Hewlett-Packard Company
2012 U.S. Enhanced Early Retirement Program
Summary Plan Description

Overview

The 2012 U.S. Enhanced Early Retirement (EER) Program is a voluntary program being offered by Hewlett-Packard Company (HP) to eligible U.S. employees projected to have 65 or more “points” (age plus years of qualifying service) as of May 31, 2012. HP is offering the EER Program as a special opportunity for U.S. employees closer to retirement to consider voluntarily retiring from HP with enhanced benefits.

Please note that not all eligible employees are guaranteed acceptance into the EER Program. Although eligible employees must have 65 points to apply for participation, a higher number of points may be required in order to be accepted and retire under the EER Program. After the election period ends, HP will assess projected EER Program costs based on the number of employees who apply. If projected costs exceed a level that would result in the HP Pension Plan maintaining a funded status of approximately 85% or greater (based on a comparison of the value of plan assets and plan liabilities as of November 1, 2011, adjusted to reflect the value of EER Program incentives), employees will be accepted starting with the highest number of points. **This means you may be required to have more than 65 points in order to be accepted and retire under the EER Program.** If you are not accepted in the EER Program, your application will be kept confidential and will not have any effect on your employment with HP.

Certain groups of employees are excluded from eligibility, including Senior Vice Presidents and employees who were hired, rehired or otherwise joined HP in 2011 or later. See page 4 for additional details regarding exclusions.

If you qualify for retirement under the EER Program, you will qualify for additional retirement benefits or cash payments, health benefit continuation, and other benefits such as career transition counseling. These EER Program features are in addition to benefits you may have already earned under HP retirement and stock programs.

The 2012 U.S. Enhanced Early Retirement Program is completely voluntary, but is only available during a special election period from May 31 to June 22, 2012. If you apply and are accepted for participation in the EER Program, you must retire on the retirement date designated by HP and communicated to you following your election to retire. Designated retirement dates will generally be August 31, 2012, but may be delayed for up to a year based on business needs (not later than August 31, 2013) for a limited number of employees solely at HP’s discretion. Participants in the EER Program will not have the opportunity to revoke their election following the end of the EER Program election period, and failure to continue employment with HP until the designated retirement date will result in forfeiture of all EER Program benefits.

If you are eligible to apply for the EER Program, you will receive a personalized benefit statement that estimates the benefits you may expect to receive if you are accepted for retirement. In addition to this summary, answers to frequently asked questions (“FAQs”) are available on the @hp Portal, and will be updated periodically based on questions received. If you have more questions about the EER Program that are not answered in any of these materials, please submit your questions through Contact HR.

The following chart summarizes the benefits offered under the EER Program. The information starting on page 4 describes the more specific terms and conditions that must be met in order to receive the benefits of the EER Program.

EER Program Feature	**Highlights of 2012 U.S. Enhanced Early Retirement Program**
Retirement Incentive	You are eligible for an additional pension benefit or cash payment calculated based on your years of service and monthly base pay. The incentive is added to a U.S. HP pension plan in which you currently maintain a benefit attributable to HP employment, or is paid in cash if you do not maintain an existing pension benefit or a portion of your incentive exceeds certain IRS limits. The incentive is a single lump sum amount calculated as the sum of: • A service-based amount equal to one-half month's base pay for each year of service, with a minimum of 3 months and a maximum of 12 months base pay: plus • An additional amount equal to 2 months base pay. If your retirement incentive is added to an HP pension plan, it adds to the pension benefit you have already earned under the HP pension plan in which you participate. If benefits are paid in cash, they are paid through HP Payroll as a taxable lump sum subject to tax withholding.
Health Benefit Continuation	Participation in the EER Program provides you access to HP health benefits after you retire. You are eligible to continue HP medical coverage for you and your dependents for 24 months following your retirement, paying the same premium rates as active employees. After 24 months, you will be eligible for one of these three programs, depending on your circumstances: • HP Retiree Medical Program (under which retirees pay the full cost of coverage), with special HP credits provided to your Retirement Medical Savings Account (RMSA) at the time you retire, to bring your total company credits up to the $12,000 RMSA maximum; • Pre-2003 HP Retiree Medical Program; or • Former Digital Retiree Health Plan.
Equity Awards	If you retire under the EER Program, you will generally be treated as a "retiree" under most HP equity programs.
Career Transition Support	You will be eligible for career transition and outplacement support during the EER Program election period, and for an additional period of 4 months following your retirement from HP (6 months for Directors and above).

Eligibility for the EER Program

You are eligible to apply for retirement under the 2012 U.S. Enhanced Early Retirement Program if you are a regular full-time or regular part-time U.S. employee (scheduled to work 20 or more hours per week) on a U.S. payroll as of May 10, 2012, and the combination of your age and qualifying years of service are projected to be 65 or more as of May 31, 2012. The combination of your age and years of qualifying service is referred to as "points". Points are calculated as follows, and are also shown on your personalized benefit statement:

- **Your age** is calculated as both full and partial years, with partial months rounded up to the next full month. For example, if you were born on April 15, 1955, you will be 57 years, one month and 15 days on May 31, 2012. This is rounded up to 57 years and two months.

- **Your years of qualifying service** are calculated the same way, but using your "service date" as reflected on the HP Global Human Resources Management System. Your service date is also the date used to determine your annual vacation or Paid Time Off amounts, but keep in mind it may not be the same as your hire date or your company seniority date (it may be different, for example, if you left HP in the past and were rehired, or you've taken certain types of leave of absence, or you were part of a company that was acquired by or merged with HP). You may view your service date on your personalized benefit statement or on the "job history" panel on the @hp portal. Go to the main page of the @hp portal > Careers, Policies & Total Rewards > Personal Information > Personal Data > Job History. (Be sure to reference your "service date", not your "hire date" or "company seniority date".) As an example, if your service date is May 10, 1995, you will have 17 years and one month of qualifying service on May 31, 2012.

- **Your points** are calculated by adding together your age and years of qualifying service as of May 31, 2012. Using the examples above, the age of 57 years and two months are combined with 17 years and one month of service, resulting in 74 years and three months, or 74 and 3/12ths years. The resulting points, including credit for partial years of age/service, are 74.25.

Even if you meet these requirements, you are <u>not</u> eligible for the EER Program if any of the following apply:

- Your most recent hire or rehire date with HP is on or after January 1, 2011;
- You transferred to the U.S. from a non-U.S. HP affiliate on or after January 1, 2011;
- You are an intern, temporary employee, or Limited Term Employee;
- You are being paid on the payroll systems of Autonomy Corp. or Palm, Inc.;
- You have been absent from work due to an approved leave of absence (other than a military leave governed by the Uniformed Services Employment and Reemployment Rights Act) for more than 26 weeks as of May 10, 2012, and you do not return to active HP employment before the end of the EER Program election period; or
- You are at a Senior Vice President level or higher.

In addition to being open to eligible employees who are actively at work (or on certain approved leaves of absence) during the election period, the EER Program is also open to otherwise eligible employees who have the required number of points and terminated or retired since March 12, 2012. Qualifying employees who terminated before announcement of the EER Program must sign the EER Program Release Agreement in order to receive the benefits of the Program. Employees who are in a WFR notification period or previously terminated under a WFR Program since March 12, 2012 will be required to sign the WFR Release as well as the EER Program Release Agreement.

Keep in mind that there may be a limit on the number of employees permitted to retire under the EER Program, and not all eligible employees are guaranteed acceptance. This limit will be determined by reference to the funded status of the HP Pension Plan as of November 1, 2011, adjusted to reflect the value of EER Program incentives. If projected EER Program costs result in the HP Pension Plan's funded status falling below target levels, acceptance into the EER Program will be determined as follows:

- After the election period ends, HP will assess projected EER Program costs based on the number of employees who applied for participation and the total value of incentives to be added to HP pension plans.

- If projected costs exceed a level that would result in the HP Pension Plan maintaining a funded status of approximately 85% or greater (based on a comparison of the value of plan assets and plan liabilities as of November 1, 2011, adjusted to reflect the value of EER Program incentives), employees will be accepted starting with the highest number of points. The final number of points required for acceptance will be based on this analysis of pension funding, and will apply to both electing employees who are actively at work and employees who have terminated or retired since March 12, 2012.

