimbursement program for employees to improve their workspaces. For those in manufacturing and other critical functions that could not transition to a remote model, we quickly implemented safety and hygiene training and protocols, such as physical distancing, safety gear mandates, site visitor restrictions, alternate staffing shifts, and enhanced cleaning and sanitization practices, to protect the employees in our labs or manufacturing and production facilities. We have also implemented contact tracing initiatives.
- Our community. We are committed to taking actions to protect the communities we serve. We are also putting our resources behind efforts to support local communities and to assist in the public health response. We have donated millions of dollars in technology and support across Personal Systems and Printing to help students, families, and communities, including hospitals in affected areas.
  - The HP 3D Printing team and Digital Manufacturing team is working with its global digital manufacturing community to mobilize 3D printing teams, technology, experience and production capacity to help deliver critical parts in the effort to battle the COVID-19 pandemic. Along with our partners and customers, we have produced more than 4 million 3D printed parts for face shields, respirators, nasal swabs, and other items for distribution to hospitals.
  - We have donated HP BioPrinters and associated supply cassettes, free of charge, to research laboratories in the US and Europe to help accelerate drug and vaccine research to combat COVID-19.
  - In April 2020, HP Puerto Rico kicked off large-scale manufacturing of much-needed hand sanitizer and has since delivered about 55,000 liters to local hospitals, police stations, nursing homes, fire stations, medical and wellness service providers and HP's Customer Service facilities, as well as to select sites in the US.
  - We made HP Sure Click Pro security software freely available through September 2020 to help protect against cyber threats for both HP and non-HP Windows 10 PCs as a large portion of the population is currently working from home.

    — We have committed to donating millions of dollars in products and grants to support blended learning in local communities impacted by COVID-19 around the globe as a large portion of the world's students are currently learning from home.

— **Our customers and partners**. We are committed to our customers and partners and to meeting their needs. We have taken meaningful actions to remain close to our customers and partners, including implementing a variety of relief initiatives to help them navigate their operational and financial challenges. We had provided a variety of financing and leasing options for end customers. We had provided short-term market and country-specific incentives for partners. HP has implemented a more predictable, flat-rate incentive program and relaxed compensation models, and has also expanded its virtual engagement options, including free access to cybersecurity support and on-demand training. Partners can opt in for customized online digital learning paths designed to meet their specific priorities. We are also introducing programs, designed to enable our customers and partners to adapt to the current work environment, such as the HP Managed Print Cloud Services and the HP Flexworker Solutions program.

— **Supply chain**. For the fiscal year ended October 31, 2020, we experienced disruptions in our manufacturing and supply chain. This included temporary factory closures in China and Southeast Asia that impacted our own factories as well as those of our suppliers and outsourcing partners, resulting in higher costs and temporary supply shortages. Manufacturing capacity returned largely to normalized levels by the end of fiscal year 2020. During the fourth quarter of fiscal year 2020, we managed through ongoing logistics and industrywide component availability challenges due to strong demand.

— **Demand**. COVID-19 has created new and different demand dynamics in the market. This is creating both challenges and opportunities across our businesses and geographies. In Personal Systems, we saw increased demand globally as the focus moved to keeping people connected, productive and secure and it reemphasized the essential role that the PC plays in everyday life. We also saw a mix shift in demand from Commercial to Consumer, Desktops to Notebooks driven by strength in Chromebooks and Education. In Printing, we saw a slowdown in Office and Graphics as offices remain closed and large events continue to be canceled. In the fourth quarter of fiscal 2020, we saw some progress in Commercial print driven by improved performance in the SMBs sector. We expect a gradual recovery in the overall Commercial print market although that recovery may be uneven given the varying pace of economic recovery and the resurgence of COVID-19 cases in some countries. We also continue to see increased demand for hardware and ink supplies on the Consumer Printing side as customers set up home office for remote working and school environment for remote learning. We expect that the strength in Consumer Printing will gradually subside when more offices and schools reopen.

— **Liquidity**. The extent and duration of the disruption from the COVID-19 pandemic remain uncertain. As a result, our liquidity and working capital needs may be impacted in future periods. We believe that our businesses are strong cash flow generators and we maintain a strong balance sheet to meet our liquidity needs. We believe our current cash and cash equivalents, cash flow from operating activities, available commercial paper authorization, new borrowings, and our credit facilities will be sufficient to meet our 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.

The full extent of the impact of the COVID-19 pandemic on our business, results of operations, cash flows and financial position is currently uncertain and will depend on many factors that are not within our control, including, but not limited to: the duration and scope of the pandemic; the effectiveness of actions taken to contain or mitigate the pandemic and prevent or limit any reoccurrence; 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. See the section entitled "Risk Factors" in Item 1A in this Annual Report on Form 10-K for further information about related risks and uncertainties.

Unsolicited Exchange Offer

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 year ended October 31, 2020.

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 in this Annual Report on Form 10-K.

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, 2020, 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 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.

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 cost for fiscal year 2020:

	Change in Net Periodic Benefit Cost in millions
Assumptions:	
Discount rate	$ 6
Expected increase in compensation levels	$ 2
Expected long-term return on plan assets	$ 33

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, which 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. Determining the income tax provision for these potential assessments and recording the related effects requires management judgments and estimates. 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 income tax provision, net income and cash flows. 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. 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. 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, 2020, it was not reasonably possible that a material loss had been incurred in excess of the amounts recognized in our financial statements.

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 average exchange rates from the comparative period and hedging activities from the prior-year 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					
	2020		2019		2018	
	Dollars	% of Net Revenue	Dollars	% of Net Revenue	Dollars	% of Net Revenue
	Dollars in millions					
Net revenue	$56,639	100.0%	$58,756	100.0%	$58,472	100.0%
Cost of revenue	46,202	81.6%	47,586	81.0%	47,803	81.8%
Gross profit	10,437	18.4%	11,170	19.0%	10,669	18.2%
Research and development	1,478	2.6%	1,499	2.6%	1,404	2.4%
Selling, general and administrative	4,906	8.6%	5,368	9.1%	5,099	8.7%
Restructuring and other charges	462	0.9%	275	0.4%	132	0.2%
Acquisition-related charges	16	—%	35	0.1%	123	0.2%
Amortization of intangible assets	113	0.2%	116	0.2%	80	0.1%
Earnings from operations	3,462	6.1%	3,877	6.6%	3,831	6.6%
Interest and other, net	(231)	(0.4)%	(1,354)	(2.3)%	(818)	(1.4)%
Earnings before taxes	3,231	5.7%	2,523	4.3%	3,013	5.2%
(Provision for) benefit from taxes	(387)	(0.7)%	629	1.1%	2,314	3.9%
Net earnings	$ 2,844	5.0%	$ 3,152	5.4%	$ 5,327	9.1%

Net Revenue

In fiscal year 2020, total net revenue decreased 3.6% (decreased 2.3% on a constant currency basis) as compared to the prior-year period. Net revenue from the United States decreased 1.8% to $20.2 billion and net revenue from outside of the United States decreased 4.6% to $36.4 billion. The decrease in net revenue was primarily driven by decline in Desktops, Supplies, Commercial Printing Hardware and unfavorable foreign currency impacts, partially offset by growth in Notebooks. The decline is driven by demand weakness as businesses remained closed and office workers continued to work from home, partially offset by strong demand in Notebooks.

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

In fiscal year 2019, total net revenue increased 0.5% (increased 2.0% on a constant currency basis) as compared to the prior-year period. Net revenue from the United States remained flat at $20.6 billion and net revenue from outside of the United States increased 0.7% to $38.2 billion. The increase in net revenue was primarily driven by growth in Notebooks, Desktops and Workstations in Personal Systems, partially offset by unfavorable foreign currency impacts and a decline in Printing Supplies.

A detailed discussion of the factors contributing to the changes in segment net revenue is included under "Segment Information" below.

Gross Margin

Our gross margin was 18.4% for fiscal year 2020 compared with 19.0% for fiscal year 2019. The decrease was primarily due to unfavorable segment mix and lower rate in Printing hardware partially offset by higher rate in Personal Systems driven by favorable commodity costs.

Our gross margin was 19.0% for fiscal year 2019 compared with 18.2% for fiscal year 2018. The increase was primarily due to higher rate in Personal Systems driven by lower supply chain 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 decreased 1.4% in fiscal year 2020 compared to the prior-year period, primarily due to expense management partially offset by continuing investments in innovation and key growth initiatives.

R&D expense increased 6.7% in fiscal year 2019 compared to the prior-year period, primarily due to continuing investments in innovation and key growth initiatives.

Selling, General and Administrative ("SG&A")

SG&A expense decreased 8.6% in fiscal year 2020 as compared to the prior-year period, driven by structural cost savings from the transformation program and the benefits of temporary discretionary cost actions.

SG&A expense increased 5.3% in fiscal year 2019 as compared to the prior-year period, primarily driven by increased investments in key growth initiatives and go-to-market in Personal Systems and investment in digital infrastructure.

Restructuring and other Charges

Restructuring and other charges increased by $187 million in fiscal year 2020 compared to the prior-year period, primarily due to charges from the Fiscal 2020 Plan.

Restructuring and other charges increased by $143 million in fiscal year 2019 compared to the prior-year period, primarily due to charges from the Fiscal 2020 Plan and the restructuring plan approved in October 2016 (the "Fiscal 2017 Plan"), which was later amended in May 2018.

Acquisition-related Charges

Acquisition-related charges for the fiscal years 2020, 2019 and 2018 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.

Amortization of Intangible Assets

Amortization of intangible assets for the fiscal year ended 2020 relates primarily to intangible assets resulting from prior acquisitions.

Amortization expense increased by $36 million in fiscal year 2019 compared to the prior-year period, due to intangible assets resulting primarily from the acquisition of the Apogee group.

Interest and Other, Net

Interest and other, net expense decreased by $1.1 billion in fiscal year 2020 compared to the prior-year period, primarily due to reversal of indemnification receivables from Hewlett Packard Enterprise pertaining to various audit settlements in the prior- year period.

Interest and other, net expense increased by $0.5 billion in fiscal year 2019 compared to the prior-year period, primarily due to tax indemnifications related to the termination of the tax matters agreement ("TMA") with Hewlett Packard Enterprise during the fourth quarter of fiscal year 2019.

(Provision for) Benefit from Taxes

Our effective tax rates were 12.0%, (24.9%) and (76.8%) in fiscal years 2020, 2019 and 2018, respectively. In fiscal year 2020, our effective tax rate generally differs from the U.S. federal statutory rate of 21% primarily due to the resolution of various audits and favorable tax rates associated with certain earnings in lower-tax jurisdictions throughout the world. In fiscal year 2019, our effective tax rate generally differs from the U.S. federal statutory rate of 21% primarily due to the resolution of various audits, changes in valuation allowances, and impacts of U.S. tax reform. In fiscal year 2018, our effective tax rate generally differs from the U.S. federal statutory rate of 23.3% primarily due to transitional impacts of U.S. tax reform and resolution of various audits and tax litigation. 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, China and Malaysia.

For a reconciliation of our effective tax rate to the U.S. federal statutory rate of 21% in fiscal years 2020 and 2019 and 23.3% in fiscal year 2018, 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 2020, we recorded $244 million of net income tax benefit related to discrete items in the provision for taxes. This amount includes tax benefits related to audit settlements of $124 million in various jurisdictions and $82 million related to restructuring benefits. Additionally, we 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, we recorded $1.3 billion of net income tax benefit related to discrete items in the provision for taxes. This amount includes 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. We 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, we recorded excess tax benefits of $20 million associated with stock options, restricted stock units and performance-adjusted restricted stock units.

In fiscal year 2018, we recorded $2.8 billion of net income tax benefit related to discrete items in the provision for taxes which include impacts of the Tax Cuts and Jobs Act ("TCJA"). As discussed in the Note 6 "Taxes on Earnings" to the Consolidated Financial Statements in Item 8 of this report, we had not yet completed our analysis of the full impact of the TCJA. However, as of October 31, 2018, we recorded a provisional tax benefit of $760 million related to $5.6 billion net benefit for the decrease in our deferred tax liability on unremitted foreign earnings, partially offset by $3.3 billion net expense for the deemed repatriation tax payable in installments over eight years, a $1.2 billion net expense for the remeasurement of our deferred assets and liabilities to the new U.S. statutory tax rate and a $317 million net expense related to realization on U.S. deferred taxes that are expected to be realized at a lower rate. Fiscal year 2018 also included tax benefits related to audit settlements of $1.5 billion and valuation allowance releases of $601 million pertaining to a change in our ability to utilize certain foreign and U.S. deferred tax assets due to a change in our geographic earnings mix. These benefits were partially offset by other net tax charges of $34 million. In fiscal year 2018, in addition to the discrete items mentioned above, we recorded excess tax benefits of $42 million associated with stock options, restricted stock units and performance-adjusted restricted stock units.

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

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		
	2020	2019	2018
	Dollars in millions		
Net revenue	$38,997	$38,694	$37,661
Earnings from operations	$ 2,312	$ 1,898	$ 1,402
Earnings from operations as a % of net revenue	5.9%	4.9%	3.7%

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]	
	2020	2019	2018	2020	2019
	In millions				
Notebooks	$25,766	$22,928	$22,547	7.3	1.0
Desktops	9,806	12,046	11,567	(5.8)	1.3
Workstations	1,816	2,389	2,246	(1.5)	0.4
Other	1,609	1,331	1,301	0.8	—
Total Personal Systems	$38,997	$38,694	$37,661	0.8	2.7

(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 2020 compared with Fiscal Year 2019

Personal Systems net revenue increased 0.8% (increased 2.3% on a constant currency basis) in fiscal year 2020 as compared to the prior-year period. The net revenue increase was primarily due to growth in Notebooks, partially offset by Desktops and Workstations, and unfavorable foreign currency impacts. The net revenue increase was driven by a 4.8% increase in unit volume partially offset by 3.8% decrease in average selling prices ("ASPs") as compared to the prior-year period. The increase in unit volume was primarily due to growth in Notebooks resulting from strong demand driven by work from home, distance learning and gaming, partially offset by Desktops and Workstations. The decrease in ASPs was primarily due to mix shifts to consumer and education, and unfavorable foreign currency impacts. Consumer revenue increased 12.8% as compared to prior-year period, driven by unit growth in Notebooks, and higher ASPs. Commercial revenue decreased 4.8% as compared to the prior-year period, primarily driven by lower ASPs and unit declines in Desktops and Workstations, partially offset by unit growth in Notebooks.

Net revenue increased 12.4% in Notebooks and decreased 18.6% in Desktops and 24.0% in Workstations in fiscal year 2020 as compared to the prior-year period.

Personal Systems earnings from operations as a percentage of net revenue increased by 1.0 percentage points in fiscal year 2020 as compared to the prior-year period, primarily due to in an increase in gross margin, and decrease in operating expenses as a percentage of revenue. The increase in gross margin was primarily due to favorable commodity costs partially offset by mix shifts. The decrease in operating expenses as a percentage of revenue was primarily due to reduction in marketing spend and our ongoing structural cost savings plan.

HP Inc. and Subsidiaries

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Fiscal Year 2019 compared with Fiscal Year 2018

Personal Systems net revenue increased 2.7% (increased 4.9% on a constant currency basis) in fiscal year 2019 as compared to the prior-year period. The net revenue increase was primarily due to growth in Notebooks, Desktops and Workstations, partially offset by unfavorable foreign currency impacts. The net revenue increase was driven by a 2.2% increase in unit volume and 0.5% increase in average selling prices ("ASPs") as compared to the prior-year period. The increase in unit volume was primarily due to growth in Notebooks and Desktops. The increase in ASPs was primarily due to positive mix shifts and higher pricing, partially offset by unfavorable foreign currency impacts. Commercial revenue increased 7.0% primarily driven by higher unit volume partially offset by unfavorable foreign currency impacts, and consumer revenue decreased by 5.5% primarily driven by lower unit volume, respectively, in fiscal year 2019 as compared to the prior-year period.

Net revenue increased 1.7% in Notebooks, 4.1% in Desktops and 6.4% in Workstations in fiscal year 2019 as compared to the prior-year period.

Personal Systems earnings from operations as a percentage of net revenue increased by 1.2 percentage points in fiscal year 2019 as compared to the prior-year period, primarily due to in an increase in gross margin, partially offset by an increase in operating expenses. The increase in gross margin was primarily due to lower supply chain costs and higher ASPs. The increase in operating expenses was primarily due to increased investments in key growth initiatives and go-to-market.

