

2018 HP Annual Meeting Q&A

April 24, 2018

All questions received, both during and prior to the meeting, are presented as submitted, uncensored and unedited with the exception of protecting personal details. We received several questions generally asking the same thing or very similar things - we have grouped such questions together and provided a single response to avoid repetition. All responses are as of April 24, 2018 unless otherwise noted. HP assumes no obligation and does not intend to update its responses below.

If you have any questions or concerns please feel free to contact HP Investor Relations at investorrelations@hp.com.

Question 1

What are the expected focus areas to drive growth in the next 3 years?

Answer:

Dion Weisler answered live:

The way I think about this – and I've said it now since we became an independent company – was that a growing company is a good company. And as a result of that, I think about growth a lot, in all dimensions of our business across multiple time horizons.

If you consider that the vast majority of our approximately \$55 billion of revenue and the vast majority of our operating profit today comes from our core businesses, then of course we must spend a lot of time focusing on those businesses. We need to be excellent here in the core. We have to segment those markets, segment them again, figure out where the heat is in the market, skate towards where the puck is going, be driven by insights and our customers, and have an innovation flywheel that's second to none in the industry that enables us to outgrow the market and outgrow our competitors. We do that by adding lots of sprinkles of magic into our product, adding and ensuring that we have the right price-function-value equation for a customer so that they're delighted with the experiences that we're engineering for them.

But the core markets that we're in today will go so far to enable us to grow. We can grow through consolidating markets and by identifying those pockets of areas of growth. But I would argue that's not enough. Over the next two, three to five years, we're going to focus on a few things that can ensure a faster glide path of growth. And we've picked three areas; namely, the A3 copier market. It's a \$55 billion market where we're relatively underpenetrated compared to our A4 market leadership position. It's a natural adjacency for us. We made an acquisition of Samsung's printing business there to enable us to accelerate growth into this area on top of the organic work that we were doing, and we're confident that we will certainly grow this business and it will be an area of growth for us for many years to come.

The second area is our graphics business. And this is all about shifting the market from an analog printing world, where it has been for the last 200 years, into a digital world, because it enables customers and brands to have a much more personal relationship with their end customers. We have a market-leading position here. So, our job is really to make the shift from analog to digital.

And the third area is with massive mega trends towards larger cities and changing demographics, we have a customer base and a population that is increasingly looking to everything as a service. And so, we are responding to that by not only continuing to grow our management services, but doing that also with

device-as-a-service, and I would imagine everything else we do in the future will also be able to be offered as a service.

So, those three things provide growth over the next sort of three to five years on top of the core, but I would argue that is not enough. If you really want hyper growth, you've got to think further out than that. What are we going to be doing over the next five to 10 years? And this is an exciting area of immersive computing and 3D printing. And we talked a little bit about in my prepared remarks around the exciting things that we're doing around 3D printing. But our opportunity here is not to just participate in the business the size it is today – it's only a \$6 billion market – but the job here is to disrupt a \$12 trillion manufacturing industry.

So, by executing across core growth and future on those time vectors, we ensure that we remain extremely relevant today, but relevant for a very long time into the future. So, I would argue our best years lie ahead of us.

Question 2

Will the laptop make a come back? Will you lead the pack or run to catch up?

Answer:

Dion Weisler answered live:

Well, I would say the good news is that we are leading the pack and we have done so for many, many, many quarters in a row now. In fact, if you look at the results of last quarter in the PC business, Ron Coughlin and his team delivered 15% growth year over year, and that was on top of double-digit growth the year before. So, it wasn't off an easy compare. So, that's what I call a double-double.

And the trajectory of this business is built off the back of a lot of hard work around really identifying where the market is going, how we can delight customers, leveraging their insights, making design incredibly relevant inside our products, focusing in on security because it really matters in an increasingly complicated world. Remember, this is still – the PC business is still a \$334 billion market and only approximately just over one in five PCs has an HP logo on it. So, there's still four out of five customers, potential customers, that are yet to experience our amazing engineering. And so, our job still remains to not only service our customers today, but encourage new people into the franchise. And so, we do that.