- All electing employees will be notified of their acceptance status as soon as possible after the election period ends on June 22, 2012. Only employees who have applied and satisfy the final points requirement will qualify for retirement under the EER Program. Employees with fewer points than the final required minimum will not be accepted.

Electing to Participate in the EER Program

In order to participate in the EER Program:

- You must submit an election form in the form and manner specified by HP during the enrollment period that begins on May 31, 2012, and ends on June 22, 2012 at 5:00 p.m. Pacific Time;
- You must have age-plus-service points (as defined above) equal to or greater than the final EER Program requirement determined by HP after the election period ends;
- You must retire from HP on the retirement date designated by HP (generally August 31, 2012, but potentially as late as August 31, 2013 at HP's discretion) communicated to you following your election to retire under the EER Program; and
- You must sign and return the applicable Release Agreement no later than 45 days after your retirement date, and you must not revoke your Release Agreement.

If you do not submit an election form by 5:00 p.m. Pacific Time on June 22, 2012, you will not be eligible to apply for participation in the EER Program at a later date. However, otherwise eligible employees will automatically be deemed to have applied for participation in the EER Program if they:

- Terminate employment for any reason between March 12, 2012 and May 30, 2012;
- Terminate employment during the EER Program election period (May 31 through June 22) due to a previous notification of WFR or similar involuntary termination; or
- Are notified of WFR or similar involuntary termination between March 12 and June 22, 2012 (the end of the EER Program election period).

Changing Your Election

If you elect to participate in the EER Program but then change your mind, you may revoke your election by completing the online election form and selecting "Decline"; however, you must do this before the final June 22 deadline. Any changes to your election received after 5:00 p.m. Pacific Time on June 22, 2012 will not be accepted.

Retiring under the EER Program

In order to participate in the EER Program, you must have age-plus-service points equal to or greater than the final EER Program requirement and you must terminate your HP employment on the retirement date designated by HP (generally August 31, 2012, but potentially as late as August 31, 2013 for a limited number of employees at HP's discretion). Participants in WFR Programs will retain their original termination dates, as will other participants who terminated employment between March 12, 2012 and May 30, 2012. Participants on an approved military leave will be permitted to defer their retirement date until the end of their approved leave.

Signing and Returning the Release Agreement

In order to receive benefits under the EER Program, you will need to submit the applicable signed EER Release Agreement. You have up to 45 days after your retirement date to return your signed Release Agreement, but you may turn it in anytime on or after your retirement date. You have seven days after you return the Release Agreement to revoke it. Employees in a Director-level position or higher must complete the version of the Release Agreement that applies to Director-level positions based on their state of residence.

If you are accepted but you do not return the applicable Release Agreement, you modify it in any way, or you revoke it within seven days after submitting it, your employment will be terminated on your designated retirement date, but you will not receive EER Program benefits.

WFR Program participants must complete the EER Release Agreement, in addition to completing their WFR Release within the timeframes described in the WFR Program. Participants who terminated employment between March 12 and May 30, 2012 generally have 45 days from their EER Program acceptance notification date to return the EER Release Agreement.

Benefits of the EER Program

The 2012 U.S. Enhanced Early Retirement Program offers a retirement incentive payment (added to an HP pension plan or paid in cash, depending on your circumstances) equal to as much as 14 months' base pay. You also qualify for continued health coverage and other benefits that may not otherwise be available to you, such as career counseling.

Retirement Incentive

The EER Program offers you an additional pension benefit or cash payment calculated based on your years of service and monthly base pay. The incentive is added to the U.S. HP pension plan (the HP Retirement Plan, HP Cash Account Pension Plan, or EDS Retirement Plan) in which you currently maintain a benefit attributable to HP employment, or is paid in cash if you do not maintain such a benefit or a portion of your incentive exceeds IRS limits applicable to HP pension plans.

Calculating Your Retirement Incentive

Your retirement incentive is made up of two components: a service-based portion, and an additional 2 months base pay. The combination of these two pieces make up the total retirement incentive added to your existing pension benefit (if applicable) or paid to you in cash:

- **If your retirement incentive is added to an HP pension plan,** it will be paid in addition to the regular pension benefits that you have already earned under the plan, and will be payable in accordance with plan's normal payment terms. You will also have a special option to request a distribution of just your EER Program retirement incentive as a single lump sum payment or monthly annuity within 12 months after your HP retirement date (subject to applicable spousal consent requirements, if you're married). If you request this special distribution, the remainder of your pension benefit will remain in the plan for future payment in accordance with normal pension plan terms.

- **If your retirement incentive is paid in cash** (because you do not maintain an existing U.S. HP pension plan benefit attributable to HP employment or a portion of your retirement incentive exceeds IRS limits), it will be paid as a single lump sum by HP Payroll, subject to regular income and employment taxes, and paid net of tax withholding using the withholding rates for bonus payments.

Calculating Your Years of Service

The service-based portion of the retirement incentive is based on your years of service with HP, from your "service date" through your date of retirement under the EER Program (ranging from August 31, 2012 to August 31, 2013 for most participants; actual termination date for WFR and participants who terminated employment before the EER Program opened). Your service date is the same date used to determine vacation or Paid Time Off benefits and used in the calculation of your points (as described above). You can view your service date on your personalized benefit statement or on the "job history" panel on the @hp portal. Go to the main page of the @hp portal > Careers, Policies & Total Rewards > Personal Information > Personal Data > Job History. Be sure to reference your "service date", not your "hire date" or "company seniority date".

Just like the calculation of points, your "years of service" are determined as full years and months, with partial months rounded up to full months. However, service is not projected, and instead is calculated as of the date you actually terminate employment.

For example, Mike has a service date of February 26, 1989 and may retire under the EER Program on August 31, 2012. He will have 23 years, six months and 2 days of service as of the date of his retirement. This is rounded up to 23 years and seven months.

Calculating Your Monthly Base Pay

Your monthly base pay is generally determined based on your scheduled hours and pay rate as of April 1, 2012, without adjustment for any changes occurring after April 1, 2012. Items such as overtime, shift differential and bonuses are not part of base pay. If you are a commissioned salesperson with an established target pay amount, your monthly base pay is determined using your target pay. If you are eligible but left HP before April 1, 2012, your monthly base pay is determined as of your termination date.

If you work part-time, your monthly base pay is determined based on your scheduled hours. If you currently work part-time but worked full-time for 80% or more of your HP career, your monthly base pay is calculated as the full-time equivalent for purposes of the EER Program.

The 2012 U.S. EER Retirement Incentive Formula

If you elect to retire and satisfy all other eligibility requirements, the EER Program will provide you with a retirement incentive calculated as follows:

- One-half Monthly Base Pay times Years of Service, with a minimum of three months base pay and a maximum of 12 months base pay; plus
- Two times Monthly Base Pay.

The sum of these two amounts will be added to the U.S. HP Pension Plan (the HP Retirement Plan, HP Cash Account Pension Plan, or EDS Retirement Plan) in which you currently maintain a benefit attributable to HP employment, or will be paid in cash if you do not maintain such a benefit or a portion of your incentive exceeds IRS limits applicable to HP pension plans.

Example:

Molly has a service date of March 15, 1992, and annual base pay of $60,000. She is projected to have 20.5 years of eligible service (20 years and six months) on her designated EER Program retirement date of August 31, 2012. Based on these factors, she is eligible for 10.25 months of base pay (one-half month's base pay times 20.5 years) plus an additional two months base pay, for a total payment of 12.25 months base pay. This equals $61,250, calculated as 12.25 months times her $5,000 monthly base pay.

Offset for Other Severance-type payments

The EER Program benefit payable to you will be offset (reduced) by any other EER or severance-type benefit that you have received, or is payable to you, since January 1, 2000. All severance-type payments are covered, including:

- Amounts paid or payable as a result of your participation in the 2000, 2002, 2005 or 2007 HP EER programs;
- A Voluntary Severance Incentive benefit;
- An "Alternate Offer" under HP's Redeployment Program;
- Payments under HP's Workforce Management Programs;
- Payments under an HP Workforce Reduction Program;
- Payments made under a mutual separation agreement or other individual severance arrangement; and
- Payments under any similar early retirement, severance, workforce reduction, redeployment or separation programs offered by Electronic Data Systems (EDS).