Printing

	For the fiscal years ended October 31		
	2020	2019	2018
	Dollars in millions		
Net revenue	$17,641	$20,066	$20,805
Earnings from operations	$ 2,495	$ 3,202	$ 3,314
Earnings from operations as a % of net revenue	14.1%	16.0%	15.9%

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)]	
	2020	2019	2018	2020	2019
	In millions				
Supplies	$11,586	$12,921	$13,575	(6.7)	(3.2)
Commercial Hardware	3,539	4,612	4,514	(5.3)	0.5
Consumer Hardware	2,516	2,533	2,716	(0.1)	(0.9)
Total Printing	$17,641	$20,066	$20,805	(12.1)	(3.6)

(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 2020 compared with Fiscal Year 2019

Printing net revenue decreased 12.1% (decreased 11.2% on a constant currency basis) for fiscal year 2020 as compared to the prior-year period. The decline in net revenue was primarily driven by a decline in Supplies, Commercial Hardware and unfavorable foreign currency impacts. Net revenue for Supplies decreased 10.3% as compared to the prior-year period, primarily driven by demand weakness as businesses operated with reduced onsite capacity and a majority of office workers continue to work from home. ASPs decreased 15.9% and printer unit volume decreased 5.1% as compared to the prior-year period. Printer ASPs decreased primarily due to mix shifts and unfavorable foreign currency impact. The decrease in printer unit volume was driven by unit decreases in both Commercial and Consumer Hardware.

HP Inc. and Subsidiaries

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Net revenue for Commercial Hardware decreased 23.3% as compared to the prior-year period, due to a 19.4% decrease in printer volume and a 19.6% decrease in ASPs. The printer unit volume decline was due to lower demand as businesses operated with reduced onsite capacity due to COVID-19. The decrease in ASPs was driven by mix shifts, competitive pricing and unfavorable foreign currency impacts.

Net revenue for Consumer Hardware decreased 0.7% as compared to the prior-year period, due to a decrease in printer unit volume by 2.7% partially offset by 2.0% increase in ASPs. The printer unit volume decrease was driven by supply chain disruptions due to COVID-19. The increase in ASPs was primarily due to disciplined pricing, partially offset by mix shifts and unfavorable foreign currency impacts.

Printing earnings from operations as a percentage of net revenue decreased by 1.9 percentage points for the fiscal year 2020 as compared to the prior-year period, primarily due to lower net revenue in Commercial Hardware, higher Consumer mix, supply chain disruptions partially offset by disciplined pricing and improved Supplies mix.

Fiscal Year 2019 compared with Fiscal Year 2018

Printing net revenue decreased 3.6% (decreased 3.0% on a constant currency basis) for fiscal year 2019 as compared to prior-year period. The decline in net revenue was primarily driven by a decline in Supplies, Consumer Hardware revenue and unfavorable foreign currency impacts, partially offset by an increase in Commercial Hardware revenue. Net revenue for Supplies decreased 4.8% as compared to the prior-year period, primarily due to demand weakness. Printer unit volume decreased 4.8% compared to the prior-year period. The decrease in printer unit volume was driven by unit decrease in Consumer Hardware.

Net revenue for Commercial Hardware increased 2.2% as compared to the prior-year period, primarily due to the acquisition of the Apogee group.

Net revenue for Consumer Hardware decreased 6.7% as compared to the prior-year period due to a 5.4% decrease in printer unit volume and 1.7% decrease in ASPs. The unit volume decrease was driven by InkJet Home Consumer business and LaserJet Home business. The decrease in ASPs was primarily due to unfavorable foreign currency impacts.

Printing earnings from operations as a percentage of net revenue increased by 0.1 percentage points for the fiscal year 2019 as compared to the prior-year period, primarily due to higher gross margin. The gross margin increased primarily due to rate improvement in Commercial Hardware partially offset by lower Supplies revenue.

Corporate Investments

The loss from operations in Corporate Investments for the fiscal years 2020, 2019 and 2018 was primarily due to expenses associated with HP Labs and our incubation and investment projects.

Liquidity and Capital Resources

We use cash generated by operations as our primary source of liquidity. While the impacts from the COVID-19 pandemic are currently expected to be temporary, there is uncertainty around its extent and duration and our liquidity and working capital needs may be impacted in the future periods. 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, in the event that suitable businesses are available for acquisition that offer good return opportunities, the Company may obtain all or a portion of the financing for these acquisitions 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.

On February 22, 2020, HP's Board of Directors increased HP's share repurchase authorization to $15.0 billion.

Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

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 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		
	2020	2019	2018
	In billions		
Cash and cash equivalents	$ 4.9	$ 4.5	$ 5.2
Marketable debt securities[1]	$ 0.3	$ —	$ 0.7
Total debt	$ 6.2	$ 5.1	$ 6.0

(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.

Our key cash flow metrics were as follows:

	For the fiscal years ended October 31		
	2020	2019	2018
	In millions		
Net cash provided by operating activities	$ 4,316	$ 4,654	$ 4,528
Net cash used in investing activities	(1,016)	(438)	(716)
Net cash used in financing activities	(2,973)	(4,845)	(5,643)
Net increase (decrease) in cash and cash equivalents	$ 327	$ (629)	$(1,831)

Operating Activities

Net cash provided by operating activities decreased by $0.3 billion for fiscal year 2020 as compared to fiscal year 2019, primarily due to lower cash generated from working capital activities as a result of changes in demand dynamics due to COVID-19 and lower earnings from operation.

Net cash provided by operating activities increased marginally by $0.1 billion for fiscal year 2019 as compared to fiscal year 2018.

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		
	2020	2019	2018
Days of sales outstanding in accounts receivable ("DSO")	32	35	30
Days of supply in inventory ("DOS")	43	41	43
Days of purchases outstanding in accounts payable ("DPO")	(105)	(107)	(105)
Cash conversion cycle	(30)	(31)	(32)

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, 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 doubtful accounts, by a 90-day average of net revenue. For fiscal year 2020, the decrease in DSO as compared to fiscal year 2019, was due to favorable revenue linearity and strong collections. For fiscal year 2019, the increase in DSO as compared to fiscal year 2018, was primarily due to unfavorable 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. For fiscal year 2020, the increase in DOS as compared to fiscal year 2019 was primarily due to leveraging our balance sheet, particularly through higher strategic buys. For fiscal year 2019, the decrease in DOS compared to fiscal year 2018 was primarily due to reduction in inventory driven by reclassification of certain balances to other current assets pursuant to adoption of the new revenue standard in the first quarter of fiscal 2019.

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. For fiscal year 2020, the decrease in DPO compared to fiscal year 2019 was primarily due to decrease in accounts payables driven by lower operating expenses. For fiscal year 2019, the increase in DPO compared to fiscal year 2018 was higher primarily due to working capital management activities, partially offset by lower inventory purchasing volume.

Investing Activities

Net cash used in investing activities increased by $0.6 billion for fiscal year 2020 as compared to fiscal year 2019, primarily due to increase in investment classified as available-for-sale within Other current assets of $1.0 billion partially offset by lower net payments for acquisitions of $0.5 billion.

Net cash used in investing activities decreased by $0.3 billion for fiscal year 2019 as compared to fiscal year 2018, primarily due to lower net payments for acquisitions.

Financing Activities

Net cash used in financing activities decreased by $1.9 billion in fiscal year 2020 compared to fiscal year 2019, primarily due to issuance of senior notes of $3.0 billion partially offset by higher share repurchase of $0.7 billion and higher debt payment of $0.3 billion.

Net cash used in financing activities decreased by $0.8 billion in fiscal year 2019 compared to fiscal year 2018, primarily due to lower payment of debt of $1.5 billion, partially offset by a decrease in outstanding commercial paper amounts of $0.7 billion.

Capital Resources

Debt Levels

	As of October 31		
	2020	2019	2018
	Dollars in millions		
Short-term debt	$ 674	$ 357	$ 1,463
Long-term debt	$5,543	$ 4,780	$ 4,524
Debt-to-equity ratio	(2.8)x	(4.3)x	(9.4)x
Weighted-average interest rate	3.9%	4.6%	4.3%

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 $0.3 billion and long-term debt increased by $0.8 billion for fiscal year 2020 as compared to fiscal year 2019. The net increase in total debt was primarily due to issuance of unsecured senior debt in June 2020 in principal amount of $3.0 billion, partially offset by the payment of $1.6 billion for the cash tender offer ("Tender Offer") and the redemption of existing notes maturing in 2020 and 2021.

Short-term debt decreased by $1.1 billion for fiscal year 2019 as compared to fiscal year 2018 primarily due to a decrease in outstanding commercial paper amounts of $0.9 billion.

Our debt-to-equity ratio is calculated as the carrying amount of debt divided by total stockholders' deficit. Our debt-to-equity ratio changed by 1.5x in fiscal year 2020 compared to fiscal year 2019, primarily due to an increase in stockholders' deficit balance of $1.0 billion.

Our debt-to-equity ratio changed by 5.1x in fiscal year 2019 compared to fiscal year 2018, primarily due to an increase in stockholders' deficit balance of $0.6 billion.

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".

As of October 31, 2020, we maintain a senior unsecured committed revolving credit facility with aggregate lending commitments of $4.0 billion, which will be available until March 30, 2023 and is primarily to support the issuance of commercial paper. On May 29, 2020, we entered into a 364-day revolving credit facility providing for a senior unsecured revolving credit facility with aggregate lending commitments of $1.0 billion, which will be available until May 28, 2021. Funds borrowed under these revolving credit facilities may be used for general corporate purposes.

On June 17, 2020, we issued $3.0 billion aggregate principal amount of senior notes across various maturities. We used approximately $0.7 billion and $0.9 billion of the proceeds from such issuance to fund the Tender Offer and the redemption, respectively, of existing notes maturing in 2020 and 2021. For more information on the new notes and the repurchase and 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, 2020, we had available borrowing resources of $725 million from uncommitted lines of credit in addition to the senior unsecured committed revolving credit facilities.

In December 2020, we filed a post-effective amendment to the 2019 Shelf Registration Statement to include certain information that is required to be included by registrants who are not well-known seasoned issuers (as such term is defined in Rule 405 of the Securities Act of 1933, as amended) because we will no longer be a well-known seasoned issuer upon the filing of this Annual Report on Form 10-K. Following the filing of this Annual Report on Form 10-K, we intend to file another post-effective amendment to convert the registration statement to the proper submission type for a non-automatic shelf registration statement. Pending effectiveness of the second post-effective amendment, we can continue to use the 2019 Shelf Registration Statement. Once it is declared effective, the further amended registration statement will enable 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 obtained in our ongoing discussions with them. While we do not have any rating downgrade triggers that would accelerate the maturity of a material amount of our debt, previous downgrades have increased the cost of borrowing under our credit facility, have reduced market capacity for our commercial paper and have required the posting of additional collateral under some of our derivative contracts. In addition, any further downgrade to our credit ratings by any rating agencies may further impact us in a similar manner, and, depending on the extent of any such downgrade, could have a negative impact on our liquidity and capital position. 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, 2020, were as follows:

	Payments Due by Period				
	Total	1 Year or Less	1-3 Years	3-5 Years	More than 5 Years
	In millions				
Principal payments on debt[1]	$ 6,225	$ 659	$ 1,313	$ 1,202	$ 3,051
Interest payments on debt[2]	2,240	244	360	309	1,327
Purchase obligations[3]	499	290	163	40	6
Operating lease obligations	1,279	303	438	241	297
Finance lease obligations	40	22	14	4	—
Total[4][5][6]	$10,283	$ 1,518	$ 2,288	$ 1,796	$ 4,681

(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, 2020 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 2021, we expect to contribute approximately $77 million to non-U.S. pension plans, $34 million to cover benefit payments to U.S. non-qualified plan participants and $5 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 $0.5 billion. We expect to make future cash payments of $0.2 billion in fiscal year 2021 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, 2020, we had approximately $475 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 or if 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. These potential 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 potential payments.

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 2020 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 for continuing operations as of October 31, 2020 and 2019, 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, 2020 and 2019. The sensitivity analyses indicated that a hypothetical 10% adverse movement in foreign currency exchange rates would result in a foreign exchange fair value loss of $77 million and $81 million at October 31, 2020 and October 31, 2019, 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 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, 2020 and 2019, 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, 2020 and 2019. 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 $36 million at October 31, 2020 and $49 million at October 31, 2019.

ITEM 8. Financial Statements and Supplementary Data.

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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, 2020 and 2019, 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, 2020, 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, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended October 31, 2020, 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, 2020, 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 10, 2020 expressed an unqualified opinion thereon.

Adoption of New Accounting Standard

As discussed in Note 1 to the consolidated financial statements, the Company changed its method for recognizing revenue in 2019 due to the adoption of Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), and the amendments effective November 1, 2018 and its method of accounting for leases in 2020 due to the adoption of Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842) effective November 1, 2019.

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 10, 2020

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, 2020, 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, 2020, 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, 2020 and 2019, 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, 2020, and the related notes and our report dated December 10, 2020 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 10, 2020

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, 2020, 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, 2020. The effectiveness of HP's internal control over financial reporting as of October 31, 2020 has been audited by Ernst & Young LLP, HP's independent registered public accounting firm, as stated in their report which appears on page 56 of this Annual Report on Form 10-K.

/s/ ENRIQUE LORES

Enrique Lores
President and Chief Executive Officer
December 10, 2020

/s/ MARIE MYERS

Marie Myers
Acting Chief Financial Officer
December 10, 2020

HP Inc. and Subsidiaries

Consolidated Statements of Earnings

	For the fiscal years ended October 31		
	2020	2019	2018
	In millions, except per share amounts		
Net revenue	$56,639	$58,756	$58,472
Costs and expenses:			
Cost of revenue	46,202	47,586	47,803
Research and development	1,478	1,499	1,404
Selling, general and administrative	4,906	5,368	5,099
Restructuring and other charges	462	275	132
Acquisition-related charges	16	35	123
Amortization of intangible assets	113	116	80
Total costs and expenses	53,177	54,879	54,641
Earnings from operations	3,462	3,877	3,831
Interest and other, net	(231)	(1,354)	(818)
Earnings before taxes	3,231	2,523	3,013
(Provision for) benefit from taxes	(387)	629	2,314
Net earnings	$ 2,844	$ 3,152	$ 5,327
Net earnings per share:			
Basic	$ 2.01	$ 2.08	$ 3.30
Diluted	$ 2.00	$ 2.07	$ 3.26
Weighted-average shares used to compute net earnings per share:			
Basic	1,413	1,515	1,615
Diluted	1,420	1,524	1,634

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		
	2020	2019	2018
		In millions	
Net earnings	$2,844	$3,152	$5,327
Other comprehensive (loss) income before taxes:			
Change in unrealized components of available-for-sale debt securities:			
Unrealized gains (losses) arising during the period	2	1	(3)
Losses (gains) reclassified into earnings	—	3	(5)
	2	4	(8)
Change in unrealized components of cash flow hedges:			
Unrealized (losses) gains arising during the period	(201)	252	341
(Gains) losses reclassified into earnings	(85)	(380)	258
	(286)	(128)	599
Change in unrealized components of defined benefit plans:			
(Losses) gains arising during the period	(29)	(303)	11
Amortization of actuarial loss and prior service benefit	83	43	48
Curtailments, settlements and other	215	42	3
	269	(218)	62
Change in cumulative translation adjustment	(4)	4	—
Other comprehensive (loss) income before taxes	(19)	(338)	653
Benefit from (provision for) taxes	1	(42)	(80)
Other comprehensive (loss) income, net of taxes	(18)	(380)	573
Comprehensive income	$2,826	$2,772	$5,900

The accompanying notes are an integral part of these Consolidated Financial Statements.