But if you break that \$334 billion up, there's two big segments there. One is the sort of \$190 billion traditional products – you would think of them as desktops and notebooks and work stations – and that market, in aggregate, is kind of flat to slightly down. We can still take market share and we can still grow, and we have been, faster than our competitors. And that's done, again, off the back of insights, sprinkles of magic, making sure we're in the right cost position, driving towards areas that offer our customers more value in premium and gaming and, subsequently, our investors more value in those two areas.

But the other \$150 billion part of the market is in adjacencies to that PC market. All of these areas are growing. So, in aggregate, we see that the overall market growing at about 5%. But this is areas like displays and accessories and virtual reality and services and 3D scanning, and we are underpenetrated in these areas. So, we're looking to shift our mix from the \$190 billion market – and certainly not ignoring that – but finding the other pockets of growth in the \$150 billion parts of the market to ensure we can keep growing in these markets.

So, bottom line is I like this business a lot. It's a very large market. We still don't have – although we have leading market share – and that is not as an objective, but rather an outcome of the hard work that the team has done – there's still a lot more work that we can do here. It almost has an infinite return on invested capital, and it operates at negative cash conversion cycles, which means it fuels cash for the rest of the business and for our shareholders. So, I think what you can expect to see is the continued execution that the team is driving across the globe in what is a very, very solid franchise.

Question 3

Questions regarding performance based executive compensation

- **All salaries and other compensation should be MERIT/PERFORMANCE based ONLY. And the shareholders must be able to see the decision and how it is arrived at - a points set up is best.**
- **Executive compensation should be based on stock performance and results only!**
- **What have you done different this year to justify your increase in your salary? Would you consider not taking your yearly raise to help the stock holders this coming years?**
- **From the perspective of a retired Fortune 500 middle manager, executive, upper and middle management compensation in excess of 15 times the average production employee is excessive. It leads to a sense of entitlement and infallibility in those so compensated. It is a prime cause of the inequality that is just beginning to be recognized as a threat to our democracy and, if unchecked, will eventually result in the demise of our republic. I ask that board members not dismiss this thought outright, rather give it careful consideration and incorporate in your discussions as you determine executive and management compensation policy.**

Answer:

Chip Bergh answered live:

In addition to serving as the Chairman of the Board, I'm also a member of the board's Human Resources and Compensation Committee and also participated in our shareholder outreach program earlier this year and met with a number of our large shareholders. And this is a question that came up, and it's one that I think about regularly in these roles.

So, as we lay out in the proxy, HP's compensation is heavily based on performance, particularly around the key metrics that run the business, such as net income, margin, and total shareholder return, or TSR. For the senior leadership, the vast majority of the compensation is performance-based. In fact, more than 70% of the total compensation is based on performance against these metrics. As all managers know, employees require some part of their compensation to be fixed – call that base salary – but even that is based on them successfully fulfilling their role.

HP's compensation is largely stock-based, with leaders receiving the majority of their compensation through our equity programs, aligning them with shareholder interests. Additionally, they don't earn that stock unless they achieve performance goals based on total shareholder return.

The board does give very serious consideration of paying leadership competitively, yet fairly, based on the market, benchmarked against companies similar to ourselves, and target the median salary levels, not the top end of the range. HP's Fiscal 2017 total shareholder return of 40.8% was more than 2x the S&P 500 return of 19.9%.

Question 4

Why the need for so many Directors?

Answer:

Dion Weisler answered live:

Well, first, let me acknowledge and thank Chip for being here of course through the course of last year. With Meg leaving the board, Chip took on the role of Chairman of the Board, where he was previously our lead independent director. And I think he's done a terrific job in leading the board through that transition, and he's personally very, very helpful to me as we navigate and charter the future of this company.