Any offsets to your EER Program retirement incentive will only apply to the service-based portion of your incentive, and will not reduce the value of your incentive below two times your Monthly Base Pay.

If You Have a Benefit in Multiple HP Pension Plans

If you are eligible for the EER Program and you have a benefit accrued under more than one HP pension plan (the HP Retirement Plan, HP Cash Account Pension Plan, and EDS Retirement Plan), your retirement incentive will be added to the pension plan in which you most recently earned benefits while employed by HP.

For example, most former EDS employees earned benefits in the EDS Retirement Plan until the plan was frozen on December 31, 2008. In this case, the EER Program pension benefit would be paid from the EDS Retirement Plan, even if a former EDS employee also had a benefit in the HP Retirement Plan or CAPP due to an earlier period of HP employment.

Similarly, former Digital employees generally have a benefit in the HP Cash Account Pension Plan (CAPP), but more recently participated in the HP Retirement Plan. In this case, the EER Program pension benefit would be paid from the HP Retirement Plan, and not from CAPP.

Payment of Your EER Program Benefit from the HP Pension Plans

If your EER Program retirement incentive is paid from an HP pension plan, the payment will be subject to the terms of the applicable pension plan. You will also have a special option to request a distribution of just your EER Program retirement incentive as a single lump sum payment or a monthly annuity within 12 months after your HP retirement date (subject to applicable spousal consent requirements, if you're married). If you request this special distribution, the remainder of your pension benefit will remain in the plan for future payment in accordance with normal pension plan terms:

- **Under the HP Retirement Plan and Cash Account Pension Plan,** benefits can generally be paid at any time as a single lump sum (with your spouse's consent, if you are married), as a lifetime annuity, or in any other optional form available under the plan. You also have the option to defer payment of your benefit, or to roll over qualifying lump sums to an Individual Retirement Account or another eligible employer retirement plan (including the HP 401(k) Plan, if you have an account in that Plan).

- **Under the EDS Retirement Plan,** except for the special EER Program distribution option described above, benefits are generally payable only as a lifetime annuity starting when you reach retirement age under the plan (age 65, or age 55 with age plus years of qualifying service equal to 70 or more).

Please note that the retirement incentive payable under the EER Program is in addition to the regular pension benefits you have already earned under the applicable HP pension plan. The rules of each pension plan govern the timing and payment forms available. Except for the special EER Program distribution option described above (and available only during the first 12 months following retirement), the additional pension benefit you earn under this EER Program must be taken at the same time and in the same form as your regular pension benefit. This means that after the first 12 months you will not be eligible to take the EER Program portion of your pension as a lump sum, and the remainder in an annuity form, or vice versa.

Here's an example. Martha currently has an HP pension plan benefit with a lump sum value of $200,000. Based on her monthly pay and years of service, she will be eligible for an EER Program enhanced pension benefit of $100,000, bringing the lump sum value of her total pension benefit to $300,000. Her payment options will depend on her HP pension plan and when she initiates payment of her benefits, as shown in the following chart.

	HP Pension Plan	
Payment Timing	**HP Retirement Plan or CAPP**	**EDS Retirement Plan**
Within 12 months after retiring from HP	Martha can request a special distribution of just her EER Program enhancement ($100,000) as a lump sum or lifetime annuity. Her distribution is subject to spousal consent requirements if she is married and chooses an option other than a 50% or greater joint and survivor annuity. She also has the option to request payment of her full plan benefit, or to defer her entire benefit until as late as age 70.5, consistent with normal plan payment terms.	Martha can request a special distribution of just her EER Program enhancement ($100,000) as a lump sum or lifetime annuity. Her distribution is subject to spousal consent requirements if she is married and chooses an option other than a 50% or greater joint and survivor annuity. She also may have the option to request payment of her full plan benefit as a lifetime annuity, but only if she has satisfied retirement eligibility requirements (age 65, or age 55 with age plus years of service equal to 70 or more), consistent with normal plan terms.
More than 12 months after retiring from HP	Martha may request payment of her full plan benefit at any time, consistent with normal plan payment terms (and including a lump sum payment option subject to spousal consent if married). She is no longer eligible to request distribution of just her EER Program enhancement. She also cannot request to take the EER Program portion of her benefit in one payment form, and the rest of her benefit in another payment form.	Martha may request payment of her full plan benefit at any time after she has satisfied retirement eligibility requirements (age 65, or age 55 with age plus years of service equal to 70 or more), consistent with normal plan payment terms. She is no longer eligible to request distribution of just her EER Program enhancement. She also cannot request to take the EER Program portion of her benefit in one payment form, and the rest of her benefit in another payment form.

Any amount withdrawn from the pension plans and not rolled over will be taxable immediately to the employee, and may have a 10% penalty applied for employees under age 55. Please refer to the summary plan descriptions for your HP pension plan for details regarding available optional forms of payment under each pension plan, and the tax consequences associated with various optional forms. You may wish to consult a tax adviser before making any decisions about withdrawing your benefits.

If You Defer Your EER Program Pension Benefit

If you do not elect to receive your EER Program benefit within 12 months after your retirement date, and instead defer your benefit to a later date, please be advised that the EER Program portion of your pension benefit will not increase with earnings or interest (or decrease due to investment losses) between the date of your retirement and the date you take payment of your benefit. For example, if you retire on August 31, 2012 and wait 10 years to commence your pension benefit, the lump sum value of the EER Program portion of your pension benefit remains a fixed amount that will not vary over time, regardless of the date you choose to take payment.

If You Die During the EER Program Period

If you are eligible for the EER Program and die during the election period before making an election to participate, or after making an election but before you take payment of your EER Program benefit, your spouse or other beneficiary may be eligible for benefits.

- **If benefits are added to an HP pension plan,** your spouse or beneficiary designated under the applicable pension plan will be eligible to receive the full amount of your EER Program pension benefit after your death, with the remainder of your pension benefit paid according to otherwise applicable plan rules.

- **If your EER Program benefits are paid in cash instead,** payment will be made to your estate and benefits will be distributed accordingly.

Pension Benefits Over IRS Limits

If your EER Program retirement incentive is added to an HP pension plan, keep in mind that the HP pension plans are subject to certain IRS limits. If your payment exceeds these limits, any excess will be paid as taxable cash by HP Payroll, subject to tax withholding. Cash payments are not eligible for rollover or other special tax treatment.

Continued Health Coverage

Eligibility for a Retiree Medical Program

Depending on your age and service, you may already be eligible for one of HP's retiree medical programs. If not, the EER Program provides a valuable opportunity for you to gain eligibility for one of these plans. You also qualify for a special opportunity to continue HP medical coverage for 24 months following your retirement, paying the same premium costs as active employees.

Eligibility for the HP retiree medical programs after 24 months differs depending on any pre-2003 HP service history; for example, whether you joined HP as part of the Compaq merger, whether you qualified for the former Digital retiree medical program following the merger of Digital and Compaq, or whether your service has been primarily with HP or EDS. In each case, however, the EER Program offers access to health coverage for you and your dependents following your retirement that you might not otherwise have qualified for, as shown in the following chart.

Service History	2012 U.S. EER Program Health Benefit Continuation
Most employees eligible for the 2012 U.S. EER Program—***except those described below***	After paying the same medical premium rates as active HP employees for the first 24 months following your retirement, you will qualify for the HP Retiree Medical Program. Under this program, retirees pay the full premium costs of coverage, but can use HP credits to the Retirement Medical Savings Account (RMSA) to help pay a portion of premium costs. You can find information on 2012 premium rates under the retiree medical programs on the 2012 U.S. EER Program website on the @hp portal at http://hrcms01.atl.hp.com:6605/public/pages/home/en_US/index.htm. As part of the EER Program, HP will make a special credit to your RMSA, if needed, to bring your total company credits (including any HP or Compaq matching contributions) up to the RMSA maximum of $12,000. In addition, you can use any employee contributions you previously made for reimbursement of eligible expenses.
You have been employed with HP continuously since December 31, 2002, you did not join HP as part of the Compaq merger, you had at least 62 age-plus-service points as of December 31, 2005, and you were age 50 or older with at least 10 years of qualifying service as of June 30, 2007*	After paying the same medical premium rates as active HP employees for the first 24 months following your retirement, you will qualify for continued medical coverage under the Pre-2003 HP Retiree Medical Program. Under this program, retiree premium contributions are based on years of service, with longer-service employees paying a lower share of premium costs. Years of service used for determining retiree premium contributions are calculated as of your actual retirement date, and are not subject to any rounding.
You are a former employee of Digital Equipment Corporation who met eligibility criteria as of February 28, 1999 and has been continuously employed with Compaq/HP since that date	After paying the same medical premium rates as active HP employees for the first 24 months following your retirement, you will qualify for the former Digital Retiree Health Program.