HP Inc. and Subsidiaries

Consolidated Balance Sheets

	As of October 31	
	2020	2019
	In millions, except par value	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,864	$ 4,537
Accounts receivable, net	5,381	6,031
Inventory	5,963	5,734
Other current assets	4,440	3,875
Total current assets	20,648	20,177
Property, plant and equipment, net	2,627	2,794
Goodwill	6,380	6,372
Other non-current assets	5,026	4,124
Total assets	$34,681	$33,467
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Notes payable and short-term borrowings	$ 674	$ 357
Accounts payable	14,704	14,793
Other current liabilities	10,842	10,143
Total current liabilities	26,220	25,293
Long-term debt	5,543	4,780
Other non-current liabilities	5,146	4,587
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; 1,304 and 1,458 shares issued and outstanding at October 31, 2020, and 2019 respectively)	13	15
Additional paid-in capital	963	835
Accumulated deficit	(1,961)	(818)
Accumulated other comprehensive loss	(1,243)	(1,225)
Total stockholders' deficit	(2,228)	(1,193)
Total liabilities and stockholders' deficit	$34,681	$33,467

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		
	2020	2019	2018
		In millions	
Cash flows from operating activities:			
Net earnings	$ 2,844	$ 3,152	$ 5,327
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	789	744	528
Stock-based compensation expense	278	297	268
Restructuring and other charges	462	275	132
Deferred taxes on earnings	70	133	(3,653)
Defined benefit plan settlement charges	214	—	—
Other, net	325	254	319
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	575	(761)	(491)
Inventory	(386)	(68)	(136)
Accounts payable	(35)	(53)	1,429
Net investment in leases	(152)	—	—
Taxes on earnings	(147)	(851)	389
Restructuring and other	(489)	(154)	(237)
Other assets and liabilities	(32)	1,686	653
Net cash provided by operating activities	4,316	4,654	4,528
Cash flows from investing activities:			
Investment in property, plant and equipment	(580)	(671)	(546)
Proceeds from sale of property, plant and equipment	3	—	172
Purchases of available-for-sale securities and other investments	(693)	(80)	(367)
Maturities and sales of available-for-sale securities and other investments	417	771	847
Collateral posted for derivative instruments	(163)	(32)	(1,165)
Collateral returned for derivative instruments	—	32	1,379
Payments made in connection with business acquisitions, net of cash acquired	—	(458)	(1,036)
Net cash used in investing activities	(1,016)	(438)	(716)
Cash flows from financing activities:			
(Payments of) Proceeds from short-term borrowings with original maturities less than 90 days, net	—	(856)	743
Proceeds from short-term borrowings with original maturities greater than 90 days	27	—	712
Proceeds from debt, net of issuance costs	3,081	127	—
Payment of short-term borrowings with original maturities greater than 90 days	—	—	(1,596)
Payment of debt	(1,849)	(680)	(2,098)
Stock-based award activities and others	(128)	(61)	52
Repurchase of common stock	(3,107)	(2,405)	(2,557)
Cash dividends paid	(997)	(970)	(899)
Net cash used in financing activities	(2,973)	(4,845)	(5,643)
Increase (decrease) in cash and cash equivalents	327	(629)	(1,831)
Cash and cash equivalents at beginning of period	4,537	5,166	6,997
Cash and cash equivalents at end of period	$ 4,864	$ 4,537	$ 5,166

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		
	2020	2019	2018
		In millions	
Supplemental cash flow disclosures:			
Income taxes paid, net of refunds	$ 464	$ 89	$ 951
Interest expense paid	$ 227	$ 240	$ 329
Supplemental schedule of non-cash activities:			
Purchase of assets under finance leases	$ 19	$ 366	$ 258

HP Inc. and Subsidiaries

Consolidated Statements of Stockholders' Deficit

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Number of Shares	Par Value				
	In millions, except number of shares in thousands					
Balance October 31, 2017	1,649,580	$16	$ 380	$(2,386)	$(1,418)	$(3,408)
Net earnings				5,327		5,327
Other comprehensive income, net of taxes					573	573
Comprehensive income						5,900
Issuance of common stock in connection with employee stock plans and other	21,728		47			47
Repurchases of common stock	(111,038)		(32)	(2,515)		(2,547)
Cash dividends ($0.56 per common share)				(899)		(899)
Stock-based compensation expense			268			268
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 (Note 1)				27		27
Balance October 31, 2020	1,303,927	$13	$ 963	$(1,961)	$(1,243)	$(2,228)

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, 2020, 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 nonmonetary 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, an employee matters 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 7, "Supplementary Financial Information", Note 14, "Litigation and Contingencies" and Note 15, "Guarantees, Indemnifications and Warranties".

Recently Adopted Accounting Pronouncements

In August 2017, the FASB issued guidance, which amends the existing accounting standards for derivatives and hedging. The amendment improves the financial reporting of hedging relationships to better represent the economic results of an entity's risk management activities in its financial statements and made certain targeted improvements to simplify the application of the hedge accounting guidance in current U.S. GAAP. HP adopted this guidance in the first quarter of fiscal year 2020. The implementation of this guidance did not have a material impact on its Consolidated Financial Statements.

HP Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

In February 2016, the FASB issued amended guidance on the accounting for leasing transactions. The primary objective of this update is to increase transparency and comparability among organizations by requiring lessees to recognize a lease liability for the obligation to make lease payments and a right-of-use ("ROU") asset for the right to use the underlying asset over the lease term. The guidance also results in some changes to lessor accounting and requires additional disclosures about all leasing arrangements.

HP adopted the standard (the "new lease standard") as of November 1, 2019 using a modified retrospective approach, with the cumulative effect adjustment to the opening balance of accumulated deficit as of the adoption date. HP elected to apply the practical expedient using the transition option whereby prior comparative periods were not retrospectively adjusted in the Consolidated Financial Statements. HP also elected the package of practical expedients, which does not require reassessment of initial direct costs, classification of a lease, and definition of a lease. The Company has elected not to record leases with an initial term of 12 months or less on the Consolidated Balance Sheets. Lease expense on such leases is recognized on a straight-line basis over the lease term. HP has also elected the lessee practical expedient to combine lease and non-lease components for certain asset classes.

The adoption of the new lease standard resulted in the recognition of $1.2 billion in operating lease liabilities and $1.2 billion of related ROU assets on the Consolidated Balance Sheets. The net impact of adoption to accumulated deficit as on November 1, 2019 is not material. As of November 1, 2019, there were no material finance leases for which HP was a lessee.

The new lease standard also made some changes to lessor accounting, including alignment with the new revenue recognition standard. HP now records revenue upfront on certain aspects of its as-a-service offerings and reflects financing of these offerings as cash flows from financing activities on the Consolidated Statements of Cash Flows. These changes did not have a material impact on the Consolidated Financial Statements.

Refer to Note 17, "Leases", for additional disclosures related to leases.

Recently Issued Accounting Pronouncements Not Yet Adopted

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. Further, 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 will adopt the guidance in the first quarter of fiscal year 2021 using a modified retrospective approach. HP has evaluated the impact of this standard on the consolidated financial statements, including accounting policies, processes, and systems and does not expect it to have a material impact on 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.

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.

Notes to Consolidated Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

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.

HP adopted the new revenue standard in the first quarter of fiscal year 2019 using the modified retrospective method applied to contracts that were not completed as of November 1, 2018. HP recognized the net impact of adoption as an increase to accumulated deficit by $212 million, net of tax, on November 1, 2018.

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.

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 $578 million, $652 million and $568 million in fiscal years 2020, 2019 and 2018, respectively.

Note 1: Summary of Significant Accounting Policies (Continued)

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 Separation, 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 establishes an allowance for doubtful accounts for accounts receivable. 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 maintains bad debt reserves 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, the financial condition of customers, the 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.

Notes to Consolidated Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

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 47% and 32% of gross accounts receivable as of October 31, 2020 and 2019, respectively. No single customer accounts for more than 10% of gross accounts receivable as of October 31, 2020 or 2019. 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 89% and 77% of HP's supplier receivables of $1.2 billion and $1.2 billion as of October 31, 2020 and 2019, 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.

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.

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.

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.

HP Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

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-term or long-term based on the nature of each security and its availability for use in current operations.

Debt and marketable equity securities are reported at fair value with unrealized gains and losses, net of applicable taxes, in Accumulated other comprehensive loss, Consolidated Statement of Earnings and the Consolidated Balance Sheets. Realized gains and losses on available-for-sale securities are calculated based on the specific identification method and included in Interest and other, net in the Consolidated Statements of Earnings. HP monitors its investment portfolio for potential impairment on a quarterly basis. When the carrying amount of an investment in debt securities exceeds its fair value and the decline in value is determined to be other-than-temporary (i.e., when HP does not intend to sell the debt securities and it is not more likely than not that HP will be required to sell the debt securities prior to anticipated recovery of its amortized cost basis), HP records an impairment charge to Interest and other, net in the amount of the credit loss and the remaining amount, if any, is recorded in Accumulated other comprehensive loss in the Consolidated Balance Sheets.

Derivatives

HP uses derivative instruments, primarily forwards, swaps, treasury rate locks and at times, options, 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 its 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 ("PCs"), workstations, thin clients, commercial mobility devices, retail point-of-sale ("POS") systems, displays and other related accessories, 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 networked and cloud-based environments. Additionally, HP offers a range of services and solutions to enterprise, public sector 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, staying informed and secure.

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 and commercial mobility devices;

— *Desktops* includes consumer desktops, commercial desktops, thin clients, and retail POS systems;

— *Workstations* consists of desktop workstations and accessories; 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 Hardware* consists of office printing solutions, graphics solutions and 3D printing & digital manufacturing, excluding supplies;

— *Consumer Hardware* 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.

Notes to Consolidated Financial Statements (Continued)

Note 2: Segment Information (Continued)

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.

Segment Operating Results from Operations and the reconciliation to HP consolidated results were as follows:

	For the fiscal years ended October 31		
	2020	2019	2018
	In millions		
Net revenue:			
Notebooks	$25,766	$22,928	$22,547
Desktops	9,806	12,046	11,567
Workstations	1,816	2,389	2,246
Other	1,609	1,331	1,301
Personal Systems	38,997	38,694	37,661
Supplies	11,586	12,921	13,575
Commercial Hardware	3,539	4,612	4,514
Consumer Hardware	2,516	2,533	2,716
Printing	17,641	20,066	20,805
Corporate Investments	2	2	5
Total segment net revenue	56,640	58,762	58,471
Other	(1)	(6)	1
Total net revenue	$56,639	$58,756	$58,472
Earnings before taxes:			
Personal Systems	$ 2,312	$ 1,898	$ 1,402
Printing	2,495	3,202	3,314
Corporate Investments	(69)	(96)	(82)
Total segment earnings from operations	$ 4,738	$ 5,004	$ 4,634
Corporate and unallocated costs and other	(407)	(404)	(200)
Stock-based compensation expense	(278)	(297)	(268)
Restructuring and other charges	(462)	(275)	(132)
Acquisition-related charges	(16)	(35)	(123)
Amortization of intangible assets	(113)	(116)	(80)
Interest and other, net	(231)	(1,354)	(818)
Total earnings before taxes	$ 3,231	$ 2,523	$ 3,013

Notes to Consolidated Financial Statements (Continued)

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	
	2020	2019
	In millions	
Personal Systems	$14,697	$14,092
Printing	14,170	14,309
Corporate Investments	3	4
Corporate and unallocated assets	5,811	5,062
Total assets	$34,681	$33,467

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 2020, 2019 and 2018, other than the United States, no country represented more than 10% of HP net revenue.

Net revenue by country in which HP operates was as follows:

	For the fiscal years ended October 31		
	2020	2019	2018
	In millions		
United States	$20,227	$20,605	$20,602
Other countries	36,412	38,151	37,870
Total net revenue	$56,639	$58,756	$58,472

Net property, plant and equipment by country in which HP operates was as follows:

	As of October 31	
	2020	2019
	In millions	
United States	$ 1,262	$ 1,260
Singapore	326	372
Other countries	1,039	1,162
Total property, plant and equipment, net	$ 2,627	$ 2,794

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 2020, 2019 and 2018 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, 2017	$ —	$ —	$ 108	$ 108
Charges	—	—	99	99
Cash payments	—	—	(175)	(175)
Non-cash and other adjustments	—	—	27	27
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
Total costs incurred to date as of October 31, 2020	$ 428	$ 10	$1,817	$2,255
Reflected in Consolidated Balance Sheets:				
Other current liabilities	$ 55	$ —	$ 12	$ 67

(1) Primarily includes the fiscal 2017 plan along with other legacy plans, all of 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 other 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 $0.9 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 Separation, 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 $105 million, $28 million and $33 million of other charges in fiscal year 2020, 2019 and 2018, respectively.

Notes to Consolidated Financial Statements (Continued)

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, 2020 and 2019, the fair value of plan assets of the DPSP was $463 million and $543 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. The Pension Plan and the DPSP both remain entirely with HP post-Separation.

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 $108 million in fiscal year 2020, $107 million in fiscal year 2019 and $110 million in fiscal year 2018.

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.

Notes to Consolidated Financial Statements (Continued)

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

Pension and Post-Retirement Benefit Expense

The components of HP's pension and post-retirement (credit) benefit cost recognized in the Consolidated Statements of Earnings were as follows:

	For the fiscal years ended October 31								
	2020	2019	2018	2020	2019	2018	2020	2019	2018
	U.S. Defined Benefit Plans			Non-U.S. Defined Benefit Plans			Post-Retirement Benefit Plans		
	In millions								
Service cost	$ —	$ —	$ —	$ 64	$ 57	$ 55	$ 1	$ 1	$ 1
Interest cost	412	491	452	17	24	24	11	17	15
Expected return on plan assets	(700)	(581)	(717)	(43)	(37)	(39)	(23)	(22)	(23)
Amortization and deferrals:									
Actuarial loss (gain)	64	59	58	43	31	28	(10)	(31)	(17)
Prior service benefit	—	—	—	(2)	(3)	(3)	(12)	(13)	(18)
Net periodic (credit) benefit cost	(224)	(31)	(207)	79	72	65	(33)	(48)	(42)
Curtailment gain	—	—	—	—	(22)	—	—	—	—
Settlement loss	217	2	2	1	1	5	—	—	—
Special termination benefit cost	—	—	—	—	—	—	44	6	—
Total (credit) benefit cost	$ (7)	$ (29)	$(205)	$ 80	$ 51	$ 70	$ 11	$(42)	$(42)

The components of net periodic benefit costs 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 (credit) benefit cost were as follows:

	For the fiscal years ended October 31								
	2020	2019	2018	2020	2019	2018	2020	2019	2018
	U.S. Defined Benefit Plans			Non-U.S. Defined Benefit Plans			Post-Retirement Benefit Plans		
Discount rate	3.2%	4.5%	3.8%	1.3%	2.0%	2.1%	2.9%	4.4%	3.5%
Expected increase in compensation levels	2.0%	2.0%	2.0%	2.5%	2.5%	2.5%	—%	—%	—%
Expected long-term return on plan assets	6.0%	6.0%	6.9%	4.4%	4.4%	4.5%	5.9%	6.0%	7.1%

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					
	2020	2019	2020	2019	2020	2019
	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	$12,017	$10,018	$ 969	$ 850	$404	$388
Acquisition/ deletion of plan	—	—	—	(1)	—	—
Actual return on plan assets	1,260	2,499	22	85	107	44
Employer contributions	34	32	45	44	4	5
Participant contributions	—	—	18	17	45	36
Benefits paid	(422)	(523)	(33)	(28)	(79)	(69)
Settlement	(2,426)	(9)	(7)	(4)	—	—
Currency impact	—	—	50	—	—	—
Transfers	—	—	—	6	—	—
Fair value of assets — end of year	$10,463	$12,017	$1,064	$ 969	$481	$404
Change in benefits obligation						
Projected benefit obligation — beginning of year	$13,191	$11,167	$1,457	$1,227	$390	$397
Acquisition/ deletion of plan	—	—	3	—	—	—
Service cost	—	—	64	57	1	1
Interest cost	412	491	17	24	11	17
Participant contributions	—	—	18	17	45	36
Actuarial loss (gain)	589	2,065	78	219	(10)	35
Benefits paid	(422)	(523)	(33)	(28)	(79)	(69)
Plan amendments	—	—	—	4	(8)	(33)
Curtailment	—	—	—	(63)	—	—
Settlement	(2,426)	(9)	(7)	(4)	—	—
Special termination benefits	—	—	—	—	44	6
Transfers	—	—	—	7	—	—
Currency impact	—	—	67	(3)	—	—
Projected benefit obligation — end of year	$11,344	$13,191	$1,664	$1,457	$394	$390
Funded status at end of year	$ (881)	$ (1,174)	$ (600)	$ (488)	$ 87	$ 14
Accumulated benefit obligation	$11,344	$13,191	$1,515	$1,320		

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, 2020 and 2019 were as follows:

	For the fiscal years ended October 31					
	2020	2019	2020	2019	2020	2019
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		Post-Retirement Benefit Plans	
Discount rate	2.8%	3.2%	1.1%	1.3%	2.3%	2.9%
Expected increase in compensation levels	2.0%	2.0%	2.4%	2.5%	—%	—%

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					
	2020	2019	2020	2019	2020	2019
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		Post-Retirement Benefit Plans	
	In millions					
Other non-current assets	$ —	$ —	$ 20	$ 14	$93	$21
Other current liabilities	(35)	(36)	(8)	(7)	(5)	(6)
Other non-current liabilities	(846)	(1,138)	(612)	(495)	(1)	(1)
Funded status at end of year	$(881)	$(1,174)	$(600)	$(488)	$87	$14

The following table summarizes the pre-tax net actuarial loss (gain) and prior service benefit recognized in Accumulated other comprehensive loss for the defined benefit and post-retirement benefit plans.