But we do that together with an incredible group of directors. We are proudly looking at, I would say, the most diverse board in all of corporate tech, if not all of America. Highly experienced. They're engaged in all areas of our business, and we operate a very broad business and a very global business. And we need to have a lot of skills on the board in order to really ensure that we have the right governance in place and the right advisers in place as we navigate the many complicated issues that affect a business of this size and magnitude. Whether that be their skills in financial acumen, governance, strategic areas, industry-specific areas, academia, sitting CEOs, technology, go-to-market expertise, and many more, the 10 directors that we have provide an incredible cross-section of all of those requirements.

And the Nom and Gov Committee drive a process every year to enable the board to self-evaluate their performance. They discuss it, together with management. We build a strong annual plan around that. We're consistently and continuously evaluating the size and the composition of the board to match the needs both for today as well as for the future.

They're deeply connected to the business. They don't sit idly by. They are involved in shareholder outreach tours annually. They do site visits not only here in the United States but across our sites around the world. They are linked together. Every single board member is tagged with one of my leadership team in a program we call the Board Buddy program. So, they have a deep insight into all areas of the business in a very transparent way. And they attend all-hands meetings where we have meetings with our entire 55,000 staff and enable our staff to ask questions directly of the board in a live format. And a lot of that – obviously, we can't put 55,000 people in a room – is done in a virtual call, and we find that extremely effective.

And so, through this board evaluation process, this constant assessment to ensure that we have the right skills on the board but also the leadership to provide the guidance and the oversight that is necessary.

Question 5

Do you plan on returning to an in-person meeting? I would prefer an in-person meeting to a virtual meeting.

Answer:

Kim Rivera answered live:

So, we don't have a specific plan to return to a live meeting, but we continue to talk to shareholders, as we did this year, and to evaluate the pros and cons each year to make sure that we're taking the right approach.

I want to talk a little bit about our rationale for a virtual meeting. With our transition to a virtual meeting, we've been able to give stockholders access to view the meeting, to vote, and to ask questions no matter where they live in the world, and it's accessible and available on any device, be it a phone, a tablet, or a computer. We're able to reach a broader base of stockholders than those who can afford to travel to an in-person meeting. And we're also able to respond in detail to every question a stockholder may have, rather than just a limited number of questions answered on the fly. And management responds thoughtfully to every question in writing on our website in addition to the ones that we answer here. We not only respond to every question asked in writing regardless of topic, but those answers are posted along with the replay, which is available for at least a year and which allow our stockholders to go back and see how the meeting went.

Holding our annual meeting virtually also enables significant cost savings for both HP and our stockholders, who don't have to travel to the meeting. This is the fourth year holding a virtual meeting, and we're using those savings to improve the interactive experience year over year, including launching a dedicated website for our annual meeting, including interactive disclosure of our proxy statement, which you can visit at www.hpannualmeeting.com.

In addition to the cost savings, we're also reducing the carbon footprint associated with the meeting, which is important to our broad sustainability strategy as a company.

Better access and, thus, better stockholder engagement, cost savings, and a commitment to our environmental impact were all key to our decision to transition to the current format, which we believe makes us more transparent as a company. As I mentioned at the outset, we will continue to talk to shareholders each year about striking the right balance. And this is just one avenue for shareholders to engage. We do conduct shareholder engagement year-round.

Question 6

Does the HP chairman meet in person with large shareholders

Answer:

Chip Bergh answered live:

I sort of alluded to the fact that we did, in my previous answer, but the short answer is, yes. But I think putting some meat on the bones might be helpful here, because I believe that HP has a really well thought out and quite rigorous shareholder outreach program which I've participated in now for the last two years.

And to dimensionalize it, this past year, in the month of January, we met with roughly 45% of the voting shares – some of our largest institutional shareholders – over the course of about a week in Boston, New York, and San Francisco. I met with all of them face to face, and I was actually accompanied by two other board members: Stephanie Burns, who is chair of our HR Committee, and Stacey Mobley, who is on the Nominating Governance Committee, as well as the HR Committee, participated. And we had Tracy Keogh, the HR Officer, along, as well as Steve Fieler, the Controller. So, a good representation from management; notably, not Dion or Cathy, so we could have a real open conversation with the largest shareholders.

So, it is a time commitment, but it is an important thing that we do. And I think it's actually a best practice and we were recognized by several shareholders for doing that.