* Also includes any other eligible employees who have been notified of eligibility for the Pre-2003 HP Retiree Medical Program, and employees who joined HP as part of the Compaq merger but previously worked at HP and earned a minimum of 5.5 years of prior HP service.

More information about the retiree medical program for which you are eligible, including costs of coverage, is provided with your personalized benefit statement. If you have questions, see the 2012 U.S. EER Program website or the HP retiree medical program summary plan description. You can also contact the HP Benefits Center through Your HP Directory at 1-800-890-3100 (choose "HP Benefits Center").

Electing Dental and/or Vision Benefits Under COBRA

The retiree medical programs (other than the Digital Retiree Health Program for certain former Digital employees) do not include dental or vision benefits. Therefore, following your retirement, you may elect COBRA coverage for a period of up to 18 months in order to continue HP dental and vision benefits.

Equity Awards

Participation in the EER Program will qualify some employees for the special treatment accorded to a "retiree" under the HP stock plans. The particular treatment depends on the plan your awards were issued under, as well as the terms of your award and the circumstances of your termination of employment. For most EER Program participants (see exceptions below), the following rules apply:

- **PRUs** - You will receive a release of shares (if any) in connection with any performance-based restricted units (PRUs) you currently hold from HP shareholder-approved plans based on the actual performance results of those PRU programs at the end of the 3-year performance period. Any release of shares with respect to your PRU grants will be pro-rated based on your number of whole months of active service during the performance period of each program under which you hold a grant. If actual performance is below the minimum threshold, no shares will be released.

- **Restricted Stock** - Any restricted stock awards or restricted stock units you currently hold from HP shareholder-approved plans will either continue to vest or vest in full upon termination, depending on the terms and conditions of the applicable award agreement.

- **Stock Options** - Any non-qualified stock options or Stock Appreciation Rights (SARs) you currently hold from HP shareholder-approved plans (for example, the 2004 Stock Incentive Plan) will automatically vest, and you will have up to three years to exercise outstanding nonqualified stock options or SARs (or until the original expiration date, if earlier). This treatment also applies to Compaq plan awards granted after May 2002 and EDS plan awards granted after August 26, 2008. This generally provides a longer exercise period than would otherwise apply for a voluntary or involuntary termination.

    - For stock options and SARs issued pursuant to plans or agreements that were assumed by HP as part of a merger or acquisition, the treatment will depend on your termination status and the terms of the applicable plans or agreements. For example, retirees holding pre-merger EDS awards will generally receive accelerated vesting and a two-year period to exercise outstanding nonqualified stock options (or until the original expiration date, if earlier).

    - The expiration date shown on the Merrill Lynch website is the last day that your stock option(s) is available for exercise. You must exercise your stock option(s), if at all, on a day that the New York Stock Exchange is open for trading and before the Expiration/Last Date to Exercise, which is shown on the Grant Summary page located in the Equity Plans tab on the Merrill Lynch website. The New York Stock Exchange is open from Monday through Friday, 9:30 a.m. to 4:00 p.m. Eastern Time, except for stock exchange holidays. You are solely responsible for tracking your own stock option expiration dates.

Exceptions: The two exceptions described in the following chart will apply to the equity award treatment described above.

Exception Group	Equity Award Treatment
EER Program participants who **either:** • Terminated employment between March 12 and May 30, 2012 due to WFR or similar involuntary termination; or • Were notified of WFR or similar involuntary termination between March 12 and May 28, 2012, regardless of termination date.	Your equity award treatment will be the same as for all other EER Program participants with respect to PRUs and restricted stock. However, your stock options will retain the treatment provided under the WFR or similar involuntary termination program. For WFR, unvested stock options will be forfeited and vested stock options must be exercised, if at all, within 3 months of termination or before the original expiration date, if earlier.
EER Program participants who terminated employment **other than** due to WFR or similar involuntary termination between March 12 and May 30, 2012.	There is no change to your equity award treatment due to participation in the EER Program. Therefore, equity awards that expired or were forfeited upon voluntary termination on or before May 30, 2012 will not be reinstated.

For questions about your equity awards, please access the Merrill Lynch website at www.mybenefits.ml.com or call Merrill Lynch at 888-447-7862.

Career Counseling and Outplacement Assistance

Employees accepted into the EER Program will receive career transition and outplacement support for a period of four months following retirement under the EER Program (six months for employees in a Director-level position or higher). In addition, all eligible employees can receive career transition support during the EER Program election period, to help consider your options.

Rehire Policy

Employees who retire under the EER Program will not be eligible to be rehired or to work as a contractor for HP for a period of 24 months following retirement.

Other Information You Should Know

The 2012 U.S. Enhanced Early Retirement Program includes a retirement incentive (added to an HP pension plan or paid in cash), eligibility for special health benefit continuation, and career counseling. Special treatment for certain stock awards applies to some participants. This summary describes the special benefits or treatment resulting from participation in the EER Program, but does not describe all of the terms and conditions that apply in order to be eligible for or receive benefits from the HP pension plans, retiree medical programs and other benefit plans. You should refer to the summary plan descriptions for additional information about the pension and retiree medical programs.

The form and timing of EER Program benefits paid from an HP pension plan are governed by the terms of those plans. In the event of a conflict between this summary or other EER Program materials and the Plan documents, the terms of the Plan documents will control.

The terms and conditions for participation in the retiree medical programs are also governed by the applicable plan documents. In the event of a conflict between this summary or other materials and the plan documents, the terms of the plans will control.

The HP Plan Committee has full discretion to interpret the terms of all of HP's employee benefit plans, including eligibility provisions and benefit amounts under the EER Program. HP reserves the right to amend and terminate any of its benefit plans at any time. Retirement under the EER Program does not change this.

Administrative Information

Claiming Benefits

In order to participate in and claim benefits under this EER Program, you must file an election form (in the manner specified by HP) during the period beginning May 31 and ending June 22, 2012 at 5:00 p.m. Pacific Time, you must have sufficient points to qualify for acceptance, and you must terminate your HP employment on the retirement date designated by HP. In addition to the election form, participants receiving the EER Program retirement incentive in an HP pension plan (the HP Retirement Plan, HP Cash Account Pension Plan, or EDS Retirement Plan) must complete all forms regularly required to receive benefits from the applicable pension plan. You may also be required to enroll for continuing or retiree medical coverage in the manner specified by HP and to pay any applicable premiums.

Denial of Benefits

If you believe you are eligible to participate in the 2012 U.S. Enhanced Early Retirement Program but did not receive an EER Program information packet mailed to your home, that you should have qualified for acceptance into the EER Program based on your total points, or you believe that your EER Program retirement incentive or medical benefits have not been determined correctly, you should first submit your inquiry through Contact HR via the @hp portal. If your eligibility or other concerns cannot be resolved informally through this channel, you may file a formal claim for benefits by writing to:

EER Program Administrator
Hewlett-Packard Company
c/o ERISA Counsel, MS 1050
3000 Hanover St.
Palo Alto, CA 94304

Your claim should set out the reasons you believe you are eligible, and you should provide copies of any supporting documentation. If your request to participate is denied, you will receive a written notice of the denial. You may appeal this determination within 60 days of the notice of denial by writing to:

HP Plan Committee
Hewlett-Packard Company
c/o ERISA Counsel, MS 1050
3000 Hanover St.
Palo Alto, CA 94304

Your appeal will be considered by the Plan Committee, which hears appeals regarding employee benefit plans. Your appeal will be considered at the next quarterly meeting of the Plan Committee, so long as it is received within 30 days of such meeting, and otherwise will be considered at the next following quarterly meeting. You will be notified of the Plan Committee's decision on your appeal within five days after it has been rendered.

Please note that the special equity award treatment accorded some participants under the EER Program is not subject to the federal ERISA law, and therefore any questions or claims regarding the treatment of HP equity awards should be directed to Merrill Lynch or HP Global Equity Administration.