	As of October 31, 2020		
	U.S. Defined Benefit Plans	Non-U.S. Defined Benefit Plans	Post-Retirement Benefit Plans
	In millions		
Net actuarial loss (gain)	$ 1,119	$ 475	$(220)
Prior service benefit	—	(10)	(90)
Total recognized in Accumulated other comprehensive loss (gain)	$ 1,119	$ 465	$(310)

Notes to Consolidated Financial Statements (Continued)

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

The following table summarizes HP's pre-tax net actuarial loss (gain) and prior service benefit that are expected to be amortized from Accumulated other comprehensive loss and recognized as components of net periodic benefit cost (credit) during the next fiscal year.

	As of October 31, 2020		
	U.S. Defined Benefit Plans	Non-U.S. Defined Benefit Plans	Post-Retirement Benefit Plans
	In millions		
Net actuarial loss (gain)	$59	$54	$(17)
Prior service benefit	—	(2)	(11)
Total expected to be recognized in net periodic benefit cost (credit)	$59	$52	$(28)

Defined benefit plans with projected benefit obligations exceeding the fair value of plan assets were as follows:

	As of October 31			
	2020	2019	2020	2019
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans	
	In millions			
Aggregate fair value of plan assets	$10,463	$12,017	$ 998	$ 905
Aggregate projected benefit obligation	$11,344	$13,191	$1,620	$1,410

Defined benefit plans with accumulated benefit obligations exceeding the fair value of plan assets were as follows:

	As of October 31			
	2020	2019	2020	2019
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans	
	In millions			
Aggregate fair value of plan assets	$10,463	$12,017	$ 920	$ 838
Aggregate accumulated benefit obligation	$11,344	$13,191	$1,419	$1,226

Notes to Consolidated Financial Statements (Continued)

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

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, 2020. 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, 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 Investments 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

Notes to Consolidated Financial Statements (Continued)

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, 2019.

	As of October 31, 2019											
	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]	$ 697	$ 58	$—	$ 755	$132	$ 8	$—	$ 140	$ —	$ 1	$—	$ 1
Debt securities[2]												
Corporate	—	6,098	—	6,098	—	139	—	139	—	40	—	40
Government	—	2,979	—	2,979	—	19	—	19	—	61	—	61
Real Estate Funds	—	—	—	—	1	69	—	70	—	—	—	—
Insurance Contracts	—	—	—	—	—	78	—	78	—	—	—	—
Common Collective Trusts and 103-12s[3]	—	—	—	—	—	7	—	7	—	—	—	—
Investment Funds[4]	324	—	—	324	—	311	—	311	57	—	—	57
Cash and Cash Equivalents[5]	4	62	—	66	18	—	—	18	—	2	—	2
Other[6]	(517)	(488)	—	(1,005)	1	16	—	17	(16)	—	—	(16)
Net plan assets subject to leveling	$ 508	$8,709	$—	$ 9,217	$152	$647	$—	$ 799	$ 41	$104	$—	$ 145
Investments using NAV as a Practical Expedient[7]				2,800				170				259
Investments at Fair Value				$12,017				$ 969				$ 404

(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. The non-U.S. fund-of-fund arrangement is a custom portfolio valued at NAV consisting primarily of fixed income and common contractual funds.

(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.

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

— 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.

In addition, these investments include the Common Contractual Fund, which is an investment arrangement in which institutional investors pool their assets. Units may be acquired in different sub-funds focused on equities, fixed income, alternative investments and emerging markets. Each sub-fund is invested in accordance with the fund's investment objective and units are issued in relation to each sub-fund. While the sub-funds are not publicly traded, the custodian strikes a NAV either once or twice a month, depending on the sub-fund. These assets are valued using NAV as a practical expedient. 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.

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:

	2020 Target Allocation		
Asset Category	**U.S. Defined Benefit Plans**	**Non-U.S. Defined Benefit Plans**	**Post-Retirement Benefit Plans**
Equity-related investments	29.4%	35.4%	39.6%
Debt securities	70.6%	33.1%	48.4%
Real estate	—%	12.1%	—%
Cash and cash equivalents	—%	3.1%	12.0%
Other	—%	16.3%	—%
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. A 2021 asset-liability study is planned to reconfirm the current policy glide path for the U.S. Pension Plan. Due to the strong funded status for the U.S. Pension Plan and the high level of liability hedging in the pension assets, no material changes are anticipated other than additional movement to fixed-income investments in the 401(h) account with the U.S. Pension Plan. HP invests a portion of the U.S. defined benefit plan assets and post-retirement 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.

Note 4: Retirement and Post-Retirement Benefit Plans (Continued)

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.

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 2021, HP expects to contribute approximately $77 million to its non-U.S. pension plans, $34 million to cover benefit payments to U.S. non-qualified plan participants and $5 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, 2020, 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	
2021	$ 680	$ 43	$ 47
2022	680	41	44
2023	682	45	33
2024	690	50	27
2025	699	55	27
Next five fiscal years to October 31, 2030	3,306	323	131

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		
	2020	2019	2018
	In millions		
Stock-based compensation expense	$278	$297	$268
Income tax benefit	(48)	(47)	(59)
Stock-based compensation expense, net of tax	$230	$250	$209

Cash received from option exercises and purchases under the HP Inc. 2011 Employee Stock Purchase Plan (the "2011 ESPP") was $56 million in fiscal year 2020, $59 million in fiscal year 2019 and $158 million in fiscal year 2018. The benefit realized for the tax deduction from option exercises in fiscal years 2020, 2019 and 2018 was $2 million, $3 million and $23 million, respectively.

Stock-Based Incentive Compensation Plans

HP's stock-based incentive compensation plans include equity plans adopted in 2004 and 2000, as amended and restated ("principal equity plans"), as well as various equity plans assumed through acquisitions under which stock-based awards are outstanding. Stock-based awards granted under the principal equity plans include 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 2004 principal equity plan is 593.1 million. No further grants may be made under the 2000 principal equity plan and all outstanding awards under this plan will remain outstanding according to the terms of the plan.

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 plans are generally non-qualified stock options, but the principal equity plans permit 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. Starting in fiscal year 2011 through fiscal year 2016, HP granted 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.

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 the 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		
	2020	2019	2018
Expected volatility[(1)]	27.6%	26.5%	29.5%
Risk-free interest rate[(2)]	1.6%	2.7%	1.9%
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					
	2020		2019		2018	
	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	29,960	$21	30,784	$18	31,822	$14
Granted	18,109	$20	17,216	$22	16,364	$21
Vested	(14,929)	$20	(16,934)	$16	(15,339)	$15
Forfeited	(3,309)	$21	(1,106)	$20	(2,063)	$17
Outstanding at end of year	29,831	$21	29,960	$21	30,784	$18

The total grant date fair value of restricted stock units vested in fiscal years 2020, 2019 and 2018 was $297 million, $273 million and $224 million, respectively. As of October 31, 2020, total unrecognized pre-tax stock-based compensation expense related to non-vested restricted stock units was $266 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		
	2020	2019	2018
Weighted-average fair value[1]	$ 3	$ 3	$ 5
Expected volatility[2]	29.8%	29.8%	29.4%
Risk-free interest rate[3]	1.6%	1.7%	2.5%
Expected dividend yield[4]	4.0%	3.7%	2.6%
Expected term in years[5]	6.0	6.0	5.0

(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											
	2020				2019				2018			
	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	7,093	$16			7,086	$14			18,067	$13		
Granted	996	$18			2,451	$17			54	$21		
Exercised	(2,213)	$14			(2,429)	$13			(10,644)	$13		
Forfeited/cancelled/expired	(239)	$19			(15)	$10			(391)	$16		
Outstanding at end of year	5,637	$17	6.4	$10	7,093	$16	5.7	$15	7,086	$14	4.2	$73
Vested and expected to vest	5,637	$17	6.4	$10	7,093	$16	5.7	$15	7,084	$14	4.2	$73
Exercisable	3,196	$15	4.4	$ 9	4,707	$14	3.6	$15	4,707	$14	3.7	$49

Notes to Consolidated Financial Statements (Continued)

Note 5: Stock-Based Compensation (Continued)

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value that option holders would have realized had all option holders exercised their options on the last trading day of fiscal years 2020, 2019 and 2018. 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 2020, 2019 and 2018 was $12 million, $20 million and $109 million, respectively. The total grant date fair value of options vested in fiscal years 2020, 2019 and 2018 was $3 million, $9 million and $12 million, respectively.

As of October 31, 2020, total unrecognized pre-tax stock-based compensation expense related to stock options was $7 million, which is expected to be recognized over a weighted-average vesting period of 1.5 years.

Employee Stock Purchase Plan

HP sponsors the 2011 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 2011 ESPP, employees purchase stock under the 2011 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 2011 ESPP is 100 million. The 2021 ESPP comes into effect on May 1, 2021 upon expiry of the 2011 ESPP. The 2021 ESPP terms are similar to the current ESPP. The aggregate number of shares of HP's stock authorized for issuance under the 2021 ESPP is 50 million.

Shares Reserved

Shares available for future grant and shares reserved for future issuance under the stock-based incentive compensation plans and the 2011 ESPP were as follows:

	As of October 31		
	2020	2019	2018
	In thousands		
Shares available for future grant	229,334	265,135	305,767
Shares reserved for future issuance	264,110	301,608	343,076

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		
	2020	2019	2018
	In millions		
U.S.	$ 884	$ (1,021)	$ 242
Non-U.S.	2,347	3,544	2,771
	$ 3,231	$ 2,523	$ 3,013

Note 6: Taxes on Earnings (Continued)

The provision for (benefit from) taxes on earnings was as follows:

	For the fiscal years ended October 31		
	2020	2019	2018
		In millions	
U.S. federal taxes:			
Current	$ (24)	$(987)	$ 751
Deferred	(68)	149	(3,132)
Non-U.S. taxes:			
Current	319	386	528
Deferred	164	(3)	(563)
State taxes:			
Current	23	(160)	61
Deferred	(27)	(14)	41
	$ 387	$(629)	$(2,314)

As a result of U.S. tax reform, HP revised its estimated annual effective tax rate to reflect the change in the U.S. federal statutory tax rate from 35% to a transitional rate of 23.3% in fiscal year 2018. The 2019 and 2020 U.S. federal statutory tax rate is 21%.

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		
	2020	2019	2018
U.S. federal statutory income tax rate from operations	21.0%	21.0%	23.3%
State income taxes, net of federal tax benefit	1.4%	1.5%	0.5%
Impact of foreign earnings including GILTI and FDII, net	(6.1)%	(4.4)%	(10.9)%
U.S. Tax Reform enactment	—%	(2.6)%	(35.8)%
Research and development ("R&D") credit	(0.7)%	(1.1)%	(0.7)%
Valuation allowances	2.3%	(3.7)%	(9.3)%
Uncertain tax positions and audit settlements	(4.1)%	(41.1)%	(50.3)%
Indemnification related items	—%	6.8%	5.2%
Other, net	(1.8)%	(1.3)%	1.2%
	12.0%	(24.9)%	(76.8)%

The jurisdictions with favorable tax rates that have the most significant effective tax rate impact in the periods presented include Puerto Rico, Singapore, China, and Malaysia. HP has elected to treat Global Minimum Tax inclusions as period costs.

In fiscal year 2020, HP recorded $244 million of net income tax benefits related to discrete items in the provision for taxes. This amount includes 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.

Note 6: Taxes on Earnings (Continued)

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 includes 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.

In fiscal year 2018, HP recorded $2.8 billion of net income tax benefits related to discrete items in the provision for taxes which include impacts of the TCJA. HP had not yet completed its analysis of the full impact of the TCJA. However, as of October 31, 2018, HP recorded a provisional tax benefit of $760 million related to $5.6 billion net benefit for the decrease in its deferred tax liability on unremitted foreign earnings, partially offset by $3.3 billion net expense for the deemed repatriation tax payable in installments over eight years, a $1.2 billion net expense for the remeasurement of its deferred assets and liabilities to the new U.S. statutory tax rate and a $317 million valuation allowance on net expense related to deferred tax assets that are expected to be realized at a lower rate. HP also recorded tax benefits related to audit settlements of $1.5 billion and valuation allowance releases of $601 million pertaining to a change in our ability to utilize certain foreign and U.S. deferred tax assets due to a change in our geographic earnings mix. These benefits were partially offset by other net tax charges of $34 million. In fiscal year 2018, in addition to the discrete items mentioned above, HP recorded excess tax benefits of $42 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 $344 million ($0.24 diluted EPS) in fiscal year 2020, $386 million ($0.25 diluted net EPS) in fiscal year 2019 and $578 million ($0.35 diluted net EPS) in fiscal year 2018.

Uncertain Tax Positions

A reconciliation of unrecognized tax benefits is as follows:

	For the fiscal years ended October 31		
	2020	2019	2018
		In millions	
Balance at beginning of year	$ 929	$ 7,771	$10,808
Increases:			
For current year's tax positions	59	79	66
For prior years' tax positions	71	172	101
Decreases:			
For prior years' tax positions	(89)	(37)	(248)
Statute of limitations expirations	(2)	(15)	(3)
Settlements with taxing authorities	(148)	(7,041)	(2,953)
Balance at end of year	$ 820	$ 929	$ 7,771

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. As of October 31, 2019, the amount of unrecognized tax benefits was $929 million of which up to $803 million would affect HP's effective tax rate if realized. The amount of unrecognized tax benefits decreased by $109 million primarily related to the resolution of various audits. 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, 2020, 2019 and 2018, HP had accrued $34 million, $56 million and $160 million, respectively, for interest and penalties.

HP Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Note 6: Taxes on Earnings (Continued)

HP engages in continuous discussions and negotiations with taxing authorities regarding tax matters in various jurisdictions. HP expects to 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 $107 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, 2020.

The U.S. Tax Court ruled in May 2012 against HP related to certain tax attributes claimed by HP for the tax years 1999 through 2003. HP appealed the U.S. Tax Court determination by filing a formal Notice of Appeal with the Ninth Circuit Court of Appeals. This case was argued before the Ninth Circuit in November 2016. The Ninth Circuit Court of Appeals issued its opinion in November 2017 affirming the Tax Court determinations. In fiscal year 2018, HP decided against further appeal.

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, 2020 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.

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	
	2020	2019
	In millions	
Deferred tax assets:		
Loss and credit carryforwards	$ 7,857	$ 7,856
Intercompany transactions—excluding inventory	509	714
Fixed assets	120	115
Warranty	203	195
Employee and retiree benefits	411	396
Deferred revenue	134	135
Capitalized research and development	203	193
Intangible assets	467	420
Operating lease liabilities	218	—
Investment in partnership	108	14
Other	531	542
Gross deferred tax assets	10,761	10,580
Valuation allowances	(7,976)	(7,930)
Total deferred tax assets	2,785	2,650
Deferred tax liabilities:		
Unremitted earnings of foreign subsidiaries	(60)	(27)
Right-of-use assets from operating leases	(203)	—
Other	(32)	(63)
Total deferred tax liabilities	(295)	(90)
Net deferred tax assets	$ 2,490	$ 2,560

Deferred tax assets and liabilities included in the Consolidated Balance Sheets as follows:

	As of October 31	
	2020	2019
	In millions	
Deferred tax assets	$ 2,515	$ 2,620
Deferred tax liabilities	(25)	(60)
Total	$ 2,490	$ 2,560

Note 6: Taxes on Earnings (Continued)

As of October 31, 2020, 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	$ 291	$ 61	$ (15)	2023
State	2,737	174	(61)	2020
Foreign	26,225	7,378	(7,085)	2022
Balance at end of year	$ 29,253	$ 7,613	$ (7,161)	

As of October 31, 2020, HP had recorded deferred tax assets for various tax credit carryforwards as follows:

	Carryforward	Valuation Allowance	Initial Year of Expiration
	In millions		
U.S. foreign tax credits	$ 35	$ (35)	2030
U.S. R&D and other credits	14	—	2040
Tax credits in state and foreign jurisdictions	$ 321	$ (59)	2022
Balance at end of year	$ 370	$ (94)	

Deferred Tax Asset Valuation Allowance

The deferred tax asset valuation allowance and changes were as follows:

	For the fiscal years ended October 31		
	2020	2019	2018
		In millions	
Balance at beginning of year	$ 7,930	$ 7,906	$ 8,807
Income tax (benefit) expense	74	(339)	(897)
Other comprehensive loss (income), currency translation and charges to other accounts	(28)	363	(4)
Balance at end of year	$ 7,976	$ 7,930	$ 7,906

Gross deferred tax assets as of October 31, 2020, 2019 and 2018 were reduced by valuation allowances of $8.0 billion, $7.9 billion and $7.9 billion, respectively. 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. In fiscal year 2018, the deferred tax asset valuation allowance decreased by $901 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.