Question 7

Are you going to publish answers to all questions asked

Answer:

Kim Rivera answered live:

Yes, as I alluded to earlier, we commit to answering every question received in writing within one week of the meeting. And the questions will be posted as asked, with the accompanying answers, to our IR website, at hp.com/investor/home.

Question 8

1. What are the plans to expand 3D print business in India?

2. Is there any plans of technology transfer with production outsourcing of 3D printers to India? If yes, please provide the details. If no, please provide the reasons?

Answer:

Dion Weisler answered live:

So, first question, I believe was are we planning to expand the business to India. In fact, we announced commercial availability of our award-winning Multi Jet Fusion platform in India in January of this year. So, we're already in market in India. Very excited by that, continuing the growth of the partner community. We've got two local partners in India that specialize in this area of reselling the 3D printing technology.

And we expect that that will expand because it's being propelled by the government initiatives around Made in India and Digital India. The Indian economy that I've been involved with for decades is really at the cusp of a major transformation as it seeks to become a global manufacturing center. And there is no doubt that Industry 4.0 is going to be, in my mind and many others as well, the fourth industrial revolution will be – one of the main drivers will be 3D printing, amongst some other technologies. So, we're excited that we have the product available in India, as well as the expansion plans that we have there.

The second question was around technology transfer and production, if yes, if no. As a matter of process, we don't release details of technology transfers. They're obviously sensitive issues and areas. And we also don't talk in details around production areas or footprints by product. So, it's not perhaps the answer that – the yes/no answer that you were looking for. But we are constantly evaluating our global footprint

for all of our products, and we are also constantly evolving the footprint of our manufacturing and technology transfers based on many factors that we continuously evaluate.

But I would say, more broadly, I'm super excited by the overall 3D printing business opportunity. We've had products in market now on a mass scale really only for the past 12 months – so, this is a brand new business for us – and we've gone from 18 months ago zero dollars of revenue, no channel partners, to now in the market segment that we're serving – which is all around production printing, not prototype printing, in production printing of equipment more than \$100,000 – we have world-leading market share.

It's crazy to go from zero to market share leadership in such a short period of time. And we are growing the overall market. We now have from zero resellers to more than 90 resellers around the world. We have 25 3D experience centers around the world. We have many materials partners, an open platform, more than 50 partners that are making materials for the platform, and that just encourages a great variety of materials availability and also ensures that there's competition for pricing of those materials at an effective rate for customers as we attract and move from analog to digital printing.

And so, there's no question in my mind, as I mentioned earlier, that we are at the cusp of the next industrial revolution. We're going to democratize manufacturing in a way that the world has never seen before, which are bringing products much closer to where customers are, lots of benefits around reduced carbon footprint, no waste, less warehouses, and a great deal of design freedom and flexibility.

So, on that note, I'm sure India is going to really participate in a very exciting market, but so will many other countries around the world.

Question 9

Dear HP Board of Directors,

I am an investor who has recently been made aware of allegations of HP's support for Israel's institutionalized violence against Palestinians. A group called Mass against HP is calling for a boycott of your products. I invested in HPQ because of my belief in companies that promote an ethical, sustainable future by creating products that will enrich human life, such as 3D printing.

I would be dismayed to learn that a company in which I invest puts partisan politics before intelligent business practices. Would you please explain to me HP's corporate stance on the Israel/Palestine issue?

**Sincerely,
[stockholder name redacted]**

Answer:

HP is strongly committed to socially responsible business practices and we have a rigorous human rights due diligence process. As a global company with a significant presence in Israel and across the Middle East, HP shares concern for those affected by conflict in the Middle East and supports its peaceful resolution.

Question 10

Why are you laying off your older workers?

Answer:

HP has exceptional talent and the company has long been committed to the principles of equal opportunity, diversity and inclusion. Any decision to implement a workforce reduction is always difficult, but we take care to make tough decisions based on legitimate, non-discriminatory reasons. HP uses business-related factors for such decisions, such as performance and job skills. Of course, such decisions are made by individual managers across the company and are subject to local legal requirements and consultations with employee works councils and other employee representatives, as appropriate.