ERISA Information

Plan Name: 2012 U.S. Enhanced Early Retirement Program, as amendments to the:

- Hewlett-Packard Company Retirement Plan (sub-plan of the Hewlett-Packard Company Pension Plan, Plan #003)
- Hewlett-Packard Company Cash Account Pension Plan (sub-plan of the Hewlett-Packard Company Pension Plan, Plan #003)
- EDS Retirement Plan (sub-plan of the Hewlett-Packard Company Pension Plan, Plan #003)
- Hewlett-Packard Company Retiree Welfare Benefits Plan (component plan under the Hewlett-Packard Company Comprehensive Welfare Benefits Plan, Plan #511, and the Hewlett-Packard Company Health Maintenance Organizations Program, Plan #505)

Name and Address of Plan Sponsor, Plan Administrator and Agent for Service of Process:

Hewlett-Packard Company
3000 Hanover Street
c/o ERISA Counsel, MS 1050
Palo Alto, CA 94304
EIN: 94-1081436

Type of Plan: Pension, medical

Contribution Sources:
Hewlett-Packard Company pays all contributions required under the HP pension plans, and all retirement incentive amounts payable in cash. Participant contributions are required for health coverage for the retiree and any covered dependents.

Plan Year: Fiscal year ending October 31

ERISA Rights:
If you are a participant in the 2012 U.S. Enhanced Early Retirement Program, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Federal law and regulations require the following description of your rights be given to you. ERISA provides that you shall be entitled to:

(1) Examine, without charge, at the Plan Administrator's office and at other specified locations all Plan documents, including insurance contracts and copies of all documents filed by the Plan with the U.S. Department of Labor, such as annual reports and Plan descriptions.

(2) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.

(3) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of this Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently in the interest of you and other Plan participants and beneficiaries. No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if requested materials are not received within 30 days, if upon reconsideration of a claim for benefits the claim has been denied or ignored, or if it should happen that Plan fiduciaries misuse Plan assets, you may bring a legal action in state or federal court.

In case of misuse of Plan assets by fiduciaries, you may also seek assistance from the U.S. Department of Labor. If you take legal action the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. However, if you lose, the court may order you to pay these costs and fees (for example, if it finds your claim is frivolous).

Hewlett-Packard Company
2012 U.S. Enhanced Early Retirement Program
Frequently Asked Questions

In addition to these Frequently Asked Questions, be sure to check for additional FAQs, updated regularly on the U.S. 2012 U.S. EER Program Website on the @hp portal at http://hrcms01.atl.hp.com:6605/public/supporting_files/import/en_US/html_import_0003.html.

GENERAL

Q: Why is HP offering an early retirement program?
The 2012 U.S. Enhanced Early Retirement (EER) Program is a voluntary program being offered by Hewlett-Packard (HP) Company as part of a broader set of workforce changes. The Program is a special opportunity HP is making available for employees closer to retirement to consider voluntarily retiring from HP with enhanced benefits.

Q: How does the EER Program work?
If you are eligible and apply for retirement under the EER Program, you may qualify for enhanced benefits that might not otherwise be available, as summarized in the following chart:

Program Feature	Highlights of 2012 U.S. EER Program
Retirement Incentive	You can qualify for an additional pension benefit or cash payment calculated based on your years of service and monthly base pay. The incentive is added to a U.S. HP pension plan in which you currently maintain a benefit attributable to HP employment, or is paid in cash if you do not maintain an existing pension benefit or a portion of your incentive exceeds certain IRS limits. The incentive is a single lump sum amount calculated as the sum of: • A service-based amount equal to one-half month's base pay for each year of service, with a minimum of 3 months and a maximum of 12 months base pay: plus • An additional amount equal to 2 months base pay. If your retirement incentive is added to an HP pension plan, it adds to the pension benefit you have already earned under the HP pension plan in which you participate. If benefits are paid in cash, they are paid through HP Payroll as a taxable lump sum subject to tax withholding.
Health Benefit Continuation	Participation in the EER Program provides you access to HP health benefits after you retire. You can qualify to continue HP medical coverage for you and your dependents for 24 months following your retirement, paying the same premium rates as active employees. After 24 months, you will be eligible for one of these three programs, depending on your circumstances: • HP Retiree Medical Program (under which retirees pay the full cost of coverage), with special HP credits provided to your Retirement Medical Savings Account (RMSA) at the time you retire, to bring your total company credits up to the $12,000 RMSA maximum; • Pre-2003 HP Retiree Medical Program; or • Former Digital Retiree Health Program.
Equity Awards	If you retire under the EER Program, you will be treated as a "retiree" under most HP equity programs.
Career Transition Support	You will be eligible for career transition and outplacement support during the EER Program election period, and for an additional period of 4 months following your retirement from HP (6 months for Directors and above).

After you apply, HP will determine the final age-plus-service points required to be accepted under the EER Program (based on the total number that apply and the EER Program's impact on HP pension funding levels) and you will be notified whether your application has been accepted and when you will retire from HP. Your retirement date will generally be August 31, 2012, but could be delayed for up to an additional year for a limited number of employees at HP's discretion based on business needs. You will then continue to work until your designated retirement date and submit the EER Program Waiver and Release agreement within 45 days after you retire. Be sure to review your EER Program enrollment packet and personalized statement for more details.

Q: Who is eligible for the EER Program and what limits might apply?
In most cases, you can apply for retirement under the EER Program if you are a regular U.S. employee scheduled to work 20 or more hours per week and projected to have at least 65 "points" (age-plus-years of service) as of May 31, 2012. Certain eligibility exclusions apply, including Senior Vice Presidents, Fellows, employees who were hired or rehired in 2011 or later, and employees paid on the Palm or Autonomy payroll systems. **Note:** For the full list of exclusions and other program details, see the 2012 U.S. EER Program Summary Plan Description available on the U.S. EER Program website on the @hp portal.

Please note that not all eligible employees are guaranteed acceptance into the EER Program. In order to maintain sufficient funding levels in HP U.S. pension plans, HP will assess total EER Program enrollment after the election period ends and determine whether the costs of EER Program incentives can be supported without reducing pension funding below a target level of approximately 85% (based on a comparison of the value of plan assets and plan liabilities as of November 1, 2011, adjusted to reflect the value of EER Program incentives). If enrollment exceeds the level that can be supported, a higher number of age-plus-service points may be required in order to be accepted and retire under the EER Program. In this case, employees with the highest number of points will be accepted. This means that you may be required to have a higher number of points than 65 in order to be accepted. For any employees who are not accepted in the EER Program, submitting an application to retire will not affect future employment with HP.

Q: Will a change in the point requirement still apply to me even if my EER Program incentive is being paid in cash instead of being added to my pension?
Yes. In order to treat all employees equitably, the same age-plus-service points requirement will be used to determine EER Program acceptance, regardless of how you are receiving the retirement incentive.

Q: Why are there limits on EER Program participation?
HP's goal is to make the EER Program available to as many employees as possible, while at the same time including safeguards to prevent a material impact on our U.S. pension funding. By placing limits on overall EER Program participation, we're able to offer this opportunity to a broader group of U.S. employees, and anticipate that the large majority of employees who apply will be accepted for participation.

Q: What are the chances I will be accepted?
HP anticipates that the large majority of employees who apply will be accepted, but your specific chances will depend on your circumstances and on total enrollment in the EER Program. Since it may be necessary to increase the minimum age-plus-service points required for participation, your chances will be greater the higher your number of points (see your EER Program Personalized Fact Sheet for your total points). If application rates are similar to previous EER programs, it is likely that everyone who applies will be accepted.

Q: Will exceptions be made for individuals who barely miss the points cutoff?
No. Only those employees who meet the eligibility requirement will be eligible for the EER Program.