Notes to Consolidated Financial Statements (Continued)

Note 7: Supplementary Financial Information

Accounts Receivable, net

	As of October 31	
	2020	2019
	In millions	
Accounts receivable	$5,503	$6,142
Allowance for doubtful accounts	(122)	(111)
	$5,381	$6,031

The allowance for doubtful accounts related to accounts receivable and changes were as follows:

	For the fiscal years ended October 31		
	2020	2019	2018
	In millions		
Balance at beginning of period	$111	$129	$101
Provision for doubtful accounts	62	60	57
Deductions, net of recoveries	(51)	(78)	(29)
Balance at end of period	$122	$111	$129

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, 2020 and 2019 were not material. The costs associated with the sales of trade receivables for fiscal year 2020, 2019 and 2018 were not material.

The following is a summary of the activity under these arrangements:

	For the fiscal years ended October 31		
	2020	2019	2018
	In millions		
Balance at beginning of year[1]	$ 235	$ 165	$ 147
Trade receivables sold	10,474	10,257	10,224
Cash receipts	(10,526)	(10,186)	(10,202)
Foreign currency and other	5	(1)	(4)
Balance at end of year[1]	$ 188	$ 235	$ 165

(1) Amounts outstanding from third parties reported in Accounts Receivable in the Consolidated Balance Sheets.

Notes to Consolidated Financial Statements (Continued)

Note 7: Supplementary Financial Information (Continued)

Inventory

	As of October 31	
	2020	2019
	In millions	
Finished goods	$3,662	$3,855
Purchased parts and fabricated assemblies	2,301	1,879
	$5,963	$5,734

Other Current Assets

	As of October 31	
	2020	2019
	In millions	
Supplier and other receivables	$2,092	$1,951
Prepaid and other current assets	1,104	967
Value-added taxes receivable	970	957
Available-for-sale investments[1]	274	—
	$4,440	$3,875

[1] See Note 9 “Fair Value” and Note 10, “Financial Instruments” for detailed information.

Property, Plant and Equipment, Net

	As of October 31	
	2020	2019
	In millions	
Land, buildings and leasehold improvements	$ 2,066	$ 1,977
Machinery and equipment, including equipment held for lease	5,275	5,060
	7,341	7,037
Accumulated depreciation	(4,714)	(4,243)
	$ 2,627	$ 2,794

Depreciation expense was $673 million, $623 million and $448 million in fiscal years 2020, 2019 and 2018, respectively.

Notes to Consolidated Financial Statements (Continued)

Note 7: Supplementary Financial Information (Continued)

Other Non-Current Assets

	As of October 31	
	2020	2019
	In millions	
Deferred tax assets[1]	$2,515	$2,620
Right-of-use assets from operating leases[2]	1,107	—
Intangible assets[3]	540	661
Other[4]	864	843
	$5,026	$4,124

(1) See Note 6, “Taxes on Earnings” for detailed information.

(2) See Note 1, “Summary of Significant Accounting Policies” and Note 17, “Leases” for detailed information.

(3) See Note 8, “Goodwill and Intangible Assets” for detailed information.

(4) Includes marketable equity securities and mutual funds classified as available-for-sale investments of $58 million and $56 million at October 31, 2020 and 2019, respectively. See Note 10, “Financial Instruments” for detailed information

Other Current Liabilities

	As of October 31	
	2020	2019
	In millions	
Sales and marketing programs	$ 3,185	$ 3,361
Deferred revenue	1,208	1,178
Employee compensation and benefit	1,194	1,103
Other accrued taxes	1,051	1,060
Warranty	746	663
Operating lease liabilities[1]	275	—
Tax liability	223	237
Other	2,960	2,541
	$ 10,842	$ 10,143

(1) See Note 1, “Summary of Significant Accounting Policies” and Note 17, “Leases” for detailed information.

Note 7: Supplementary Financial Information (Continued)

Other Non-Current Liabilities

	As of October 31	
	2020	2019
	In millions	
Pension, post-retirement, and post-employment liabilities	$ 1,576	$ 1,762
Deferred revenue	1,072	1,069
Operating lease liabilities[1]	904	—
Tax liability	746	848
Deferred tax liability[2]	25	60
Other	823	848
	$ 5,146	$ 4,587

(1) See Note 1, "Summary of Significant Accounting Policies" and Note 17, "Leases" for detailed information.

(2) See Note 6, "Taxes on Earnings" for detailed information.

Interest and other, net

	For the fiscal years ended October 31		
	2020	2019	2018
	In millions		
Tax indemnifications[1]	$ 1	$(1,186)	$(662)
Interest expense on borrowings	(239)	(242)	(312)
Non-operating retirement- related credits	240	85	233
Defined benefit plan settlement charges	(214)	—	—
Loss on extinguishment of debt	(40)	—	(126)
Other, net	21	(11)	49
	$(231)	$(1,354)	$(818)

(1) Fiscal year ended October 31, 2019 and 2018, includes an adjustment of $764 million and $676 million respectively, of indemnification receivables, primarily related to resolution of various income tax audits settlements. Fiscal year ended October 31, 2019, also includes an adjustment of $417 million pursuant to the termination of the TMA with Hewlett Packard Enterprise.

Note 7: Supplementary Financial Information (Continued)

Net Revenue by Region

	For the fiscal years ended October 31		
	2020	2019	2018
		In millions	
Americas	$24,414	$25,244	$25,644
Europe, Middle East and Africa	19,624	20,275	20,470
Asia-Pacific and Japan	12,601	13,237	12,358
Total net revenue	$56,639	$58,756	$58,472

Value of Remaining Performance Obligations

As of October 31, 2020, the estimated value of transaction price allocated to remaining performance obligations was $4.1 billion. HP expects to recognize approximately $1.8 billion of the unearned amount in next 12 months and $2.3 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.

Costs of Obtaining Contracts and Fulfillment Cost

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 Sheet. During the fiscal year ended October 31, 2020, the Company amortized $98 million of these costs.

As of October 31, 2019, deferred contract fulfillment and acquisition costs balances were $47 million and $30 million, respectively, included in Other Current Assets and Other Non-Current Assets in the Consolidated Balance Sheet. During the twelve months ended October 31, 2019, the Company amortized $108 million of these costs.

Contract Liabilities

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 Sheet.

The increase in the contract liabilities balance for 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.

As of October 31, 2019 and 2018, HP's contract liabilities balances were $2.1 billion and $1.9 billion, respectively, included in Other Current Liabilities and Other Non-Current Liabilities in the Consolidated Balance Sheet.

The increase in the contract liabilities balance for fiscal year 2019 was primarily driven by sales of fixed-price support and maintenance services, partially offset by $0.9 billion of revenue recognized that were included in the opening contract liabilities balance as of October 31, 2018.

Notes to Consolidated Financial Statements (Continued)

Note 8: Goodwill and Intangible Assets

Goodwill

Goodwill allocated to HP's reportable segments and changes in the carrying amount of goodwill were as follows:

	Personal Systems	Printing	Total
		In millions	
Balance at October 31, 2018[1]	$2,600	$3,368	$5,968
Acquisitions/adjustments	13	386	399
Foreign currency translation	—	5	5
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

[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, 2020, our reporting units are consistent with the reportable segments identified in Note 2, "Segment Information". There were no goodwill impairments in fiscal years 2020, 2019 and 2018. Personal Systems had a negative carrying amount of net assets as of October 31, 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, 2020			As of October 31, 2019		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
			In millions			
Customer contracts, customer lists and distribution agreements	$ 382	$149	$233	$ 385	$122	$263
Technology, patents and trade name	647	340	307	652	254	398
Total intangible assets	$1,029	$489	$540	$1,037	$376	$661

As of October 31, 2020, estimated future amortization expense related to intangible assets was as follows:

Fiscal year	In millions
2021	$115
2022	115
2023	113
2024	79
2025	36
Thereafter	82
Total	$540

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.

The following table presents HP's assets and liabilities that are measured at fair value on a recurring basis:

	As of October 31, 2020				As of October 31, 2019			
	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	$ —	$ 1,700	$—	$ 1,700	$ —	$ 1,283	$—	$ 1,283
Financial institution instruments	—	59	—	59	—	—	—	—
Government debt[(1)]	1,992	181	—	2,173	2,422	—	—	2,422
Available-for-Sale Investments								
Corporate debt	—	169	—	169	—	—	—	—
Financial institution instruments	—	32	—	32	—	—	—	—
Government debt[(1)]	—	73	—	73	—	—	—	—
Marketable equity securities and Mutual funds	5	53	—	58	6	50	—	56
Derivative Instruments								
Interest rate contracts	—	4	—	4	—	4	—	4
Foreign currency contracts	—	191	—	191	—	381	—	381
Other derivatives	—	—	—	—	—	7	—	7
Total Assets	$ 1,997	$ 2,462	$—	$ 4,459	$ 2,428	$ 1,725	$—	$ 4,153
Liabilities:								
Derivative Instruments								
Interest rate contracts	$ —	$ 3	$—	$ 3	$ —	$ —	$—	$ —
Foreign currency contracts	—	256	—	256	—	165	—	165
Other derivatives	—	3	—	3	—	1	—	1
Total Liabilities	$ —	$ 262	$—	$ 262	$ —	$ 166	$—	$ 166

(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.

Note 9: Fair Value (Continued)

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 was 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: From time to time, HP uses forward contracts, interest rate and total return swaps, treasury rate locks and, at times, option contracts to hedge certain foreign currency, interest rate and return on certain investment exposures. 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.

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 $6.7 billion at October 31, 2020 compared to its carrying amount of $6.2 billion at that date. The fair value of HP’s short- and long-term debt was $5.4 billion as compared to its carrying value of $5.1 billion at October 31, 2019. 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 in 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, 2020				As of October 31, 2019			
	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
	In millions							
Cash Equivalents:								
Corporate debt	$ 1,700	$—	$—	$ 1,700	$ 1,283	$—	$—	$ 1,283
Financial institution instruments	59	—	—	59	—	—	—	—
Government debt	2,173	—	—	2,173	2,422	—	—	2,422
Total cash equivalents	3,932	—	—	3,932	3,705	—	—	3,705
Available-for-Sale Investments:								
Corporate debt[(1)]	169	—	—	169	—	—	—	—
Financial institution instruments[(1)]	32	—	—	32	—	—	—	—
Government debt[(1)]	73	—	—	73	—	—	—	—
Marketable equity securities and Mutual funds	42	16	—	58	40	16	—	56
Total available-for-sale investments	316	16	—	332	40	16	—	56
Total cash equivalents and available-for-sale investments	$ 4,248	$16	$—	$ 4,264	$ 3,745	$16	$—	$ 3,761

(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.

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, 2020 and 2019, 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 $40 million in fiscal year 2020, $80 million in fiscal year 2019, and $116 million in fiscal year 2018. 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, 2020	
	Amortized Cost	Fair Value
	In millions	
Due in one year	$ 274	$ 274

Non-marketable equity investments in privately held companies are included in Other non-current assets in the Consolidated Balance Sheets. These amounted to $44 million and $46 million as of October 31, 2020 and 2019, respectively.

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 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.

Notes to Consolidated Financial Statements (Continued)

Note 10: Financial Instruments (Continued)

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 $90 million and $45 million as of October 31, 2020 and 2019, 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, 2020 and 2019.

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 rate 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.

During the fiscal year 2020, HP terminated interest rate swaps with a notional amount of $0.5 billion that were de-designated as fair value hedges of certain fixed rate debt securities that were extinguished. HP also entered into $0.6 billion notional amount interest rate swaps designated as fair value hedges to convert a portion of newly issued $1.15 billion fixed-rate debt to floating.

Cash Flow Hedges

HP uses forward contracts, treasury rate locks, 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.

In March 2020, HP entered into a series of treasury rate lock agreements with notional amounts totaling $750 million to hedge the exposure to variability in future cash flows resulting from changes in interest rate related to an anticipated issuance of long-term debt. These agreements were designated as cash flow hedges and were settled upon issuance of the senior notes in June 2020 resulting in an immaterial loss recognized in Other Comprehensive Income (Loss). The loss will be reclassified to Interest and other, net over the life of the related debt.

Notes to Consolidated Financial Statements (Continued)

Note 10: Financial Instruments (Continued)

Other Derivatives

Other derivatives not designated as hedging instruments consist primarily of forward contracts used to hedge foreign currency-denominated balance sheet exposures. HP 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 and forward contracts 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.

As of October 31, 2020 and 2019, no portion of the hedging instruments' gain or loss was excluded from the assessment of effectiveness for fair value and cash flow hedges.

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, 2020					As of October 31, 2019				
	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	$ 875	$ 4	$—	$ —	$ 3	$ 750	$ —	$ 4	$ —	$—
Cash flow hedges:										
Foreign currency contracts	15,661	148	30	199	37	15,639	260	111	123	28
Total derivatives designated as hedging instruments	16,536	152	30	199	40	16,389	260	115	123	28
Derivatives not designated as hedging instruments										
Foreign currency contracts	5,319	13	—	20	—	7,146	10	—	14	—
Other derivatives	142	—	—	3	—	134	7	—	1	—
Total derivatives not designated as hedging instruments	5,461	13	—	23	—	7,280	17	—	15	—
Total derivatives	$21,997	$165	$30	$222	$40	$23,669	$277	$115	$138	$28

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, 2020 and 2019, 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, 2020						
Derivative assets	$195	$—	$195	$156	$ 4[1]	$ 35
Derivative liabilities	$262	$—	$262	$156	$130[2]	$(24)
As of October 31, 2019						
Derivative assets	$392	$—	$392	$113	$259[1]	$ 20
Derivative liabilities	$166	$—	$166	$113	$ 43[2]	$ 10

(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 through 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 was 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 instrument	(Loss)/ gain recognized in earnings on hedged item
				In millions		
Interest rate contracts	Fixed-rate debt	Interest and other, net	2020	$ (231)	$ 6	$ (6)
			2019	(1,354)	27	(27)
			2018	(818)	(11)	11

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		
	2020	2019	2018
	In millions		
(Loss)/ gain recognized in Accumulated other comprehensive loss on derivatives:			
Foreign currency contracts	$(197)	$ 252	$ 341
Interest rate contracts	$ (4)	$ —	$ —

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		
	2020	2019	2018	2020	2019	2018
	In millions			In millions		
Net revenue	$ 56,639	$ 58,756	$ 58,472	$108	$425	$(239)
Cost of revenue	(46,202)	(47,586)	(47,803)	(25)	(43)	(18)
Operating expenses	(6,975)	(7,293)	(6,838)	2	(2)	(1)
Total	$ 3,462	$ 3,877	$ 3,831	$ 85	$380	$(258)

As of October 31, 2020, HP expects to reclassify an estimated Accumulated other comprehensive loss of approximately $57 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 2020, 2019 and 2018 was as follows:

	Gain/ (loss) recognized in earnings on derivative instrument			
	Location	2020	2019	2018
		In millions		
Foreign currency contracts	Interest and other, net	$40	$(119)	$35
Other derivatives	Interest and other, net	(9)	14	(9)
Total		$31	$(105)	$26

Note 11: Borrowings

Notes Payable and Short-Term Borrowings

	As of October 31			
	2020		2019	
	Amount Outstanding	Weighted-Average Interest Rate	Amount Outstanding	Weighted-Average Interest Rate
	In millions			
Current portion of long-term debt	$ 633	4.0%	$ 307	3.6%
Notes payable to banks, lines of credit and other	41	1.6%	50	2.0%
	$ 674		$ 357	

Notes to Consolidated Financial Statements (Continued)

Note 11: Borrowings (Continued)

Long-Term Debt

	As of October 31	
	2020	2019
	In millions	
U.S. Dollar Global Notes[1]		
2009 Shelf Registration Statement:		
$1,350 issued at discount to par at a price of 99.827% in December 2010 at 3.75%, due December 2020	$ —	$ 648
$1,250 issued at discount to par at a price of 99.799% in May 2011 at 4.3%, due June 2021	—	667
$1,000 issued at discount to par at a price of 99.816% in September 2011 at 4.375%, due September 2021	412	538
$1,500 issued at discount to par at a price of 99.707% in December 2011 at 4.65%, due December 2021	586	695
$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	—
$1,000 issued at discount to par at a price of 99.718% in June 2020 at 3.0%, due June 2027	997	—
$850 issued at discount to par at a price of 99.790% in June 2020 at 3.4%, due June 2030	848	—
	5,689	4,246
Other borrowings at 0.51%-9.00%, due in fiscal years 2021-2027	522	853
Fair value adjustment related to hedged debt	2	4
Unamortized debt issuance cost	(37)	(16)
Current portion of long-term debt	(633)	(307)
Total long-term debt	$ 5,543	$ 4,780

(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 2020, HP completed its public offering of $3.0 billion aggregate principal amount of senior unsecured notes, consisting of $1.15 billion of 2.2% notes due June 2025, $1.0 billion of 3.0% notes due June 2027, and $850 million of 3.4% notes due June 2030. HP incurred $26 million towards issuance costs. HP will pay interest semi-annually on the notes on June 17 and December 17, beginning December 17, 2020. HP had entered into treasury rate lock agreements with notional amounts totaling $750 million to hedge exposure to variability in future cash flows resulting from changes in interest rates related to the forecasted issuance of long-term debt. These agreements were settled upon issuance of the senior notes in June 2020. The net proceeds from this offering were used to fund approximately $0.7 billion and $0.9 billion for the cash tender offer ("Tender Offer") and the redemption, respectively, of certain existing notes, as described below. Net proceeds from this offering in excess of the amounts used to repurchase the notes were used for general corporate purposes.