Question 11

What is the investment plan for moving into the textile market as mentioned last November. As we aggressively addressing this market and how.

Answer:

As we said at our 2018 Securities Analyst Meeting, we are planning to enter the textile space, a \$12 billion market opportunity. One of the things we think about before we enter any new market is our ability to disrupt that market, instead of just having a “me-too” product or service. We are starting with soft signage, leveraging our historical investments in Latex technology.

Question 12

4. Stockholder proposal requesting stockholders' right to act by written consent, if properly presented at the annual meeting need clarification of this proposal

Answer:

For information regarding the stockholder proposal, including a full text of the proposal and HP’s statement in opposition to the proposal, please view page 58 of our 2018 Proxy Statement. The HP Board recommended that you vote against this proposal.

Question 13

Who do I contact to amend my personal details?

Answer:

For assistance with your personal details, please contact your broker directly to change or amend personal details.

Question 14

How can I get my account number. Now at days I am retired and I lost that account number that I need to reach access to the broker web. Thank you ver y much. [stockholder name redacted]

Answer:

We are sorry that you cannot access your account. For assistance with accessing your account, please contact your broker directly to change or amend personal details or to receive details regarding your current holdings of HPQ stock.

Question 15

no video?

Answer:

This year's meeting was an audio-only meeting.

Question 16

is this meeting limited to 60 minutes

Answer:

No. The duration of our annual meeting is determined by the number of items of business that must be addressed. We also allow for additional time for us to answer a variety of questions and the time varies depending on the questions we receive.

Question 17

how many minutes for q&a

Answer:

We do not allocate a specific amount of time to Q&A. This year's Q&A session lasted approximately 24 minutes.

Question 18

will shareholder comments be read during the meeting

Answer:

HP responds to stockholder questions and comments during the annual meeting, which are read aloud by our Head of Investor Relations. We post the complete questions and comments to our investor relations site, along with Management's written responses to each submission, regardless of topic, within one week of the meeting date.

Question 19

How many seconds is the internet delayed

Answer:

Our virtual format is an audio-only broadcast. Stockholders who join us through the virtual meeting platform hear the meeting live as it progresses with a normal broadcast delay of a few seconds.

Question 20

Why no video when HPE had video

Answer:

HP moved to an audio-only format at our 2017 Annual Meeting of Stockholders. An audio-only format is consistent with the format used for our quarterly earnings calls and enables greater cost savings to the company than a video format. The cost savings enabled us to reach out stockholders through other mediums including through our dedicated annual meeting website at www.hpannualmeeting.com where stockholders can engage interactively with our proxy statement materials. HP continuously evaluates the format used for the annual meeting and leverages technology whenever possible to reduce costs while improving stockholder experience.

Question 21

How many times in a year does our chairman speak in public before a live audience

Answer:

In his role as CEO of Levi Strauss & Co and his role as a director and Chairman of HP Inc., Chip Bergh speaks publicly on a regular basis. For a selection of public speaking events featuring Mr. Bergh and our other Directors and Executive Leadership Team, please visit www.hp.com/investors/home.

Question 22

Is there any value to audience feedback from an annual meeting

Answer:

HP appreciates the feedback it receives both before and during the meeting through the virtual meeting forum including stockholder questions and comments, each of which we respond to in writing on our investor relations website.

Question 23

How many people accessed this meeting while it was in progress

Answer:

HP's virtual meeting provider, Broadridge, reports that we had 35 attendees through our virtual meeting platform at this year's annual meeting, representing an increased attendance of 14 attendees over the prior year's meeting. We encourage our stockholders to join the meeting through virtual meeting technology, which enables our stockholders to join us regardless of their location.