Q: What are the key dates that I need to be aware of while considering whether to retire under the EER Program?
Key dates for the EER Program are as follows:

EER Program Timeline	Key Dates
Election Period	May 31– June 22, 2012
Last day to submit election decision	June 22, 2012 (5 p.m. Pacific Time)
Last day to revoke election decision	June 22, 2012 (5 p.m. Pacific Time)
Confirmation of EER Program acceptance	June 29, 2012
Confirmation of Designated Retirement Date	July 31, 2012
Designated Retirement Date	Established individually for each participant by HP after the EER Program election period ends. Generally August 31, 2012, but potentially as late as August 31, 2013 as determined by HP.
Earliest day to turn in Waiver and General Release Agreement	Your designated retirement date
Last day to return Waiver and General Release Agreement	45 days following the date you retire from HP

Q: What is the process for submitting my election form?
Once you have made the decision to retire under the EER Program, you will go to the EER Program website on the @hp portal to submit your online election form. You will receive an automated confirmation to your HP work e-mail address that your form has been received by Human Resources (HR) Operations. If anything is not complete on the form, HR Operations will notify you and request an adjustment if necessary.

Q: If my application is accepted, when will I leave HP?
If you apply and are accepted under the EER Program, you must retire on the retirement date designated by HP and communicated to you following your election. Designated retirement dates will generally be August 31, 2012, but may be delayed for up to a year based on HP business needs (not later than August 31, 2013) for a limited number of employees solely at HP's discretion. It is important to keep these requirements in mind when considering whether to apply. **Participants will not have the opportunity to revoke their election following the end of the EER Program election period, and failure to continue employment with HP until the designated retirement date will result in the loss of all EER Program benefits.**

Q: Can I choose a different (earlier or later) retirement date?
No. You can discuss your preferences with your manager or supervisor, but you must retire on the designated retirement date communicated to you following your election. Designated retirement dates will generally be August 31, 2012, but may be delayed for up to a year based on HP business needs (not later than August 31, 2013) for a limited number of employees solely at HP's discretion. The only exceptions are for eligible employees who are notified of workforce reduction (WFR) status or who terminated employment before the EER Program opened.

Q: Can I extend my retirement date by using my vacation?
No. You cannot extend your retirement date beyond the designated date communicated to you following your election to retire under the EER Program. If you elect to take some of your vacation prior to your retirement date, you can do so subject to normal approval requirements by your manager. Any unused credited vacation time generally is not eligible for payout unless required by law in your primary work state (currently limited to California, Illinois, Massachusetts, Montana and Nebraska).

Q: Do I need to tell my manager that I have elected the EER Program?
No. The decision whether to inform your manager is a personal one and up to you. HP will notify your manager only after the EER Program election period has ended, and only if your age-plus-service points meet the final EER Program requirements. If you are not accepted because your points are less than the final EER Program requirements, your manager will not be made aware of your election.

Q: If I retire under the EER Program, can I be considered for reemployment or contract work in the future?
If you retire under the EER Program, you cannot be rehired or perform contract work for HP for a period of 24 months following your retirement date. After that time, you may be considered for reemployment or contract work based on business needs and your skills/experience.

Q: Can my manager prevent me from participating in the EER Program?
Your manager or supervisor cannot deny you the opportunity to retire under the EER Program, but can decide to defer your retirement date until as late as August 31, 2013.

Q: Can I change my mind after I have submitted the EER Program Election Form?
Yes, but only if you revoke your election before the EER Program election deadline. You can submit a revised online election form to revoke your election at any time prior to the enrollment deadline (5:00 p.m. Pacific Time on June 22, 2012). All elections are irrevocable once the election window closes.

Q: If I retire under the EER Program, can I still seek employment elsewhere?
Yes. If you retire under the EER Program, you are not required to "retire," and you are free to seek employment outside of HP. Under HP policy, you will not be eligible to be rehired by HP for at least 24 months. You should also carefully review the required EER Program Waiver and General Release Agreement for any limitations on employment with competitors of HP that may apply.

Q: If I decide not to apply for the EER Program, is there anything I need to do?
No. If you do not wish to apply for the EER Program, you do not need to take any action. You will automatically be deemed not to have applied unless you complete the online election form during the election period.

Q: What is the Service Date used to determine my age-plus-service points and my EER Program retirement incentive amount?
Your Service Date is the same date that is used to determine your eligibility for vacation or Paid Time Off (PTO) benefits. Your Service Date is shown on your EER Program Fact Sheet and can also be viewed from the "job history" panel on the @hp portal. To view your Service Date, go to the main page of the @hp portal > Careers, Policies & Total Rewards > Personal Information > Personal Data > Job History. Be sure to reference your "service date", not your "hire date" or "company seniority date". Credit for partial years of service is based on the number of months you have worked, with partial months counted as a full month.

Keep in mind that in many cases your Service Date may vary from your hire date. If you left HP in the past and were rehired at a later date, your Service Date will have been adjusted to reflect the period of time you were not working at HP. A similar adjustment may apply if you have taken a leave of absence from HP in the past, depending on when you took the leave and the nature of your leave. Your Service Date also may not reflect certain past service if you joined HP through an acquisition or outsourcing arrangement that did not credit your prior service for vacation purposes, or if you had a break in service prior to joining HP.

Q: What should I do if I think my Service Date, Birth Date or pay is wrong?
If you believe there is an error in the personal information shown on your 2012 U.S. EER Program Fact Sheet, please submit a case to Contact HR via the Contact HR Support Center landing page on the @hp portal, selecting the Enhanced Early Retirement category. Please allow 5 to 7 business days for Contact HR to review your request. ***It is important to submit your request as soon as possible***, since the EER Program election deadline will not be extended even if you are waiting on a determination.

Q: How does the EER Program impact me if I receive WFR notification?
If you receive notification that you are part of a workforce reduction, you can still qualify for EER Program participation. You will automatically be deemed to have applied for the EER Program if you are notified before the EER Program enrollment deadline (June 22, 2012) and are scheduled to terminate employment on or after March 12, 2012. You will retain your original termination date under the WFR program, but can qualify for the additional benefits available through the EER Program starting August 31, 2012, if your age-plus-service points equal or exceed the final EER Program requirements and you complete the applicable EER Program Waiver and Release within 45 days after you are notified of EER Program acceptance. Your EER Program retirement incentive will be calculated based on service through your actual retirement date, and will be offset by any similar benefits paid or payable under the WFR program.

Q: If I don't elect the EER Program, or I am not accepted, could I still be laid off in the future?
Yes. The EER Program is a special opportunity being offered to eligible employees, but if you do not retire under the EER Program there is no change to your ongoing employment with HP. This includes the possibility that any employee may be subject to a workforce reduction initiative based on business needs or other factors. If you are affected by a future workforce reduction, any severance or other benefits payable will be based on then current WFR program provisions.

Q: How do EER Program benefits compare to the WFR program?
The U.S. workforce reduction program covering involuntary terminations was recently amended to provide cash severance benefits calculated as one week's base pay for each year of qualifying service, subject to a minimum of 11 weeks base pay and a maximum of 52 weeks base pay. The EER Program offers a significantly enhanced benefit amount varying based on service. The chart below provides an illustration for varying levels of service:

Years of qualifying service	Current U.S. WFR severance formula	2012 U.S. EER Program retirement incentive
10	11 weeks base pay	7 months (30.3 weeks) base pay
15	15 weeks base pay	9.5 months (41.1 weeks) base pay
20	20 weeks base pay	12 months (52 weeks) base pay
25	25 weeks base pay	14 months (60.6 weeks) base pay
30	30 weeks base pay	14 months (60.6 weeks) base pay

For employees receiving their EER Program retirement incentive in an HP pension plan, the EER Program also gives you the option to defer this amount (thereby deferring taxes) or to roll over your incentive to an IRA, the HP 401(k) Plan or another employer's retirement plan. You can receive part or all of your EER Program retirement incentive in an HP U.S. pension plan if you currently maintain a pension benefit that you earned while employed with HP.

The EER Program also offers special health benefit continuation that is generally not available under the WFR program. EER Program participants qualify to continue HP medical coverage at active employee rates for 24 months following retirement, then can participate in the HP Retiree Medical Program, the Pre-2003 HP Retiree Medical Program or the former Digital Retiree Health Program, depending on program eligibility. If you qualify for the HP Retiree Medical Program after 24 months, you will pay the full cost of coverage, but you will also qualify for special HP credits to your Retirement Medical Savings Account (RMSA), as needed to bring your HP credits up to the $12,000 RMSA program maximum.

Keep in mind the terms of the WFR Program are subject to change in the future.

Q: Will another EER program like this be offered in the future?
At this time there are no plans to offer a similar program again. However, HP reserves the right to make changes at any time based on changing business conditions or other factors.