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, 2020, aggregate future maturities of debt at face value (excluding unamortized debt issuance cost of $37 million and discounts on debt issuance of $9 million less fair value adjustment related to hedged debt of $2 million), including other financing obligations were as follows:

Fiscal year	In millions
2021	$ 679
2022	1,230
2023	95
2024	45
2025	1,161
Thereafter	3,051
Total	$ 6,261

Extinguishment of Debt

In June 2020, HP commenced and completed the Tender Offer to purchase approximately $0.7 billion in aggregate principal amount of its outstanding US Dollar 3.750% Global Notes due December 1,2020, 4.300% Global Notes due June 1, 2021, 4.375% Global Notes due September 15, 2021 and 4.650% Global Notes due December 9, 2021. This extinguishment of debt resulted in a net loss of $23 million, which was recorded as Interest and other, net on the Consolidated Statements of Earnings.

On July 22, 2020, HP redeemed the remaining aggregate principal amounts of $0.5 billion in outstanding U.S. Dollar 3.750% Global Notes due December 1, 2020 and $0.4 billion in outstanding U.S. Dollar 4.300% Global Notes due June 1, 2021. This extinguishment of debt resulted in a net loss of $17 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 of $0.5 billion that were de-designated as fair value hedges.

Commercial Paper

As of October 31, 2020, 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, 2020, HP maintained a $4.0 billion senior unsecured committed revolving credit facility to support the issuance of commercial paper or for general corporate purposes. Commitments under the revolving credit facility will be available until March 30, 2023. Commitment fees, interest rates and other terms of borrowing under the credit facilities vary based on HP's external credit ratings.

On May 29, 2020, we entered into a 364-day revolving credit facility providing for a senior unsecured revolving credit facility with aggregate lending commitments of $1.0 billion. Commitments under the 364-day revolving credit facility will be available until May 28, 2021. Funds borrowed under this revolving credit facility may be used for general corporate purposes.

As of October 31, 2020, HP was in compliance with the financial covenants in the credit agreements governing the revolving credit facilities.

Available Borrowing Resources

As of October 31, 2020, HP had available borrowing resources of $725 million from uncommitted lines of credit in addition to the senior unsecured committed revolving credit facilities.

HP Inc. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

Note 12: Stockholders' Deficit

Share Repurchase Program

HP's share repurchase program authorizes both open market and private repurchase transactions. 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. In fiscal year 2018, HP executed share repurchases of 111 million shares and settled total shares for $2.6 billion. Share repurchases executed during fiscal years 2020, 2019, and 2018 included 2.3 million shares, 0.9 million shares, and 1.0 million shares settled in November 2020, November 2019, and November 2018, respectively.

The shares repurchased in fiscal years 2020, 2019 and 2018 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, 2020, HP had approximately $12.7 billion remaining under the share repurchase authorizations approved by HP's Board of Directors.

Shareholder Rights Plan

On February 20, 2020, HP's Board of Directors adopted a shareholder rights plan and declared a dividend of one preferred share purchase right for each outstanding share of HP's common stock to shareholders of record on March 2, 2020. The dividend distribution was made on March 2, 2020. The rights were set to expire on February 20, 2021, unless terminated earlier by HP's Board of Directors. The Board of Directors terminated the shareholder rights plan, effective June 25, 2020, and at the time of the termination, all rights distributed to holders of HP's common stock under the shareholder rights plan expired.

Taxes related to Other Comprehensive (Loss) Income

	For the fiscal years ended October 31		
	2020	2019	2018
		In millions	
Tax effect on change in unrealized components of available-for-sale debt securities:			
Tax benefit on unrealized losses arising during the period	$ —	$ —	$ 1
Tax effect on change in unrealized components of cash flow hedges:			
Tax benefit (provision) on unrealized (losses) gains arising during the period	20	(37)	(42)
Tax provision (benefit) on (gains) losses reclassified into earnings	28	46	(26)
	48	9	(68)
Tax effect on change in unrealized components of defined benefit plans:			
Tax benefit on losses arising during the period	11	64	—
Tax provision on amortization of actuarial loss and prior service benefit	(19)	(11)	(11)
Tax provision on curtailments, settlements and other	(41)	(104)	(2)
	(49)	(51)	(13)
Tax effect on change in cumulative translation adjustment	2	—	—
Tax benefit (provision) on other comprehensive (loss) income	$ 1	$ (42)	$ (80)

Note 12: Stockholders' Deficit (Continued)

Changes and reclassifications related to Other Comprehensive (Loss) Income, net of taxes

	For the year ended October 31		
	2020	2019	2018
		In millions	
Other comprehensive (loss) income, net of taxes:			
Change in unrealized components of available-for-sale debt securities:			
Unrealized gains (losses) arising during the period	$ 2	$ 1	$ (2)
Losses (gains) reclassified into earnings	—	3	(5)
	2	4	(7)
Change in unrealized components of cash flow hedges:			
Unrealized (losses) gains arising during the period	(181)	215	299
(Gains) losses reclassified into earnings	(57)	(334)	232
	(238)	(119)	531
Change in unrealized components of defined benefit plans:			
(Losses) gains arising during the period	(18)	(239)	11
Amortization of actuarial loss and prior service benefit[1]	64	32	37
Curtailments, settlements and other	174	(62)	1
	220	(269)	49
Change in cumulative translation adjustment:	(2)	4	—
Other comprehensive (loss) income, net of taxes	$ (18)	$(380)	$573

(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, 2020 and changes during fiscal year 2020 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	$ 9	$ 172	$(1,410)	$ 4	$(1,225)
Other comprehensive loss before reclassifications	2	(181)	(18)	(2)	(199)
Reclassifications of (gains) losses into earnings	—	(57)	64	—	7
Reclassifications of curtailments, settlements and other into earnings	—	—	174	—	174
Balance at end of period	$11	$ (66)	$(1,190)	$ 2	$(1,243)

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 2011 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		
	2020	2019	2018
	In millions, except per share amounts		
Numerator:			
Net earnings	$2,844	$3,152	$5,327
Denominator:			
Weighted-average shares used to compute basic net EPS	1,413	1,515	1,615
Dilutive effect of employee stock plans	7	9	19
Weighted-average shares used to compute diluted net EPS	1,420	1,524	1,634
Net earnings per share:			
Basic	$ 2.01	$ 2.08	$ 3.30
Diluted	$ 2.00	$ 2.07	$ 3.26
Anti-dilutive weighted-average stock-based compensation awards[1]	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, 2020, 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, including litigation in Belgium and other countries, seeking to impose or modify levies upon IT equipment (such as multifunction devices ("MFDs") and PCs), alleging that these devices enable the production of private copies of copyrighted materials. The levies are generally based upon the number of products sold and the per-product amounts of the levies, which vary. Some European countries that do not yet have levies on digital devices are expected to implement similar legislation to enable them to extend existing levy schemes, while other European countries have phased out levies or are

Note 14: Litigation and Contingencies (Continued)

expected to limit the scope of levy schemes and applicability in the digital hardware environment, particularly with respect to sales to business users. HP, other companies and various industry associations have opposed the extension of levies to the digital environment and have advocated alternative models of compensation to rights holders.

Reprobel SCRL (“Reprobel”), a collecting society administering the remuneration for reprography to Belgian copyright holders, requested by extrajudicial means that HP amend certain copyright levy declarations submitted for inkjet MFDs sold in Belgium from January 2005 to December 2009 to enable it to collect copyright levies calculated based on the generally higher copying speed when the MFDs are operated in draft print mode rather than when operated in normal print mode. In March 2010, HP filed a lawsuit against Reprobel in the Brussels Court of First Instance in Belgium, seeking a declaratory judgment that no copyright levies are payable on sales of MFDs in Belgium or, alternatively, that payments already made by HP are sufficient to comply with its obligations. The Brussels Court of Appeal (the “Court of Appeal”) stayed the proceedings and referred several questions to the Court of Justice of the European Union (“CJEU”). On November 12, 2015, the CJEU published its judgment providing that a national legislation such as the Belgian one at issue in the main proceedings is incompatible with EU law on multiple legal points, as argued by HP, and returned the proceedings to the referring court. On May 12, 2017, the Court of Appeal held that (1) reprographic copyright levies are due notwithstanding the lack of conformity of the Belgian system with EU law in certain aspects and (2) the applicable levies are to be calculated based on the objective speed of each MFD as established by an expert appointed by the Court of Appeal. HP appealed this decision before the Belgian Supreme Court on January 18, 2018. The Belgian Supreme Court rejected HP’s appeal on September 24, 2020 and the matter has been remitted to the Court of Appeal, where the expert will give an opinion on the objective speed and amount of compensation due.

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. The matter eventually progressed to trial, which was bifurcated into two phases. HP prevailed in the first phase of the trial, in which 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. The second phase of the trial was then postponed by Oracle’s appeal of the trial court’s denial of Oracle’s “anti-SLAPP” motion, in which Oracle argued that HP’s damages claim infringed on Oracle’s First Amendment rights. On August 27, 2015, the California Court of Appeals rejected Oracle’s appeal. The matter was remanded to the trial court for the second phase of the trial, which began on May 23, 2016 and was submitted to the jury on June 29, 2016. On June 30, 2016, 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. On October 20, 2016, the court entered judgment for HP for this amount with interest accruing until the judgment is paid. Oracle’s motion for new trial was denied on December 19, 2016, and Oracle filed its notice of appeal from the trial court’s judgment on January 17, 2017. On February 2, 2017, HP filed a notice of cross-appeal challenging the trial court’s denial of prejudgment interest. The case is fully briefed and awaiting the Court of Appeals to schedule oral argument. HP expects that the appeals process could take several years to complete. Litigation is unpredictable, and there can be no assurance that HP will recover damages, or that any award of damages will be for the amount awarded by the jury’s verdict. The amount ultimately awarded, if any, would be recorded in the period received. No adjustment has been recorded in the financial statements in relation to this potential award. Pursuant to the terms of the separation and distribution agreement, HP and Hewlett Packard Enterprise will share equally in any recovery from Oracle once Hewlett Packard Enterprise has been reimbursed for all costs incurred in the prosecution of the action prior to the Separation.

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 alleging the defendants violated the Federal Age Discrimination in Employment Act (“ADEA”), the California Fair Employment and Housing Act, California public policy and the California Business and Professions Code by terminating older workers and replacing them with younger workers. The operative complaint is the Fourth Amended Complaint, filed on July 9, 2020. Thirty-five named and opt-in plaintiffs remain. By their complaint, plaintiffs seek to represent (1) a putative nationwide ADEA collective comprised of all individuals 40 years of age and older who had their employment terminated pursuant to a WFR plan on or after December 9, 2014 or April 8, 2015, depending on state law; and (2) a putative Rule 23 class under California law comprised

Note 14: Litigation and Contingencies (Continued)

of all individuals 40 years of age and older who had their employment terminated in California pursuant to a WFR plan on or after August 18, 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. A similar purported collective and class are proposed for Hewlett Packard Enterprise, but the time periods start on November 1, 2015. Plaintiffs seek monetary damages in the form of back and front pay and benefits, liquidated damages under the ADEA, punitive damages under the state law claims, an award of attorneys' fees, and other relief. On August 24, 2020, defendants filed a motion to dismiss or strike allegations from the operative complaint, which the court denied on October 15, 2020. Defendants filed their answers on October 29, 2020.

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. Prior to the issuance of the show cause 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 and to not interrupt the transaction of business by HP India.

On April 11, 2012, the Bangalore Commissioner of Customs issued an order on the products-related show cause 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 show cause notice. The differential duty demand is subject to interest. On April 20, 2012, the Commissioner issued an order on the parts-related show cause 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 show cause notice so as to avoid certain penalties.

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. The Customs Tribunal did not order any additional deposit to be made under the parts order. In December 2013, HP India filed applications before the Customs Tribunal seeking early hearing of the appeals as well as an extension of the stay of deposit as to HP India and the individuals already granted until final disposition of the appeals. On February 7, 2014, the application for extension of the stay of deposit was granted by the Customs Tribunal until disposal of the appeals. On October 27, 2014, the Customs Tribunal commenced hearings on the cross-appeals of the Commissioner's orders. The Customs Tribunal rejected HP India's request to remand the matter to the Commissioner on procedural grounds. The hearings scheduled to reconvene on April 6, 2015 and again on November 3, 2015 and April 11, 2016 were canceled at the request of the Customs Tribunal. A hearing on the merits of the appeal scheduled for January 15, 2019 has been cancelled. 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.

Neodron Patent Litigation. United States. On May 21, 2019, Neodron Ltd. ("Neodron") filed a patent infringement lawsuit against Hewlett Packard Enterprise in U.S. District Court for the Western District of Texas. On the same day, Neodron filed a companion complaint with the U.S. International Trade Commission ("ITC") pursuant to Section 337 of the Tariff Act of 1930 against seven sets of respondents, including Hewlett Packard Enterprise. On May 23 and June 14, 2019, Neodron filed amended complaints in the ITC and the Western District of Texas, respectively, to replace Hewlett Packard Enterprise with HP. Both complaints alleged that certain touch-controlled devices infringe four patents owned by Neodron. On June 19, 2019, the ITC instituted an investigation. In the ITC proceeding, Neodron sought an order enjoining HP from importing, selling for importation, or selling after importation certain touch-controlled notebook computers and tablets. On June 28, 2019, Neodron filed a second lawsuit in the Western District of Texas, asserting four additional patents against HP touch-controlled devices. Neodron amended its complaint in the second lawsuit to assert a total of eight patents against HP touch-controlled devices. Neodron sought unspecified damages and a permanent injunction, among other remedies.

Note 14: Litigation and Contingencies (Continued)

Germany. On October 29, 2019, Neodron served HP with a claim of patent infringement at the Munich State Court in Germany. The patent asserted in the German case is related to a patent asserted in the ITC. The initial hearing was held on July 29, 2020. If the German court had found infringement of a valid patent, the court may have issued an injunction as part of any remedy.

Settlement of Litigation. On July 31, 2020, HP and Neodron entered into an agreement to settle all pending litigation between them on a worldwide basis, and all pending legal actions against one another have been dismissed.

Slingshot Printing LLC Litigation. On June 11, 2019, Slingshot Printing LLC ("Slingshot") filed three complaints in U.S. District Court in the Western District of Texas alleging HP infringes or has infringed sixteen patents. On September 20, 2019, Slingshot filed a fourth complaint and amended the three earlier complaints, alleging that HP infringes or has infringed thirty-two patents. On December 12, 2019, Slingshot voluntarily dismissed its allegations as to one patent because it did not own a related patent. On January 23, 2020, Slingshot filed a fifth complaint, re-asserting the dismissed patent as well as the related patent. On February 13, 2020, Slingshot voluntarily dismissed its allegations as to another patent, which was asserted in its third complaint. On March 25, 2020, Slingshot voluntarily dismissed its allegations as to an additional patent, which was also asserted in its third complaint. Slingshot is currently asserting a total of 31 patents. The accused products include inkjet printers, cartridges, and printheads. The complaints seek monetary damages.