Question 24

Questions regarding Stockholder participation at the virtual meeting

- **How do you have a well-informed discussion at a virtual meeting**
- **How does this happen at a virtual meeting all stockholders have the opportunity to openly express views on proposed actions**

Answer:

HP's 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 device, be it a phone, a tablet, or a computer. We're able to reach a broader base of stockholders than those who can afford to travel to an in-person meeting. And we're able to respond in detail to every question a stockholder may have, rather than just a limited number of questions answered on the fly. All of this allows our stockholders to have truly robust engagement with HP.

Question 25

When I try to vote, I get this message... Sorry. Virtual Shareholder Meeting is unavailable at the moment, please try again later. WHY?

Answer:

We are sorry you are having technical difficulties voting. Please visit proxyvote.com/hp to cast your vote during the virtual meeting. You can also contact Broadridge at 1-855-449-0991 (toll-free) during the meeting with any technical difficulties you may have.

Question 26

What is the employee headcount now and a year ago

Answer:

We had approximately 49,000 employees worldwide as of October 31, 2017, the end of our most recently completed fiscal year, Fiscal 2017, as reported in our Form 10-K/A for that period.

We had approximately 49,000 employees worldwide as of October 31, 2016, the end of our prior completed fiscal year, Fiscal 2016, as reported in our Form 10-K for that period.

Question 27

Does Mary Citrino still serve on 4 boards

Answer:

Yes, Ms. Citrino currently serves on the boards of HP Inc., Dollar Tree, Inc., Royal Ahold Delhaize, and Alcoa Corporation.

Question 28

Why not do a combination - live and virtual meeting?

Answer:

Thank you for your suggestion. We appreciate it and will continue to engage with our shareholders regarding their meeting format preference. HP will evaluate the pros and cons of the various meeting formats (in-person, virtual, or hybrid as you suggest) each year to make sure that we're taking the right approach regarding the meeting format.

Question 29

How much does the HP virtual meeting cost

Answer:

Costs for the virtual meeting vary year to year but HP expects the 2018 virtual meeting production to cost no more than \$75,000. Based on costs for our last in-person meeting including facility, security, and employee manpower, HP saves at least \$1M USD by utilizing the virtual meeting cost.

Question 30

Misleading to say we have one more question at minute 44

Answer:

We do not allocate a specific amount of time to Q&A but instead answer as many questions as we can practically respond to fully during the meeting. Management believes in responding thoughtfully to every question, and those not answered during the meeting are answered in writing on our website, along with transcripts of the questions answered during the meeting. The Q&A, a full transcript, and the meeting replay, which is available for at least a year, are all available on our investor relations website, which allow our stockholders to go back and see how the meeting went.

Question 31

Do you practice before a live audience for the AGM

Answer:

HP has historically conducted in-person rehearsals of the meeting and live preparation for portions of our annual meeting of stockholders including for the 2018 meeting.

Forward Looking Statement

The information included in these questions and answers from HP's annual meeting of stockholders, the annual meeting webcast and other information provided from time to time through webcasts, conference calls, securities analyst meetings, road show presentations, investor conferences, newsletters and similar events and communications contains forward-looking statements that involve risks, uncertainties and assumptions. 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 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; any statements of the plans, strategies and objectives of management for future operations, including, but not limited to, our sustainability goals, the execution of restructuring plans and any resulting cost savings, net revenue or profitability improvements; 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.

Risks, uncertainties and assumptions include 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; the impact of macroeconomic and geopolitical trends and events; the need to manage third-party suppliers and the distribution of HP's products and the delivery of HP's services effectively; the protection of HP's intellectual property assets, including intellectual property licensed from third parties; risks associated with HP's international operations; 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; the execution and performance of contracts by HP and its suppliers, customers, clients and partners; the hiring and retention of key employees; 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 resolution of pending investigations, claims and disputes; and other risks that are described in HP's Annual Report on Form 10-K for the fiscal year ended October 31, 2017 and that are otherwise described or updated from time to time in HP's other filings with the Securities and Exchange Commission. HP assumes no obligation and does not intend to update these forward-looking statements.

HP's Investor Relations website at <http://www.hp.com/investor/home> contains a significant amount of information about HP, including financial and other information for investors. HP encourages investors to visit our website from time to time, as information is updated and new information is posted.