RETIREMENT INCENTIVE

Q: How is it determined whether my EER Program retirement incentive will be added to my pension or paid in cash?
Your retirement incentive is generally added to the HP U.S. pension plan in which you continue to maintain a benefit and most recently earned benefits while employed with HP. For example:

- Most eligible employees who were employed with HP before January 1, 2003 will have the incentive added to their benefit in the HP Retirement Plan;
- Most employees who joined HP between 2003 and 2005 will have the incentive added to their account in the HP Cash Account Pension Plan; and
- Most employees who joined HP as part of the EDS acquisition in 2008 will have the incentive added to the EDS Retirement Plan.

Your benefit will be paid in cash if you do not maintain any benefits in HP U.S. pension plans, or if your benefits are not attributable to employment with HP (for example, if they are based on past employment with an employer that was acquired by HP). A portion of your benefit also must be paid in cash if your base pay exceeds the IRS maximum of $250,000 per year or your EER Program retirement incentive exceeds Section 415 limits that apply to pension plans. Your EER Program Personalized Fact Sheet indicates whether your incentive will be added to an HP pension plan or paid in cash.

Q: Can I elect to receive my EER Program incentive as cash instead of having it added to my pension?
No. Your retirement incentive will automatically be added to your HP pension plan if applicable, based on the retirement-oriented nature of the EER Program and IRS “constructive receipt” rules that could trigger tax consequences for all participants if a choice were offered to receive cash instead. Keep in mind that participants who receive the incentive in an HP pension plan will have the option to request a distribution of the incentive from the pension plan shortly after leaving HP. Although distributions are taxable (including a 10% penalty tax if you are leaving HP before the year you will reach age 55 and request distribution prior to age 59.5), you will have the option to roll over the incentive to an IRA or another eligible employer retirement program, including the HP 401(k) Plan if you continue to maintain a 401(k) account.

Q: What is the earliest date I can withdraw my EER Program incentive from my pension?
As with all HP pension benefits, EER Program incentives added to your pension are paid on a benefit commencement date that you choose, which can be the first of any month following your retirement date provided the HP Retirement Service Center at Fidelity has received the termination/retirement status code from HP. In order for EER Program benefits to be paid, you will also need to have completed and returned your EER Program Release and Waiver to HP, and your 7-day revocation period must have passed.

Because of the time required to process pension applications and the EER Program Release and Waiver, the earliest benefit commencement date available for EER participants who retire from HP on August 31, 2012 is anticipated to be October 1, 2012, with payments generally received by the first Friday in November.

Keep in mind that due to IRS regulations governing HP pension plans, you will need to allow time for the HP Retirement Services Center to generate an application package based on your selected benefit commencement date. You will then need to complete and return your application before processing of your payments can begin. If you are married, your spouse may also need to sign your application. Any missing information or delays may result in a later benefit commencement date.

You will receive additional details about accessing your pension benefits after you elect to retire under the EER Program. You can also reference the pension payment schedules available on the U.S. EER Program website on the @hp portal at http://hrcms01.atl.hp.com:6605/public/pages/home/en_US/index.htm for more information about timing of pension payments.

Q: If I don't need my pension right away, can I wait and take it later?
Yes. You have flexibility to request payment of your pension benefits shortly after your retirement, or you can defer payment until a later date, typically as late as age 70½. If you wish to defer payment, no action is required until you wish to request payment. When you are ready to request payment in the future, you should contact the HP Retirement Services Center at Fidelity at 1-800-457-4015, or access the Collect Your Pension tool on Fidelity NetBenefits at www.netbenefits.com. You can start the process up to 180 days before your desired benefit commencement date.

Keep in mind you also have the choice to request a distribution of just your EER Program retirement incentive within 12 months of leaving HP, with the remainder of your pension benefit deferred for later payment. Participants in the EDS Retirement Plan are required to wait until retirement age (age 65, or age 55 with age plus years of service equal to 70 or more) to commence payment of existing benefits unrelated to the EER Program.

If you have any questions about the pension application process, contact the HP Retirement Services Center at Fidelity at 1-800-457-4015, Monday through Friday (except New York Stock Exchange holidays) from 5:30 a.m. to 9 p.m. Pacific Time (7:30 a.m. to 11 p.m. Central Time.)

Q: If my retirement incentive is paid in cash instead of added to an HP pension plan, how will I receive it?
If your retirement incentive is paid in cash (because you do not maintain an existing HP pension benefit or a portion of your incentive exceeds IRS limits), it will be paid through HP Payroll as soon as practicable after you have retired from HP, completed and returned your EER Program Release and Waiver, and your 7-day revocation period has passed. Payments will be processed by check or direct deposit, depending on your most recent election on file. Your payment will be subject to all applicable taxes (whether income taxes, FICA taxes or other taxes) and will be included as part of your Form W-2 for the current year.

Q: Can I elect to defer part of any cash payment into the HP 401(k) Plan?
No. EER Program retirement incentive payments are not considered eligible pay under the HP 401(k) Plan, and are not eligible for deferral into your 401(k) account.

RETIREE MEDICAL BENEFITS

Q: If I retire under the EER Program, what retiree health benefits will be available?
You will be eligible to continue HP medical coverage for you and your dependents for 24 months following your retirement, paying the same premium rates as active employees. After 24 months, you will be eligible for one of these three programs, depending on your circumstances:

- Most employees will qualify for the HP Retiree Medical Program, under which retirees pay the full cost of coverage but can use the Retirement Medical Savings Account (RMSA) to help cover premium costs. You'll also receive special HP credits to your RMSA at the time you retire, as needed to bring your total company credits up to the $12,000 RMSA maximum.
- You will qualify for the Pre-2003 HP Retiree Medical Program if you were within 5 years of meeting the program's eligibility requirements on June 30, 2007.
- You will qualify for the former Digital Retiree Health Program if you are a former Digital employee who met eligibility criteria as of February 28, 1999 and remained continuously employed until you were age 55 or older with at least 10 years of qualifying service.

The EER Program Personalized Fact Sheet includes information about your retiree medical eligibility. You can find additional details about each of the programs in the retiree medical and RMSA program summary plan descriptions available on the @hp portal.

Q: Where do I find information about retiree health premium costs that would apply if I retire under the EER Program?
See your EER packet for information about active employee premium costs that will apply for the remainder of 2012 based on your status. Information about retiree program costs that apply after 24 months is available on the U.S. EER Program website on the @hp portal. Keep in mind retiree premium rates are subject to change annually starting each January 1.

Q: The EER Program information says that I'm eligible for 24 months of continued HP medical coverage at "active rates." What does that mean?
This means that if you retire under the EER Program, you will be eligible to continue participation in HP medical benefits for 24 months paying the same net premium costs that active employees pay (after applying all HP-provided BeneFLEX dollars, including BeneFLEX dollars available through the HP Wellness Incentive Program). HP generally pays between 70% and 80% of medical premiums for active employees. Keep in mind that both active employee and retiree premium costs are subject to change annually starting each January 1, and any changes for active employees during the 24-month period will affect your costs as well.

Q: If I am paying active rates for my medical coverage for the first 24 months, how much will I pay after that?
Continued coverage after 24 months will be based on the applicable HP retiree medical program:

- **Most participants will qualify for the HP Retiree Medical Program,** under which retirees pay the full cost of coverage but can use their Retirement Medical Savings Account to help cover premium costs. For information about the full-cost rates currently in effect, see the 2012 retiree rate sheet available on the U.S. EER Program website on the @hp portal. You will see that your retiree costs will be significantly higher than active employee rates (particularly before you become eligible for Medicare) since retirees pay the full premium costs and rates are established only by looking at claims experience for the retiree population. Keep in mind the retiree costs shown are 2012 premiums. Costs are subject to change and will be different when your 24-month active rate period ends.

- **If you qualify for the Pre-2003 HP Retiree Medical Program or the former Digital Retiree Health Program**, your premium costs will be based on then current rates that apply under these programs.

Q: If I retire and don't need medical coverage through HP, can I decline coverage and re-enroll later? Would I still qualify for the 24 months of active rates?

HP retirees can decline HP coverage if covered by another employer's plan (including your spouse's employer's plan) and retain the option to re-enroll at a later date. However, you will only be permitted to re-enroll if you do so within 31 days of losing other employer coverage. Re-enrollment is not permitted under any other circumstances, even during the annual benefits enrollment period.