Philips Patent Litigation. On September 17, 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. On September 18, 2020, Philips filed a companion complaint with the U.S. International Trade Commission ("ITC") pursuant to Section 337 of the Tariff Act of 1930 against HP and 8 other sets of respondents. Both the district court complaint and the ITC complaint allege that certain digital video-capable devices and components thereof infringe four of Philips owned patents. On October 16, 2020, the ITC instituted an investigation. The investigation is in its early stages, and the ITC's final decision is due by February 22, 2022. In the ITC proceeding, Philips seeks an order enjoining respondents from importing, or selling after importation, certain digital video-capable devices and components thereof, including certain PCs, display devices, and components thereof. In the district court action, Philips seeks unspecified damages and an injunction against HP, among other remedies.

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. The complaint alleges infringement of three of Caltech's patents, U.S. Patent Nos. 7,116,710, 7,421,032 and 7,916,781. The accused products are HP commercial and consumer PCs that comply with the IEEE 802.11n, 802.11ac, and/or 802.11ax standards. Caltech seeks unspecified damages and other relief.

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. On May 20, 2020, 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. On July 20, 2020, Lead Plaintiffs filed an amended complaint, which additionally names as defendants Enrique Lores and Christoph Schell. The amended complaint 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, including HP's use of its four-box model to predict the demand for supplies. 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 print business. Plaintiffs seek compensatory damages and other relief. On October 2, 2020, 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 due to be fully briefed in early 2021.

York County on behalf of the County of York Retirement Fund v. HP Inc., et al. 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 complaint alleges, among other things, that from November 6, 2015 to June 21, 2016, HP and the named 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, including information about HP's channel inventory management and sales practices. Plaintiff seeks compensatory damages and other relief.

Notes to Consolidated Financial Statements (Continued)

Note 14: Litigation and Contingencies (Continued)

Legal Proceedings re Authentication of Supplies. Civil litigation or government investigations are pending in the United States, Italy, Israel, and the Netherlands involving supplies authentication protocols used in certain HP printers. These 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. (a.k.a. 123Inkt) established the Foundation to pursue the interests of approximately 960 of its customers who transferred their claims to it. The complaint alleges: (1) violation of right of ownership; (2) destruction and damage to property; (3) computer vandalism; (4) unlawful act; (5) non-compliance; (6) unfair commercial practices; (7) misleading commercial practices; and (8) misleading advertising. The complaint seeks injunctive relief to prohibit use of Dynamic Security, damages, and attorneys' fees. On December 27, 2017, the District Court dismissed the case and awarded fees to HP. On January 25, 2018, the Foundation filed a summons with the Amsterdam Court of Appeal to appeal. On December 17, 2019, the Court of Appeal set aside the judgment of the District Court, adopted a new decision declaring that HP provided inadequate and partially incorrect information to the Foundation members around September 13, 2016, awarded damages to them in an amount to be later determined, but denied all other claims, including injunctive relief, holding that the use of Dynamic Security is not inherently impermissible and the Foundation lacks legal interest to pursue such action. On March 19, 2020, the Foundation filed a cassation writ of summons with the Supreme Court of the Netherlands (Hoge Raad der Nederlanden) appealing the decision of the Court of Appeal. On May 29, 2020, HP filed its statement of defense and incidental appeal in cassation with the Supreme Court appealing the decision of the Court of Appeal. On October 30, 2020, the parties filed their opening briefs with the Supreme Court.

Gensin v. HP Inc. (Israel). On October 25, 2017, a purported consumer class action, captioned Gensin v. HP Inc., was filed in the District Court in Jerusalem against HP arising out of the use of Dynamic Security in certain OfficeJet printers. The petition and motion for certification as a class action alleges: (1) tortious wrongdoing in violation of the Computers Law, 5755-1995; (2) breach of Contracts Law, 5731-1970; (3) breach of the Consumer Protection Law, 5741-1981; (4) negligence; and (5) improper enrichment. The named petitioner initially sought to represent nationwide classes comprised of anyone who "owns an HP printer that has been blocked, disrupted, or interfered with by HP in the use of ink cartridges not manufactured by HP" or who "purchased ink cartridges not manufactured by HP for use in the blocked printers." Plaintiff seeks class relief, injunctive relief, damages, and attorneys' fees. On November 16, 2017, a second purported consumer class action was filed against HP in the Central District Court, captioned Dror v. HP, Inc., also arising out of the use of Dynamic Security in certain OfficeJet printers. The petition and motion allege similar causes of action on behalf of similar nationwide classes. After the Dror case was consolidated with the Gensin case in Jerusalem, the District Court on June 24, 2018 dismissed the Dror case and designated Gensin as the lead matter. On March 9, 2020, the petitioner moved to modify the proposed nationwide class to be comprised of "[a]ll persons who have an HP printer and whose printer was blocked or rendered unusable by HP with any ink cartridge that is not made by HP" and "[a]ll persons who purchased ink cartridges that are not made by HP, for use in the Blocked Printers." On July 2, 2020, HP filed its response to the amended petition.

Parziale v. HP Inc. (United States). On August 27, 2019, a purported consumer class action was filed against HP in federal court in the Northern District of California arising out of the use of Dynamic Security in certain OfficeJet printers. The complaint alleges two causes of action under Florida Consumer Protection statutes: (1) violation of the Florida Deceptive and Unfair Trade Practices Act, F.S.A. §§ 501.201 et seq., and (2) violation of the Florida Misleading Advertisement Law, F.S.A. §§ 817.41 et seq. The named plaintiff seeks to represent a nationwide class of "[a]ll United States Citizens who, between the applicable statute of limitations and the present, had an HP Printer that was modified to reject third party ink cartridges or refilled HP ink cartridges." On November 13, 2019, plaintiff filed an amended complaint, adding three causes of action to the case: (1) violation of the Computer Fraud and Abuse Act, 18 U.S.C. § 1030 et seq., (2) trespass to chattels, and (3) tortious interference with business relations. Plaintiff seeks class relief, injunctive relief, damages, including punitive damages, and attorneys' fees. On December 30, 2019, HP moved to dismiss plaintiff's amended complaint. On April 24, 2020, the Court granted in part and denied in part HP's motion to dismiss. The Court dismissed plaintiff's causes of action under the Florida Consumer Protection statutes, as well as the tortious interference with business relations claim and four of the five claims under the Computer Fraud and Abuse Act. The Court denied HP's motion to dismiss on the remaining claims and on the request for injunctive relief and granted plaintiff leave to file an amended complaint. On June 5, 2020, plaintiff filed a second amended complaint on behalf of both a nationwide class and a Florida subclass alleging violation of the Florida Deceptive and Unfair Trade

Note 14: Litigation and Contingencies (Continued)

Practices Act, violation of the Computer Fraud and Abuse Act, and 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. Plaintiff filed notice of appeal, and its opening brief is due in early 2021.

Consumer Protection Investigation (Italy). On September 26, 2019, the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato) ("AGCM") served a Notice of Initiation of Proceedings on HP concerning the investigation of alleged aggressive practices involving undue influence on consumers and alleged misleading actions and omissions regarding the restriction or prevention of the use of third-party ink cartridges in HP printers, accompanied by a request for information. HP submitted its reply to the AGCM's request for information on November 15, 2019 and has addressed subsequent requests for information. On May 22, 2020, the AGCM gave notice that it intended to expand its investigation into certain alleged warranty practices regarding the use of third-party cartridges. On June 26, 2020, HP submitted its response to the warranty allegations. On December 7, 2020, the AGCM notified HP of the AGCM's final decision finding that HP engaged in two unfair commercial practices as follows: (a) the information HP provided to consumers about limitations on the use of certain third-party cartridges in HP printers was allegedly misleading pursuant to Articles 20, 21 and 22 of the Italian Consumer Code, and (b) the alleged use of data to deny warranty coverage and certain alleged data collection practices were aggressive pursuant to Articles 20, 24 and 25 of the Italian Consumer Code. The final decision (i) orders HP to end the allegedly unfair commercial practices; (ii) fines HP €5 million for each alleged unfair practice (total €10 million); (iii) requires HP to file a compliance report within 60 days; (iv) orders HP to publicly publish a corrective statement within 120 days; and (v) orders HP to amend the packaging of its printers within 120 days. The fines are payable within 30 days. HP has 60 days to appeal and intends to appeal.

Digital Revolution B.V. v. HP Nederland B.V., et al. (Netherlands). On March 30, 2020, Digital Revolution B.V. (a.k.a. 123Inkt) served a complaint filed in Amsterdam District Court arising out of the use of Dynamic Security in certain HP printers. The complaint alleges several causes of action: (1) abuse of dominant position; (2) misleading advertising; (3) unfair and misleading commercial practice; and (4) misleading comparative advertising. The complaint seeks injunctive relief, including prohibition of Dynamic Security and disclosure of cartridge authentication protocols, damages, and attorneys' fees. The parties' initial appearance in front of the Court took place on July 8, 2020. On September 9, 2020, HP filed its defense and a counterclaim for unfair commercial practices and misleading and unlawful comparative advertising against Digital Revolution B.V.

SEC Investigation. In 2017, the Company received a subpoena from the SEC requesting documents regarding HP's printing supplies business for the time period before June 2016, with a primary focus on the APJ region. HP fully cooperated with the SEC in connection with its investigation. On September 30, 2020, HP settled with the SEC and entered into an administrative resolution that included findings by the SEC that HP violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 and Section 13(a) of the Securities Exchange Act of 1934 and the rules thereunder, by failing to disclose certain known trends and uncertainties regarding supplies sales practices and their impact on margin and supplies channel inventory, and that it provided incomplete disclosures regarding supplies channel inventory in its SEC filings and related earnings calls from November 2015 through June 2016. The SEC order imposed a civil penalty of $6 million. HP neither admitted nor denied the SEC's findings.

Autonomy-Related Legal Matters

Investigations. As a result of the findings of an ongoing investigation, HP has provided information to the U.K. Serious Fraud Office, the U.S. Department of Justice ("DOJ") and the SEC related to the accounting improprieties, disclosure failures and misrepresentations at Autonomy that occurred prior to and in connection with HP's acquisition of Autonomy. On January 19, 2015, the U.K. Serious Fraud Office notified HP that it was closing its investigation and had decided to cede jurisdiction of the investigation to the U.S. authorities. On November 14, 2016, the DOJ announced that a federal grand jury indicted Sushovan Hussain, the former CFO of Autonomy. Mr. Hussain was charged with 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 the true performance of Autonomy's business, its financial condition, and its prospects for growth. A jury trial commenced on February 26, 2018. On April 30, 2018, the jury found Mr. Hussain guilty of all charges against him. On August 26, 2020, the U.S. Court of Appeals for the Ninth Circuit affirmed the judgment of conviction against Mr. Hussain. On November 15, 2016, the SEC announced that Stouffer Egan, the former CEO of Autonomy's U.S.-based operations, settled charges relating to his participation in an accounting scheme to meet internal sales targets and analyst revenue expectations. On November 29, 2018, the

Note 14: Litigation and Contingencies (Continued)

DOJ announced that a federal grand jury indicted Michael Lynch, former CEO of Autonomy, and Stephen Chamberlain, former VP of Finance of Autonomy. Dr. Lynch and Mr. Chamberlain were charged 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's 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. For example, HP is subject to laws and regulations concerning environmental protection, including laws addressing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the clean-up of contaminated sites, the content of HP's products and the recycling, treatment and disposal of those products, including batteries. In particular, HP faces increasing complexity in its product design and procurement operations as it adjusts to new and future requirements relating to the chemical and materials composition of its products, their safe use, the energy consumption associated with those products, climate change laws and regulations, and product repairability, reuse and take-back legislation. HP could incur substantial costs, its products could be restricted from entering certain jurisdictions, and it could face other sanctions, if it were to violate or become liable under environmental laws or if its products become noncompliant with environmental laws. HP's potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs to comply with environmental laws are difficult to predict.

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.

The separation and distribution agreement between HP and Hewlett Packard Enterprise includes provisions that provide for the allocation of environmental liabilities including certain remediation obligations; responsibilities arising from the chemical and materials composition of their respective products, their safe use and their energy consumption; obligations under product take back legislation that addresses the collection, recycling, treatment and disposal of products; and other environmental matters. HP will generally be responsible for environmental liabilities related to the properties and other assets, including products, allocated to HP under the separation and distribution agreement and other ancillary agreements. Under these agreements, HP will indemnify Hewlett Packard Enterprise for liabilities for specified ongoing remediation projects, subject to certain limitations, and Hewlett Packard Enterprise has a payment obligation for a specified portion of the cost of those remediation projects. In addition, HP will share with Hewlett Packard Enterprise other environmental liabilities as set forth in the separation and distribution agreement. HP is indemnified in whole or in part by Hewlett Packard Enterprise for liabilities arising from the assets assigned to Hewlett Packard Enterprise and for certain environmental matters as detailed in the separation and distribution agreement.

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.

Cross-Indemnifications with Hewlett Packard Enterprise

Under the separation and distribution agreement, HP agreed to indemnify Hewlett Packard Enterprise, each of its subsidiaries and each of their respective directors, officers and employees from and against all liabilities relating to, arising out of or resulting from, among other matters, the liabilities allocated to HP as part of the Separation. Hewlett Packard Enterprise similarly agreed to indemnify HP, each of its subsidiaries and each of their respective directors, officers and employees from and against all liabilities relating to, arising out of or resulting from, among other matters, the liabilities allocated to Hewlett Packard Enterprise as part of the Separation. HP expects Hewlett Packard Enterprise to fully perform under the terms of the separation and distribution agreement.

For information on cross-indemnifications with Hewlett Packard Enterprise for litigation matters, see Note 14, “Litigation and Contingencies”.

In connection with the Separation, HP entered into the Tax Matters Agreement (“TMA”) with Hewlett Packard Enterprise, effective on November 1, 2015. The TMA provided that HP and Hewlett Packard Enterprise will share certain pre-Separation income tax liabilities. The TMA was terminated during the fourth quarter of fiscal year 2019.

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.

Note 15: Guarantees, Indemnifications and Warranties (Continued)

HP's aggregate product warranty liabilities and changes were as follows:

	For the fiscal years ended October 31	
	2020	2019
	In millions	
Balance at beginning of year	$ 922	$ 915
Accruals for warranties issued	977	1,051
Adjustments related to pre-existing warranties (including changes in estimates)	38	(3)
Settlements made (in cash or in kind)	(944)	(1,041)
Balance at end of year	$ 993	$ 922

Note 16: Commitments

Unconditional Purchase Obligations

As of October 31, 2020, HP had unconditional purchase obligations of $499 million. 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 cancelable without penalty.

As of October 31, 2020, unconditional purchase obligations were as follows:

Fiscal year	In millions
2021	$ 290
2022	116
2023	47
2024	35
2025	5
Thereafter	6
Total	$ 499

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 13 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, 2020 or for the fiscal year ended October 31, 2020.

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.

Note 17: Leases (Continued)

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.

The components of lease expense are as follows:

	For the fiscal year ended October 31, 2020
	In millions
Operating lease cost	$ 236
Variable cost	108
Total lease expense	$ 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 year ended October 31, 2020
	In millions
Cash paid for amount included in the measurement of lease liabilities	$ 236
Right-of-use assets obtained in exchange of lease liabilities[1]	$ 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, 2020
Weighted-average remaining lease term in years	6
Weighted-average discount rate	3.1%

Notes to Consolidated Financial Statements (Continued)

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
2021	$ 303
2022	247
2023	191
2024	131
2025	110
Thereafter	297
Total lease payments	$1,279
Less: Imputed interest	(100)
Total lease liabilities	$1,179

The following table, which was included in our Annual Report on Form 10-K for the fiscal year ended October 31, 2019, depicts gross minimum rental commitments under non-cancelable leases for real estate, personal property leases, sublease income commitments and operating lease commitments at October 31, 2019:

Fiscal year	In millions
Less than 1 year	$ 284
1-3 years	399
3-5 years	262
More than 5 years	395
Total[1]	$1,340

(1) Amounts represent the operating lease obligations, net of total sublease income of $130 million.

There were no material operating leases that HP had entered into and that were yet to commence as of October 31, 2020.

Note 18: Acquisitions

Acquisitions in Fiscal Year 2019

On November 1, 2018, HP completed the acquisition of the Apogee group. This acquisition furthers HP's plan to disrupt the A3 copier market and builds on its printing strategy to enhance its A3 and A4 product portfolio; build differentiated solutions and tools to expand its MPS, and invest in its direct and indirect go-to-market capabilities. Apogee augments HP's services portfolio in contractual office printing and MPS, where solutions are increasingly important for SMBs. HP reports the financial results of the above business in the Printing segment.

The table below presents the purchase price allocation.

	In millions
Goodwill	$ 382
Amortizable intangible assets	292
Net liabilities assumed	(196)
Total fair value of consideration	$ 478

HP Inc. and Subsidiaries

Quarterly Summary

(Unaudited)

(In millions, except per share amounts)

	For the three-month fiscal periods ended in fiscal year 2020			
	January 31	April 30	July 31	October 31
Net revenue	$ 14,618	$ 12,469	$ 14,294	$ 15,258
Cost of revenue	11,746	9,976	11,901	12,579
Earnings from operations	865	826	779	992
Net earnings	$ 678	$ 764	$ 734	$ 668
Net earnings per share:[1]				
Basic	$ 0.47	$ 0.53	$ 0.52	$ 0.50
Diluted	$ 0.46	$ 0.53	$ 0.52	$ 0.49
Cash dividends paid per share	$ 0.18	$ 0.17	$ 0.18	$ 0.17

	For the three-month fiscal periods ended in fiscal year 2019			
	January 31	April 30	July 31	October 31
Net revenue	$ 14,710	$ 14,036	$ 14,603	$ 15,407
Cost of revenue	12,098	11,307	11,698	12,483
Earnings from operations	926	928	1,079	944
Net earnings	$ 803	$ 782	$ 1,179	$ 388
Net earnings per share:[1]				
Basic	$ 0.52	$ 0.51	$ 0.79	$ 0.26
Diluted	$ 0.51	$ 0.51	$ 0.78	$ 0.26
Cash dividends paid per share	$ 0.16	$ 0.16	$ 0.16	$ 0.16

(1) Net EPS for each quarter is computed using the weighted-average number of shares outstanding during that quarter, while EPS for the fiscal year is computed using the weighted-average number of shares outstanding during the year. Hence, the sum of the EPS for each of the four quarters may not equal the EPS for the fiscal year.

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 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

We do not believe there has been any material impact to our internal controls over financial reporting notwithstanding that most of our employees are working remotely due to the COVID-19 pandemic. We continue to monitor and assess the COVID-19 situation on our internal controls to address any potential impact on their design and operating effectiveness.

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.

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 2020 Annual Meeting of Stockholders to be filed within 120 days after HP's fiscal year end of October 31, 2020 (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 "Executive Compensation—Management Proposal No. 3 Advisory Vote to Approve Executive Compensation—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 2020 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(d)	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	333-215116	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 3.750% Global Note due December 1, 2020 and form of related Officers' Certificate.	8-K	001-04423	4.2 and 4.3	December 2, 2010
4(d)	Form of Registrant's 4.300% Global Note due June 1, 2021 and form of related Officers' Certificate.	8-K	001-04423	4.5 and 4.6	June 1, 2011

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit(s)	Filing Date
4(e)	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(f)	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
4(g)	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(h)	Specimen certificate for the Registrant's common stock.	8-A/A	001-04423	4.1	June 23, 2006
4(i)	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(j)	Description of HP Inc.'s securities.	10-K	001-04423	4(j)	December 12, 2019
4(k)	Rights Agreement, dated as of February 20, 2020, between HP Inc. and Equiniti Trust Company, as rights agent, which includes the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C.	8-K	001-04423	4.1	February 20, 2020
4(l)	First Amendment to Rights Agreement, dated as of June 25, 2020, between HP Inc. and Equiniti Trust Company, as rights agent.	8-K	001-04423	4.1	June 26, 2020
4(m)	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(n)	Form of 2.200% notes due 2025 and related Officers' Certificate.	8-K	001-04423	4.2 and 4.5	June 17, 2020
4(o)	Form of 3.000% notes due 2027 and related Officers' Certificate.	8-K	001-04423	4.3 and 4.5	June 17, 2020
4(p)	Form of 3.400% notes due 2030 and related Officers' Certificate.	8-K	001-04423	4.4 and 4.5	June 17, 2020
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)	Registrant's 2005 Pay-for-Results Plan, as amended.*	10-K	001-04423	10(h)	December 14, 2011
10(e)	Registrant's Executive Severance Agreement.*	10-Q	001-04423	10(u)(u)	June 13, 2002
10(f)	Registrant's Executive Officers Severance Agreement.*	10-Q	001-04423	10(v)(v)	June 13, 2002
10(g)	Form letter regarding severance offset for restricted stock and restricted units.*	8-K	001-04423	10.2	March 22, 2005
10(h)	Form of Agreement Regarding Confidential Information and Proprietary Developments (California).*	8-K	001-04423	10.2	January 24, 2008
10(i)	Form of Agreement Regarding Confidential Information and Proprietary Developments (Texas).*	10-Q	001-04423	10(o)(o)	March 10, 2008
10(j)	Form of Stock Option Agreement for Registrant's 2004 Stock Incentive Plan.*	10-Q	001-04423	10(p)(p)	March 10, 2008
10(k)	Form of Option Agreement for Registrant's 2000 Stock Plan.*	10-Q	001-04423	10(t)(t)	June 6, 2008
10(l)	Form of Common Stock Payment Agreement for Registrant's 2000 Stock Plan.*	10-Q	001-04423	10(u)(u)	June 6, 2008
10(m)	Form of Stock Notification and Award Agreement for awards of non-qualified stock options.*	10-K	001-04423	10(y)(y)	December 18, 2008
10(n)	First Amendment to the Hewlett-Packard Company Excess Benefit Retirement Plan.*	10-Q	001-04423	10(b)(b)(b)	March 10, 2009
10(o)	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(p)	Form of Agreement Regarding Confidential Information and Proprietary Developments (California—new hires).*	10-K	001-04423	10(j)(j)(j)	December 15, 2010

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
10(q)	Form of Agreement Regarding Confidential Information and Proprietary Developments (California—current employees).*	10-K	001-04423	10(k)(k)(k)	December 15, 2010
10(r)	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(s)	Form of Stock Notification and Award Agreement for awards of restricted stock units.*	10-Q	001-04423	10(u)(u)	March 11, 2014
10(t)	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(u)	Form of Stock Notification and Award Agreement for long-term cash awards.*	10-Q	001-04423	10(w)(w)	March 11, 2014
10(v)	Form of Stock Notification and Award Agreement for awards of non-qualified stock options.*	10-Q	001-04423	10(x)(x)	March 11, 2014
10(w)	Form of Grant Agreement for grants of performance-adjusted restricted stock units.*	10-Q	001-04423	10(y)(y)	March 11, 2014
10(x)	Form of Stock Notification and Award Agreement for awards of restricted stock.*	10-Q	001-04423	10(z)(z)	March 11, 2014
10(y)	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(z)	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(a)(a)	Form of Grant Agreement for grants of restricted stock units.*	10-Q	001-04423	10(c)(c)(c)	March 11, 2015
10(b)(b)	Form of Grant Agreement for grants of foreign stock appreciation rights.*	10-Q	001-04423	10(d)(d)(d)	March 11, 2015
10(c)(c)	Form of Grant Agreement for grants of long-term cash awards.*	10-Q	001-04423	10(e)(e)(e)	March 11, 2015
10(d)(d)	Form of Grant Agreement for grants of non-qualified stock options.*	10-Q	001-04423	10(f)(f)(f)	March 11, 2015
10(e)(e)	Form of Grant Agreement for grants of performance-adjusted restricted stock units.*	10-Q	001-04423	10(g)(g)(g)	March 11, 2015
10(f)(f)	Form of Grant Agreement for grants of restricted stock awards.*	10-Q	001-04423	10(h)(h)(h)	March 11, 2015
10(g)(g)	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(h)(h)	Term Loan Agreement, dated as of April 30, 2015, among the Registrant, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent.	10-Q	001-04423	10(b)(b)(b)	June 8, 2015
10(i)(i)	Amendment, dated as of June 1, 2015, to the Term Loan Agreement, dated as of April 30, 2015, among the Registrant, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent.	10-Q	001-04423	10(c)(c)(c)	June 8, 2015
10(j)(j)	Second Amended and Restated Five-Year Credit Agreement, dated as of April 2, 2014, as Amended and Restated as of November 1, 2015, among the Registrant, the lenders named therein and Citibank, N.A., as administrative processing agent and co-administrative agent, and JPMorgan Chase Bank, N.A., as co-administrative agent.**	10-Q	001-04423	10.(j)(j)	June 5, 2018

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
10(k)(k)	Amendment No. 1, dated March 1, 2019 to Second Amended and Restated Five-Year Credit Agreement, dated as of April 2, 2014, as Amended and Restated as of November 1, 2015, as further Amended and Restated as of March 30, 2018, among the Registrant, the lenders named therein and Citibank, N.A., as administrative processing agent and co-administrative agent, and JPMorgan Chase Bank, N.A., as co-administrative agent.	10-Q	001-04423	10(k)(k)	March 5, 2019
10(l)(l)	Form of Grant Agreement for grants of foreign stock appreciation rights.*	10-K	001-04423	10(e)(e)(e)	December 16, 2015
10(m)(m)	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(n)(n)	Form of Grant Agreement for grants of non-qualified stock options.*	10-K	001-04423	10(g)(g)(g)	December 16, 2015
10(o)(o)	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(p)(p)	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(q)(q)	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(r)(r)	Form of Stock Notification and Award Agreement for awards of restricted stock units (launch grant).*	10-Q	001-04423	10(q)(q)	March 3, 2016
10(s)(s)	Form of Stock Notification and Award Agreement for awards of restricted stock units.*	10-Q	001-04423	10(r)(r)	March 3, 2016
10(t)(t)	Form of Stock Notification and Award Agreement for awards of performance-adjusted restricted stock units.*	10-Q	001-04423	10(s)(s)	March 3, 2016
10(u)(u)	Form of Amendment to Award Agreements for awards of restricted stock units or performance-adjusted restricted stock units, effective January 1, 2016.*	10-Q	001-04423	10(t)(t)	March 3, 2016
10(v)(v)	First Amendment to Severance and Long-Term Incentive Change in Control Plan for Executive Officers, as amended and restated effective November 1, 2015.*	10-K	001-04423	10(u)(u)	December 15, 2016
10(w)(w)	Second Amendment to Severance and Long-Term Incentive Change in Control Plan for Executive Officers, as amended and restated effective November 1, 2015.*	10-Q	001-04423	10(v)(v)	March 2, 2017
10(x)(x)	2017 Amendment to the Hewlett-Packard Company Cash Account Restoration Plan.*	10-Q	001-04423	10(w)(w)	March 2, 2017
10(y)(y)	Second Amendment to the Hewlett-Packard Company Excess Benefit Retirement Plan.*	10-Q	001-04423	10(x)(x)	March 2, 2017
10(z)(z)	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(a)(a)(a)	Form of Grant Agreement for grants of performance-adjusted restricted stock units (for use from November 1, 2016).*	10-Q	001-04423	10(z)(z)	March 2, 2017
10(b)(b)(b)	Form of Grant Agreement for grants of restricted stock units (for use from November 1, 2016).*	10-Q	001-04423	10(a)(a)(a)	March 2, 2017
10(c)(c)(c)	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(d)(d)(d)	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(e)(e)(e)	Form of Grant Agreement for grants of performance-adjusted restricted stock units (for use from November 1, 2017).*	10-Q	001-04423	10(d)(d)(d)	March 1, 2018
10(f)(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

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
10(g)(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)(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)(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)(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)(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)(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)(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)(n)	Form of Retention Grant Agreement for grants of non-qualified stock options.*	10-K	001-04423	10(n)(n)(n)	December 12, 2019
10(o)(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)(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)(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)(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)(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)(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)(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)(v)	HP Inc. 2021 Employee Stock Purchase Plan.*	10-Q	001-04423	10(t)(t)(t)	June 5, 2020
10(w)(w)(w)	364-Day Credit Agreement, dated as of May 29, 2020, among the Registrant, the lenders named therein, and JPMorgan Chase Bank, N.A., as administrative agent.	10-Q	001-04423	10(u)(u)(u)	June 5, 2020
10(x)(x)(x)	Amendment Number Two to Second Amended and Restated HP Inc. 2004 Stock Incentive Plan (as amended effective September 21, 2020).*†				
10(y)(y)(y)	Amendment Number Two to Registrant's 2005 Executive Deferred Compensation Plan (as amended effective September 21, 2020).*†				
21	Subsidiaries of the Registrant as of October 31, 2020.†				
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.†				

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit(s)	Filing Date
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, 2020, 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 10, 2020	HP INC.	
	By:	/s/ MARIE MYERS
		Marie Myers
		Acting Chief Financial Officer

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Marie Myers, Kim Rivera and Ruairidh Ross, 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 10, 2020
/s/ MARIE MYERS Marie Myers	Acting Chief Financial Officer (Principal Financial Officer)	December 10, 2020
/s/ CLAIRE BRAMLEY Claire Bramley	Global Controller (Principal Accounting Officer)	December 10, 2020
/s/ AIDA ALVAREZ Aida Alvarez	Director	December 10, 2020
/s/ SHUMEET BANERJI Shumeet Banerji	Director	December 10, 2020
/s/ ROBERT R. BENNETT Robert R. Bennett	Director	December 10, 2020
/s/ CHARLES V. BERGH Charles V. Bergh	Director	December 10, 2020
/s/ STACY BROWN-PHILPOT Stacy Brown-Philpot	Director	December 10, 2020
/s/ STEPHANIE BURNS Stephanie Burns	Director	December 10, 2020
/s/ MARY ANNE CITRINO Mary Anne Citrino	Director	December 10, 2020
/s/ RICHARD L. CLEMMER Richard L. Clemmer	Director	December 10, 2020
/s/ YOKY MATSUOKA Yoky Matsuoka	Director	December 10, 2020
/s/ STACEY MOBLEY Stacey Mobley	Director	December 10, 2020
/s/ SUBRA SURESH Subra Suresh	Director	December 10, 2020

Use of Non-GAAP Financial Information

HP has included non-GAAP financial measures in this document to supplement HP's consolidated financial statements presented on a generally accepted accounting principles ("GAAP") basis, including non-GAAP net earnings per share, free cash flow and net revenue on a constant currency basis. Additional information relating to these measures is included in the press release announcing our fiscal 2020 full year and fourth quarter results.

These and the other non-GAAP financial measures that HP uses may have limitations as analytical tools, and these measures should not be considered in isolation or as a substitute for analysis of HP's results as reported under GAAP. The non-GAAP financial information that we provide also may differ from the non-GAAP information provided by other companies. We compensate for the limitations on our use of these non-GAAP financial measures by relying primarily on our GAAP financial statements and using non-GAAP financial measures only supplementally. We also provide reconciliations of non-GAAP financial measure to the most directly comparable GAAP measure below and elsewhere in this document, and we encourage investors to review those reconciliations carefully.

HP's Investor Relations website at ***https://investor.hp.com*** contains a significant amount of information about HP, including financial and other information for investors. HP encourages investors to visit its website from time to time, as information is updated and new information is posted.

Non-GAAP diluted net earnings per share reconciliation for the year ended October 31, 2020

GAAP diluted net earnings per share	$ 2.00
Non-GAAP adjustments:	
Restructuring and other charges	0.33
Acquisition-related charges	0.01
Amortization of intangible assets	0.08
Non-operating retirement-related credits	(0.16)
Debt extinguishment costs	0.03
Defined benefit plan settlement charges	0.15
Tax adjustments[1]	(0.16)
Non-GAAP diluted net earnings per share	$ 2.28

[1] Includes tax impact on non-GAAP adjustments.

Forward-Looking Statements

This document 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, performance, market share or competitive performance relating to products or services; 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 or disputes; 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; 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 need to address the many challenges facing HP's businesses; 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 and reseller landscape; the development and transition of new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends; successfully competing and maintaining the value proposition of HP's products, including supplies; the need to manage third-party suppliers, 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; 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; 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; risks associated with HP's international operations; the execution and performance of contracts by HP and its suppliers, customers, clients and partners; disruptions in operations from system security risks, data protection breaches, cyberattacks, extreme weather conditions, medical epidemics or pandemics such as the COVID-19 pandemic, and other natural or manmade disasters or catastrophic events; the impact of changes in tax laws; potential impacts, liabilities and costs from pending or potential investigations, claims and disputes; and other risks that are described or updated from time to time in HP's filings with the Securities and Exchange Commission. HP assumes no obligation and does not intend to update these forward-looking statements.

This cover is an **HP Indigo** digital print, on paper containing 30% post-consumer recycled paper that is environmentally and socially responsible sourced from well-managed forests, and independently certified according to the standards of the Forest Stewardship Council (FSC®).

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Environmental impact estimates were made using the Environmental Paper Network Paper Calculator Version 4.0. For more information visit www.papercalculator.org.

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