If you are eligible for 24 months of continued medical coverage at active rates through the EER Program, this period will end 24 months after you leave HP, regardless of whether you are participating in HP coverage. For example, if you defer HP coverage for 18 months and then re-enroll, you will have 6 months of coverage remaining at active rates.

Q: Through the EER Program I can qualify for the Pre-2003 HP Retiree Medical Program or the former Digital Retiree Health Program. If I don't choose to retire now, can I still qualify for these programs in the future?

Yes. At this time no changes to eligibility for these retiree medical programs are planned, so you can qualify if you leave HP at any time after satisfying program eligibility requirements. Keep in mind, however, that regardless of whether you elect to retire under the EER Program, HP reserves the right to make changes to retiree medical programs at any time based on changing business conditions or other factors. Also keep in mind that even if you qualify for these retiree medical benefits in the future, eligibility for 24 months of coverage at active employee rates is only available through the EER Program.

Q: What if I'm eligible for the HP Retiree Medical Program, under which retirees pay the full cost of coverage. If I don't choose to retire now, can I still qualify for this program in the future?

Yes, you can still qualify for the HP Retiree Medical Program in the future, as long as you satisfy program eligibility requirements. These requirements are subject to change, but under current program terms employees can qualify if they leave HP at age 55 or older with at least 10 years of qualifying service, or if they leave HP with age-plus-service equal to 80 or more years. If you leave HP before satisfying program criteria, you will not be eligible for retiree benefits.

Keep in mind that even if you qualify for the HP Retiree Medical Program in the future, eligibility for 24 months of coverage at active employee rates and for special HP credits to the RMSA program are only available through the EER Program.

Q: If I retire under the EER Program, how will I enroll in retiree medical coverage?

You will receive details about enrolling in HP retiree medical coverage following your election to retire under the EER Program. In most cases, your current HP medical coverage will continue automatically. You will also have the opportunity to newly enroll in coverage (if you are not participating today) within 31 days of your retirement date.

Q: After I retire under the EER program, will I have to enroll for medical benefits every year?

No. Unless you make a change, your benefits will generally continue from year to year, subject to changes in benefit provisions and premium costs. You will have options to make changes during the annual benefits enrollment period or following a qualified status change.

Q: Once I retire, can I set up automatic payment of premium costs?

Yes. For convenience, you have the option to pay for your HP medical coverage costs through direct debit from your savings or checking account. You will receive additional information about this option at the time you leave HP.

Q: My spouse and children are covered under another employer's medical plan. Can I add them to my retiree medical coverage if they lose coverage?

Yes. Once you are enrolled in HP retiree medical coverage, you can make changes or add or drop eligible dependents during the annual enrollment period or within 31 days of a qualified status change. This includes your spouse or eligible children losing other coverage.

RETIREMENT MEDICAL SAVINGS ACCOUNT (RMSA)

Q: What is the Retirement Medical Savings Account, and how does it work?
The RMSA is a tax-favored account that allows employees age 45 and older to build up funds for future health care needs. HP provides matching credits for certain eligible employees who joined HP before August 1, 2008, subject to a lifetime maximum of $12,000 per person. As an EER Program participant, you can use your RMSA to pay for a wide range of future health care needs after retiring or leaving HP, including medical, dental or vision expenses; health insurance premiums (including premiums for HP coverage); Medicare premiums; and more. Depending on your eligibility, HP may also make a special credit to your RMSA at the time you leave HP, as needed to bring your total HP credits up to the $12,000 RMSA lifetime maximum.

Q: How do I file a claim against my RMSA account?
If you leave HP under the EER Program, your account will be available to pay for eligible health care expenses immediately following your retirement. As soon as you incur eligible expenses, you can file a claim for reimbursement through the Your Spending Account website, accessible from Your Benefits Resources website. Eligible expenses must be submitted no later than 18 months after the date you receive services (or in the case of premium payments, within 18 months of the time period for which the premiums apply).

Q: Will amounts that HP credits to my RMSA account be considered taxable income for me?
No, HP credits to your Retirement Medical Savings Account are not considered taxable income. HP credits also earn interest on a tax-free basis, and are paid out tax-free as reimbursement for eligible health care expenses after you retire from HP.

EQUITY AWARDS AND ESPP

Q: What happens to my HP performance-based restricted units?
You will receive a release of shares (if any) in connection with any performance-based restricted units (PRUs) you currently hold from HP plans based on the actual performance results of those PRU programs at the end of the 3-year performance period. Any release of shares with respect to your PRU grants will be pro-rated based on your number of whole months of active service during the performance period of each program under which you hold a grant. If actual performance is below the minimum threshold, no shares will be released.

Q: What happens to my restricted stock awards or restricted stock units?
Generally, any restricted stock awards or restricted stock units granted under an HP plan will either continue to vest or vest in full upon retirement depending on the terms and conditions of the applicable award agreement. Restricted stock awards and restricted stock units assumed by HP as a result of a merger or acquisition will follow the terms of the original award agreement. If the original award agreement provides for special treatment upon retirement, you will be deemed to have met the retirement criteria.

Q: What happens to my stock options?
Generally, unvested stock options granted under an HP plan will vest immediately upon retirement, and you will have up to three years or the original expiration, if earlier, to exercise. This also applies to Compaq plan options granted after May 2002 and EDS plan options granted after August 26, 2008. Incentive stock options and stock options assumed by HP as a result of a merger or acquisition will follow the terms of the original award agreement. If the original award agreement provides for special treatment upon retirement, you will be deemed to have met the retirement criteria.

Q: What if I have stock options that were granted by a company that was acquired or merged into HP?
For stock options that were granted by a company that was acquired or merged into HP, the treatment will depend on your termination status and the terms of the applicable plans or agreements. For instance, EDS plan options issued before August 26, 2008 generally will immediately vest upon termination due to retirement, and you will have two years or the original expiration date, if earlier, to exercise the stock option. If the original award agreement provides for special treatment upon retirement, you will be deemed to have met the retirement criteria. Refer to your award agreement(s) for the terms that apply to your stock options.

Q: When is the last day I can exercise my stock options?
The expiration date shown on the Merrill Lynch website is the last day that your stock option(s) is available for exercise. You must exercise your stock option(s), if at all, on a day that the New York Stock Exchange is open for trading and before the Expiration/Last Date to Exercise, which is shown on the Grant Summary page located in the Equity Plans tab on the Merrill Lynch website. The New York Stock Exchange is open from Monday through Friday 9:30 a.m. to 4:00 p.m. Eastern Time, except for stock exchange holidays. You are solely responsible for tracking your own stock option expiration dates. You can contact Merrill Lynch at www.mybenefits.ml.com or call Merrill Lynch at 888-447-7862.

Q: Who can I contact with equity questions or to obtain my equity award information?
You may view your current equity awards on the Merrill Lynch website at www.mybenefits.ml.com or you can call Merrill Lynch at 888-447-7862.

Q: Will I see any adjustments to my equity awards before my retirement date? What about after my retirement date?
The Merrill Lynch website will not show adjustments to your award(s) as a result of your retirement until after your retirement date. For example, any accelerated vesting or changes to your post-retirement exercise period cannot be updated until after you have left HP. After you have retired from HP, the Merrill Lynch website will be updated to reflect any changes relating to your retirement.

Q: Can I continue to contribute to the Employee Stock Purchase Plan during the EER Program election period?
Yes. The deductions from your pay will continue at the same percentage, unless you elect to stop your contributions by withdrawing from the ESPP, until your retirement date. You can contact BNY Mellon Shareowner Services (BNYM) at 1-888-892-4853, via their website on the @hp portal (under Human Resources / Total Rewards / Equity Programs / Employee Stock Purchase Plan), or via the internet: http://bnymellon.com/shareowner/equityaccess. No ESPP deductions will be taken from your EER Program retirement incentive.

Q: If I am accepted into the EER program, what happens to the contributions I have made to the ESPP for the current offering period?
If your retirement date is before the purchase date on October 31, 2012, any contributions made to the ESPP will be refunded to you, and no stock will be purchased.

Q: What happens to stock that I've already purchased through the ESPP?
The shares you have purchased through the ESPP will remain in your account at BNYM until you sell them or transfer them to another broker. You may continue to hold your HP Shares in your BNYM account as long as you wish.